

**CITY OF CAYCE
Special Council Meeting
Wednesday, May 11, 2011**

The Special Council meeting was held this afternoon at 3:00 p.m. in Council Chambers. Those present included Mayor Elise Partin, Councilmembers Steve Isom, Tim James, James Jenkins, and Kenneth Jumper, City Manager Rebecca Rhodes, Tammy Barkley, Municipal Clerk, and Garry Huddle, Municipal Treasurer. Thomas White, Sanitation Manager and Chief Charles McNair, Director of Public Safety were also in attendance. Mayor Partin advised that members of the press and the public were duly notified of the meeting in accordance with the FOIA.

Mayor Partin called the meeting to order. Councilmember Jumper gave the invocation and the assembly recited the Pledge of Allegiance.

Other

A. Approval of Proclamation – National Tourism Week

Council considered for approval a Proclamation recognizing May 7-15, 2011 as National Tourism Week. Councilmember Jumper made a motion to approve the Proclamation as presented. Councilmember James seconded the motion which was unanimously approved by roll call vote.

B. Presentation by Robert Milhous, City Auditor, Re FY11-12 Utility Rate Structure

City Auditors Robert Milhous and Jamie Michaelson presented to Council several scenarios regarding the City's Utility Rate Structure for FY11-12. Mr. Milhous stated that the City has to meet the budgetary requirements of the bond indenture of trust which states that Utility rates must produce 15% more net profit than costs. Mr. Michaelson presented Council with projected rate increase scenarios of 0% increase, 5% increase, and 10% increase stating that a 0% increase would not produce the promised 115% bond debt coverage; a 5% increase would possibly net the 115% bond test, and 10% would net above the bonds test of 115%. Mr. Milhous and Mr. Michaelson also provided Council with comparisons of the current in-City and out-of-City rates versus proposed increased rates of 5% and 10% as compared to surrounding municipalities and the affect it would have on a resident's average bill. Council asked that they be provided with a chart showing a 7.5% increase in rates. Councilmember James suggested that as much information as possible be communicated to the citizens regarding increases being proposed. Ms. Rhodes stated that the City's Public Relations

representative was in attendance and would be assisting the City in communicating information to the citizens and businesses.

C. Discussion of and Possible Action on Increasing Commercial Sanitation Rates

Ms. Rhodes provided Council with the additional information requested regarding the cost per pick up of Commercial sanitation. She stated that one-third of the Sanitation Budget goes toward Commercial sanitation or a total of \$346,376. She explained the breakdown in the number of accounts and cost per pick up. She stated that commercial customers have stated they would rather see the cost of service increase rather than having to go with an outside source as the service provided by the city is outstanding. She stated that the calculations provided to Council breaks down to a cost to the City of \$13.21 per pick up or \$26.42 per week. She stated in reviewing the current rates for this service, the City is not covering its costs. Ms. Barkley stated that any pickup over the twice per week provided is charged at \$10 per pickup and there are some that receives pick up service each day such as restaurants. Councilmember Isom inquired if businesses had been approached to obtain their input about a rate increase. Mr. White stated that he has advised some new customers that the City is currently discussing raising the costs and he has not received any negative feedback from these conversations. Mayor Partin inquired if the increase in gasoline had been included in the proposed budget. Ms. Rhodes stated that a 15% increase has been included. Council agreed that the additional pickups should increase from \$10 to \$15 so that the City could recover its costs. She stated that the goal is to make sure the City covers all of its costs by the customers who use the service so that the City's residential taxpayers do not have to subsidize these services. Councilmember James asked that a letter or notice be sent that includes changes in fees being discussed advising Council would appreciate their comments. Councilmember Jenkins stated that whether or not a letter goes out, it is apparent that Council will need to make the decision that the fees need to be increased.

D. Continued Discussion of Proposed FY11-12 Budget

Ms. Rhodes stated that the General Fund as presented is balanced at \$8,966,298 which is -.87% less than the FY10-11 Budget. Mayor Partin inquired as to the amount of the Local Aid to Subdivision. Mr. Huddle advised that the actual amount is included in the proposed budget. Ms. Rhodes stated that a number of the revenues are projected to be lower than last year due to the economy. She stated that the one things that was advantageous is that the City did get an entire year of FILOT from all of the SCANA properties. Councilmember James inquired as to why the amount of the indirect transfer was lower than last year. Mr. Huddle explained that the amount had really not decreased, but the amount was included in three categories—indirect transfer, the budget in both the property taxes line item and the business license line item (FILOT and Franchise Fees of the City's Utilities).

