

**City of Cayce
Special Council Meeting
June 7, 2012**

A Special Council Meeting was held this evening at 5:45 p.m. in Council Chambers. Those present included Mayor Elise Partin, Councilmen Steve Isom, Tim James, James Jenkins, City Manager Rebecca Rhodes, Municipal Clerk Tammy Barkley, and Municipal Treasurer Garry Huddle. Councilmember Jumper was unable to attend. The following staff members were also in attendance: Thomas White, Shaun Greenwood, and Charles McNair. Mayor Partin advised that members of the press and the public were duly notified of the meeting in accordance with the FOIA.

Call to Order

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

Other

A. Discussion of FY12-13 Draft Budget

Ms. Rhodes presented Council with a balanced budget at \$9,688,106 and provided Council with an overview of items included in the budget:

1) A 1.34 millage increase in property taxes – Ms. Rhodes stated that the increase is based on the increase of CPI of 3.2% allowed by State law. She advised that 1 mill in the City of Cayce brings the City approximately \$42,860 and costs the owner of a \$100,000 home \$4.00 per year. She stated the 1.34 millage increase would bring the City approximately \$58,000 and would cost the owner of a \$100,000 home about \$5.36 per year. She stated that the budget shows a decrease in the millage based on the fact that the 5 mills added for last year's budget deficit have been subtracted and the 1.34 millage increase has been added (current millage 46.93 less 5 mills = 41.93 plus 1.34 mills = 43.27 mills).

2) A \$6.00 per bi-monthly bill increase in residential sanitation base fee-- Ms. Rhodes stated that the monthly bill would be \$4.50 and bi-monthly bill would be \$9.00. She stated that the increase would begin to attempt to pay for residential sanitation service. She stated that the current rate brings the city approximately \$79,800 in revenue. She stated that it costs the City approximately \$13.40 per customer per month to provide this service and the increase would bring the City approximately \$158,400 more revenue per year. Ms. Rhodes provided Council with comparison charts regarding rates versus costs for both residential and commercial sanitation service

provided by the City. Councilmember James inquired as to the current balance of the revenue account for this line item. Mr. Huddle advised that there is approximately \$58,000 in this account and it is used to pay monthly lease/purchase costs for sanitation equipment only. Ms. Rhodes stated that she would like to see that the additional revenue realized by an increase in the rate be used for operations. She stated that as Council could see on the chart, it costs the city \$616,000 to provide the service and with revenues at \$79,800, the City's millage is making up for a substantial portion of the cost to provide residential sanitation service.

Ms. Rhodes stated that we are proposing in this year's budget to purchase a used limb grabber. She stated that the charts indicate that we have put \$14,000 in it and it has over 400,000 miles.

3) A 2.5% increase in health insurance costs and a 9% increase in dental insurance costs.

4) Funding for six months of lease/purchases for 9 patrol cars, 1 truck, and 1 front loader sanitation truck. Ms. Rhodes provided Council with current year repair and fuel costs for the Sanitation vehicles and patrol cars to be replaced. Ms. Rhodes stated that the lease/purchase payments for the 9 Public Safety cars is \$76,527 and for the sanitation truck, \$60,579.

5) A 2% cost of living raise for all employees.

Ms. Rhodes stated that the only moving parts of the proposed Budget or items that could possibly be deleted from the budget would be the cost of living raise of 2% in the amount of \$114,373 for General Fund employees and \$55,090 for the O&M budget. She stated that they found ways to include the COLA in the O&M Budget without having to raise rates.

6) A reduced list of the capital items that were requested--Ms. Rhodes stated that she has met several times with each department manager going over the capital items, prioritizing them, and reducing the list of items without creating difficulties for the department's to do their jobs. She stated that with the additional business license revenue received this fiscal year, there were several items that could be purchased now and removed from the FY12-13 budget. She provided Council with a revised list of capital equipment indicating which items could be purchased now, which items could be purchased in FY12-13 and items that could be purchased in future years. She stated that if Council had no objection to this plan, she would direct the department managers to submit purchase orders and purchase the items marked for this fiscal year as soon as possible. She stated that the FY11-12 budget would need to be amended before the end of June for the purchase of these items. Council voiced no objection to the plan as stated above.

7) Funding for two new positions; a full year of funding for a new sanitation employee and a half year of funding for the Special Project Manager position in the Planning & Development Department--Ms. Rhodes advised that when Ms. Barkley retires, her duties of the Municipal Clerk and Assistant City Manager will be split. She stated that Mr. Greenwood would be promoted to the Assistant City Manager position and will continue to oversee the Planning & Development Department and that an additional staff member will be needed to provide assistance to Mr. Greenwood and handle special projects for the City as they arise. She stated that with the volume of projects she has on her plate, she is not able to get the projects completed quickly and someone is needed to spend dedicated time to these projects. She stated that Ms. Mendy Corder would be promoted to the Municipal Clerk position and is currently training for this position.

She provided Council with a list of the police vehicles with mileage and repair information that Public Safety has requested to be replaced. She stated that the city purchased 19 vehicles this year and still has more vehicles that have more than 100,000 miles and five more that will reach that level this year and will need to be replaced next year. She stated that she felt the city had put a huge dent in purchasing capital equipment up to this point.

