

**City of Cayce
Public Hearings and Special Council Meeting
Friday, June 22, 2012**

A Public Hearing was held at 3:30 p.m. in Council Chambers to obtain public comment on the proposed increase in Residential Sanitation fees. Those present included Mayor Elise Partin, Councilmen Steve Isom, Tim James, James Jenkins, and Kenneth Jumper, City Manager Rebecca Rhodes, Tammy Barkley, Municipal Clerk and Garry Huddle, Municipal Treasurer. Mayor Partin advised that members of the press and the public were duly notified of the Public Hearing in accordance with the FOIA.

Opening Statement

Ms. Rhodes stated there are two scenarios proposed in the budget. The first scenario has an increase in Sanitation fees of \$1.50 per month or \$3.00 extra bi-monthly. She stated a resident's fee would go from \$1.50 to \$3.00 each month or an increase of \$18.00 per resident per year. She stated that currently the City provides complete service including pick up of garbage, yard trash, recycling and white goods for \$1.50 per month. She stated this brings the city about \$79,200 and the service altogether costs the city \$616,485 to provide. She stated the fees the city is getting are obviously not paying for the service and she would like to get to the point where it pays for itself. She stated that is why she is proposing a small increase in the rate now and a steady increase in the fee to assist in covering the cost of this service. She stated that in order to actually pay for the service itself, the fee would need to be \$11.67 per month per customer. She stated that staff has reviewed neighboring municipalities and the rates they charge and by far, the City of Cayce has the lowest rate. Ms. Rhodes provided additional information on the shape of the equipment used to service residential sanitation services and the costs involved in purchasing new equipment and keeping the older models running. She stated that it is getting to a point where the city is receiving complaints, especially in the fall, about the city being behind on pick up and it is mostly due to the condition of the equipment and having to wait on parts that are sometimes no longer available due to the age of the fleet.

Public Testimony

Ms. Karen Wigfall, 1145 Allen Street – Ms. Wigfall stated that she was not in favor of raising the sanitation fee. She stated that there were many people in Cayce, especially the senior citizens, that would be unable to come up with additional funds to pay the increase.

Mr. Einar "Vik" Vevik, 1821 Cupstid Street – Mr. Vevik stated that he spoke to half of the residents on Cupstid Street and everyone wants the Cayce Sanitation

Department to continue to provide the service and not contract it out. He stated that they do not mind the increase that is being proposed and are absolutely convinced that if the City contracts out the service, it will cost the citizens more and the quality of service will suffer. He stated that a friend of his who lives in Pine Ridge is paying \$14.00 a month for his service. He stated the staff of the Sanitation Department is absolutely the best. He stated they are efficient and courteous and when they leave, there is no trash laying around the containers. He stated that he and his neighbors implore Mayor and Council to continue to let the Sanitation Department provide this service.

Close Hearing

Mayor Partin closed the public hearing noting that no further public comment was received.

A Public Hearing was held immediately following the above in Council Chambers to obtain public comment on the proposed FY2012-2013 Annual Budget for the City of Cayce. Those present included Mayor Elise Partin, Councilmen Steve Isom, Tim James, James Jenkins, and Kenneth Jumper, City Manager Rebecca Rhodes, Tammy Barkley, Municipal Clerk and Garry Huddle, Municipal Treasurer. Mayor Partin advised that members of the press and the public were duly notified of the Public Hearing in accordance with the FOIA.

Opening Statement

Ms. Rhodes stated that two scenarios have been presented for review. She stated that scenario one includes an increase in millage by the CPI of 1.34 mills which equates to an increase in property taxes on a \$100,000 valued home to \$5.36 per year. She stated that will only bring the City an additional \$58,000 in additional revenues. She stated that last year the City increased millage by 5 mills to cover the deficiency the previous year's budget experienced. She stated that for the upcoming fiscal year, the 5 mills will be deducted, making the City's total millage 43.27 versus last year's millage of 46.93 mills.

She stated that this scenario also includes an increase in the sanitation fee of \$1.50 per month or \$3.00 per bimonthly bill. She stated the City currently receives \$79,200 and the increase will bring the City approximately \$79,200 in increased revenues and will cost each residential property owner an extra \$18.00 per year.

She stated that scenario one does not include the half year lease/purchase for a front loader sanitation truck for commercial pick up. She stated that as she has mentioned before, she would like to discuss commercial sanitation service with Council. She stated that she and the Sanitation Manager's recommendation is to get out of the commercial sanitation business. The final OPEB numbers have been received and they are less than anticipated, and the price of the limb grabber was lower than previously

budgeted so we were able to purchase additional equipment requests in this fiscal year which reduced the amount of capital equipment requests for FY12-13.