Ms. Rhodes stated that the proposed budget includes a .7 mill increase in property taxes which equates to an additional \$3.00 on a taxpayer's home valued at \$100,000. She stated it also includes an increase in the residential sanitation fee from \$1.50 a month to \$3.00 a month, the increase in commercial sanitation fees as discussed earlier, a 5% increase in employee health insurance costs, an estimate of the City's general insurance costs, a reduction in sanitation expenses for the reduction of the twice a week pick up service, funding for six months of lease/purchases for 15 patrol cars, 3 unmarked police vehicles, 6 trucks, 2 SUVs and 1 rear loader sanitation truck. It includes the FILOT and Franchise Fee from the City's Utilities. She stated it also includes the latest funding request from CMRTA of \$19,150, and a reduced list of capital items that were requested. She stated that not included in the budget was any new personnel or salary upgrades except one partial upgrade, no COLAs or Merit increases, the funding request from Midlands Housing Alliance in the amount of \$25,000, the funding request from Navigating from Good to Great in the amount of \$25,000, the City's Christmas drop-in, and any possible business license income that may result from current negotiations.

Councilmember Jenkins inquired how soon Council could start discussing putting funds in the budget for staff salary increases. Ms. Rhodes stated that during her discussions with the Department Managers, she asked what they needed most—equipment that worked or raises for their staff. She stated most of them wanted better equipment as did most of their employees. She stated that the problem is that if you continue with not providing raises, you risk the problem of losing your employees to other entities. Councilmember Jenkins suggested that maybe there was some other type of benefit that could be given to employees. Ms. Rhodes stated that an idea that came to mind was changing office hours to 8:30 – 5 pm, but that would only provide a benefit for in-office staff. She stated more detailed information will be forthcoming on certain items such as general insurance and would keep Council updated. Ms. Rhodes thanked the Department Heads for assisting her with the budget and getting it balanced. Councilmember James stated he would like to have the whole picture before consideration is giving to cutting items from the budget. Ms. Rhodes advised that ISO is currently visiting the City going over training, staffing, etc. to determine if our ISO rating will remain the same. She stated an official report would not be received for three to six months, but the representative will provide a general report prior to his departure from the City which will give the city a better idea of any items that may affect the budget.

Executive Session

- A. Discussion of Increases in Compensation for Certain Staff Positions as Requested for FY11-12

Councilmember Jenkins made a motion to move into Executive Session to discuss the matter above. Councilmember Jumper seconded the motion which was unanimously approved by roll call vote.

Reconvene

After the Executive Session was concluded, Councilmember James made a motion to reconvene the Regular meeting. Councilmember Jenkins seconded the motion which was unanimously approved by roll call vote. Mayor Partin announced that no vote was taken in Executive Session other than to adjourn and resume the Regular meeting.

Possible Actions by Council in follow up to Executive Session

No action by Council was taken in follow up to Executive Session.

Council discussed the possibility of providing raises for the staff noting that they have not received a salary increase in three years. Ms. Rhodes stated that if Council wanted her to include a 2%-3% salary increase in the budget, she could come up with that amount by not including any capital equipment in the General Fund. She stated that in reference to freezing positions, there is not much turnover with the in-office personnel. The most turnover the City experiences is in the Public Safety and Utilities departments and it is important to fill these positions to provide services to our residents. Ms Rhodes stated that she wanted to clear up the matter regarding the business license pending issue so that funds could possibly be available for FY11-12 salary increases, IT, and additional capital expenditures. She advised that a meeting has been schedule on this issue on May 12 and would keep Council up to date.

Council scheduled the next Budget Workshop for May 18, 2011 at 3:00 p.m. The Public Hearings and first readings of the Ordinances for the FY11-12 Utility Rates and Budget will be held at the June 7, 2011 Regular Meeting.

Councilmember Jumper made a motion to adjourn the meeting. Councilmember Jenkins seconded the motion which was unanimously approved by roll call vote. The meeting adjourned at 6:10 p.m.

Elise Partin, Mayor

ATTEST:

Tammy P. Barkley, CMC, Municipal Clerk