She stated that she understands the idea of raising sanitation fees and taxes will not be a popular thing to do, but with property taxes and because of the millage cap, her professional advice each year will be to raise the millage allowed by law. She stated that the City is in such a hole when it comes to property taxes that there is no other municipality near our millage rate. Councilmember James asked that Council be provided with the millage rates of surrounding communities.

Councilmember Jenkins asked with the total of 14 public safety cars that need replacing if it would be possible to purchase 7 this coming year and 7 next year rather than the 9 proposed for FY12-13 and 5 for FY13-14. Ms. Rhodes stated that the proposal was based on the vehicles' millage and cost of repairs this year. Councilmember Jenkins stated that he felt the amount spent on repairs did not appear out of line and does not justify replacing all of them.

Councilmember James stated that the suggested revenue increases equal \$216,400 and suggested expenses equal \$415,000 and inquired if the extra \$200,000 was included in the budget. Ms. Rhodes stated that it was included and if Council does not want to raise taxes, \$216,400 would have to be found elsewhere if all the expenditures remain in the budget.

Mayor Partin inquired if the increase in the health and dental insurance affected the City costs or employee costs. Ms. Rhodes stated it is an increase for the City and employees with spouse and/or dependents. She stated that the City pays the total amount of the insurance premium for the employee only.

Mayor Partin inquired about the back up information for the limb grapple. Ms. Rhodes stated it is not in the budget notebook as it is an item that will be purchased this year. Mayor Partin stated her concern is if it would be better to enter a lease/ purchase on a new truck versus purchasing a used one.

Mayor Partin stated that she is extremely frustrated. She stated it is one thing to not raise taxes or fees for over a 20 year period, and it is another to not do anything to work on economic development or a capital replacement plan. She stated that there were things that could have been done that would have put the City in a better position but not to have done any of those things is deplorable and she commended staff for doing what they do with what they have.

Discussion took place on the availability and condition of used trucks. Mayor Partin inquired about the cost of a new truck and limb grapple with the thought of selling the old one. Mr. White stated a new two-piece unit would cost approximately \$150,000 to \$165,000. He stated to go that way, the City would take a loss due to the amount of money that has been put into the current unit to get it in good condition.

Mayor Partin inquired about the OSHA required hood for the stove in Council Chambers. She stated that she wanted to be very clear that if there is something that is needed for safety or to meet regulations, she wants Council and staff to find a way to fund it. Ms. Rhodes stated that the stove is not used. Ms. Rhodes stated the stove will be removed from the kitchen. Mayor Partin inquired if the number of sets of bunker gear requested was sufficient. Chief McNair stated that it was sufficient.

Councilmember Jenkins inquired if the roll carts being requested were replacements or for new residents. Ms. Rhodes stated they are for both.

Ms. Rhodes stated that first reading of the budget Ordinance is scheduled to be on the June 13, 2012 agenda and the public hearing and second reading will be held at the June 22, 2012 meeting.

Councilmember Isom stated that he likes the idea of a cost of living increase but with the economy as it is, he does not think it is going to be possible to give employees a cost of living increase this year. Mayor Partin stated that she disagreed and that it cost more to hire employees than to keep the ones you have and the City has some good employees. Councilmember Jenkins stated that with the increase in health and dental insurance rates, employees will need the extra funds to pay for it. Councilmember James stated his priority is to keep the COLA in the budget. He stated the economy is coming around a little bit and we are going to start seeing more businesses giving COLAs. Ms. Rhodes stated that she reviews the exit interviews and employees who leave the City state they leave because of the money and/or equipment.

Ms. Rhodes stated that it is great that we are going to be able to purchase some of the capital equipment in this year's budget. She stated the items needed to be purchased prior to June 30 and would like to go ahead and put the purchase orders in to do so unless there is some problem with any of those items that have been assigned to be purchased. She stated that a budget amendment would need to be presented to Council prior to the end of the year.

Councilmember Isom stated that the value of houses and property has gone down but the millage has not decreased. Ms. Rhodes stated that it does not matter what the property values or mills are, it costs the City a certain amount to have a police officer or a sanitation truck so she is very open to any discussions about cutting services. She said that over the past two years she has tried to find ways to preserve the City's core services which for the City of Cayce is every service. She stated Cayce is a full service city and most cities are not. She stated that we feel we are running as bare bones as we can and if we want to drop millage or any of our fees, then we need to figure out what services we are going to cut. Councilmember Isom stated that he understood Ms. Rhodes position, but he stated that Cayce has a lot of elderly people who are on fixed incomes. Ms. Rhodes stated that when the costs go up for our citizens, they also increase for the City.

Ms. Rhodes stated that if Council had any additional comments she would appreciate getting them before Wednesday's meeting.

Executive Session

Councilmember Isom 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

Reconvene

Councilmember James made a motion to move out of Executive Session and 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 was taken by Council in follow up to the Executive Session.

There being no further business, Councilmember James made a motion to adjourn the meeting. Councilmember Jenkins seconded the motion which was unanimously approved. The meeting adjourned at 7:06 p.m.

Elise Partin, Mayor

ATTEST:

Tammy P. Barkley, CMC, Municipal Clerk