She stated that scenario two includes the 1.34 mill increase in property taxes, the reduction in the OPEB numbers, and the reduction of capital equipment. She stated that this scenario does not include an increase in sanitation fees.

She stated that it also does not include the lease purchase for the front loader sanitation truck, paving a portion of the Public Safety parking lot and a Compensation Study and update of job descriptions. In addition, she stated that this scenario includes a reduced number of vehicle purchases on a half year lease/purchase, a reduced number of computers, and a reduced number of 800mhz radios.

Public Testimony

No public testimony was given.

Close Hearing

Mayor Partin closed the public hearing noting that no public comment was received.

The Special Meeting immediately followed the Public Hearings. Those present included Mayor Elise Partin, Councilmen Steve Isom, Tim James, James Jenkins, and Kenneth Jumper, City Manager, Rebecca Rhodes, Tammy Barkley, Municipal Clerk and Garry Huddle, Municipal Treasurer. The following were also in attendance: City Attorney, Danny Crowe, City Auditors Bob Milhous and Jamie Michaelson, Frank Robinson, Director of Utilities, Shaun Greenwood, Director of Planning & Development, Charles McNair, Director of Public Safety, and Thomas White, Manager of Sanitation. Mayor Partin advised that members of the press and the public were duly notified of the Public Hearing in accordance with the FOIA.

Call to Order

- A. Invocation and Pledge of Allegiance

Other

- A. Approval to Amend the FY11-12 Budget to include the purchase of additional capital equipment

Ms. Rhodes stated that as discussed at the previous meeting, there were several capital items requested in the FY12-13 budget that the City was able to purchase in this fiscal year with additional business license revenues. She stated that the equipment has been purchased and the FY11-12 budget needs to be amended to accurately

account for these expenditures and provided Council with a list of these items. Councilmember Jenkins made a motion to approve the amendment of the FY11-12 budget to include the purchase of additional capital equipment. Councilmember James seconded the motion which was unanimously approved by roll call vote.

B. Continued Discussion of the FY12-13 Budget

Ms. Rhodes stated that she had provided Council with the details of both scenarios at the two previously held public hearings and inquired if there were additional questions from Council. She stated that in reference to the Sanitation Fees, she was able to send out an email to the neighborhood leaders and other contacts to get their feedback on the increase in sanitation fees and that information has been provided to Council. Ms. Rhodes briefly repeated the highlights of scenario one and two of the proposed FY12-13 budget.

Councilmember Isom inquired if the Cost of Living increase was still included in the budget. Ms. Rhodes stated that a 2% COLA is included in both scenarios.

Mayor Partin inquired if staff was still using pencil and paper to do business in the City. Ms. Rhodes stated that the building permits that are issued are actually placed in a ledger book and then entered into an excel spreadsheet. She stated that unfortunately staff does not have a program for this process. She stated the city's computers are on an every three to four year replacement plan and depending on the budget, staff tries to adhere to the replacement schedule.

Mayor Partin inquired about the comment that was made about the City's water and sewer rates going up and how the City's water and sewer rates compare to outside rates. Ms. Rhodes stated it is a benefit to owning a water and sewer plant because you own your own destiny and rates. She stated that originally taxes and water and sewer rates could be combined. That is no longer considered a good practice and that is the reason for the two accounts, General Fund and Utilities Fund. She stated that in town residents basically used their property taxes to build the water and sewer system and that keeps the City from having to pay a middle man for these services. She provided Council with information on the surrounding communities with regard to who provides them with water and/or sewer service. She stated that outside city rates are double the inside city rates. She stated that these customers were not in it together with in city residents when the plants were built and funded by the City's taxpayers. She stated that the FY12-13 budget did not include an increase in either water or sewer rates.

Mayor Partin stated that last year the city purchased a large amount of vehicles and the problem is that it would be wonderful to never raise rates or taxes, but you then have to do other things. One would be to reach out and recruit other businesses into the City, and you have a continuing capital replacement plan so that you do not end up with aging infrastructure. She stated that when she became Mayor there was no economic development recruitment in place and the capital replacement plan was not

up to date. Ms. Rhodes provided information on the number of vehicles replaced last year and stated a City the size of Cayce needs a fleet management plan or you are going to have to pay to keep the old vehicles running. She stated it costs us less to do lease/purchases on new vehicles rather than put a \$5,000 engine into a vehicle that is only worth \$1,500. She stated that the key is that if you do not buy it this year, it is moved to the next year for replacement and you continue to pay higher prices to keep that vehicle running. She stated that all the employees need either a vehicle or computer to do their jobs. She stated her job is to get them the equipment they need to do their job and if we do not want to buy the equipment, we need to look at not providing the service.

In reference to economic development, Ms. Rhodes stated that if you are a developer and want to build a commercial building or subdivision, if you came to our buildings and looked at our vehicles, would you want to invest here. She stated unfortunately when there is water coming through the ceilings, paint chipping off everywhere, carpet that you can not clean anymore or vehicles that are broken down or look horrible, that does not put a whole lot of faith in a developer wanting to come to Cayce. She stated they ask themselves if the City cannot take care of itself why would it take care of me and that is something we are trying to turn around.

She stated that the other thing is that we do have over 110 vehicles and equipment so every year you should be replacing something. Every year you will be buying cars, replacing a sanitation truck, every year there is something that has to be replaced and you are better off doing it piece by piece each year rather than having to buy 20 plus vehicles in one year. She stated that there should be a plan and you should try to stick with it. She stated that you are going to spend the money if you want to provide the service.

Mayor Partin stated that if Council does not vote to increase the sanitation fees, then she believes with the information Ms. Rhodes has shared with Council, Council will need to start having discussions about closing out residential service. Ms. Rhodes stated the first thing to be discussed is closing out commercial service since we were unable to purchase the commercial sanitation truck and Mr. White recommends discontinuing the service. She stated the second is do we want to continue to provide residential sanitation service and if we do and want to provide full service, we need to decide on how to invest in the equipment to keep it running. She stated that in the position we are in now, we are having delays in service because we are unable to keep the equipment running. She stated that Council needs to seriously have that conversation on whether we want to try and stay in the residential or commercial service, how to invest to keep the trucks running so we can continue to offer quality service, or whether they want to privatize services.

Councilmember Isom stated that we talk about plans and they are great if you can afford the plans. The citizens of the city also have 1995 cars and trucks and that he is sure they would like to have something new but can not afford it. He stated as

elected officials, we represent these citizens and if they can not afford to get new cars, why should we expect new vehicles all the time. He stated that it does not take a lot of advance thinking to look down the road and see economic times may or may not improve next year or so. He stated that Council needs to look at different strategies of cutting some services. He stated that if you looked at the paper within the last few days, the County raised taxes and now we are talking about raising taxes in the City. He stated that you can not continue to raise taxes on the citizens when their income is not going up. He stated that this has to stop.

Mayor Partin stated that she does not want us to pretend here today that if we do not raise rates and with the knowledge that we have, that we are actually saving the people in our community money because we then start looking at getting rid of this service and it goes private and it will cost a whole lot more money for our citizens . She praised the employees of the sanitation department for the work that they do. She stated that lastly, to recap, we have the lowest water and sewer rates in general in the County, we have the lowest sanitation rate in the County and the lowest taxes in the County and she just wanted to say thanks to our staff for doing a phenomenal job. She stated that she wants the employees to have the equipment to do the job we are asking them to do to take care of the residents and our city. She thanked the employees for all that they do.

C. Approval of Ordinance Amending the Amount of the Fee for Residential Sanitation Service – Second Reading

Councilmember Jenkins made a motion to approve the amendment to the residential sanitation services fee from \$1.50 per month to \$3.00 per month as recommended on second and final reading. Noting no second was made to the motion, Mayor Partin announced that the motion died.

D. Approval of Ordinance to Adopt an Annual Budget for the City of Cayce for FY12-13 – Second Reading

Councilmember Jenkins made a motion to approve the Ordinance to Adopt scenario 2 Annual Budget for the City of Cayce for FY12-13. Councilmember James seconded the motion. The motion passed three to two by roll call vote with Councilmembers Jenkins and James and Mayor Partin voting yes and Councilmembers Isom and Jumper voting no.

Executive Session

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

- A. Discussion of negotiations incident to proposed contractual arrangements for wastewater treatment services between the Town of Lexington, Joint Water & Sewer Commission and the City of Cayce

Councilmember Jenkins made a motion to move out of Executive Session and reconvene the regular meeting. Councilmember James 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

Councilmember Isom made a motion to authorize the City Manager with the assistance of the City Attorney and City auditors to provide a letter to the Town of Lexington and the Joint Water & Sewer Commission representatives advising of the City's position as discussed in Executive Session. Councilmember Jenkins seconded the motion which was unanimously approved by roll call vote.

Mr. Crowe advised Council of the court's decision that limits amending agendas and that the ultimate upshot of that decision is that more special meetings will be held and scheduled allowing cities more time to place items on agendas and give a 24 hours notice of the meetings.

There being no further business, Councilmember Jenkins made a motion to adjourn the meeting. Councilmember Jumper seconded the motion which was unanimously approved. The meeting adjourned at 6:20 p.m.

Elise Partin, Mayor

ATTEST:

Tammy P. Barkley, CMC, Municipal Clerk