



CITY OF CAYCE

MAYOR
ELISE PARTIN

MAYOR PRO-TEM
JAMES E. JENKINS

COUNCIL MEMBERS
TARA S. ALMOND
PHIL CARTER
EVA CORLEY

CITY MANAGER
REBECCA VANCE

ASSISTANT CITY MANAGER
SHAUN M. GREENWOOD

City of Cayce Special Council Meeting May 18, 2016

A Special Council Meeting was held this afternoon at 5:00 p.m. in Council Chambers. Those present included Mayor Elise Partin, Council Members Tara Almond, Phil Carter, Eva Corley, James Jenkins, City Manager Rebecca Vance, Assistant City Manager Shaun Greenwood, Municipal Clerk Mendy Corder and City Treasurer Garry Huddle. Mayor Partin asked if members of the press and the public were duly notified of the meeting in accordance with the FOIA. Ms. Corder confirmed they were notified.

Call to Order

Mayor Partin called the meeting to order and Council Member Corley gave the invocation. Mayor Partin led the assembly in reciting the Pledge of Allegiance.

Public Comment Regarding Items on the Agenda

Ms. Corder stated no one had signed up for public comment.

Other

- A. Discussion and Approval of Resolution Authorizing an Application to the South Carolina Water Quality Revolving Fund Authority for a Loan from the Drinking Water Revolving Fund

Ms. Vance stated that a Resolution was required to authorize her to apply to the South Carolina Water Quality Revolving Fund Authority for a loan from the Drinking Water Revolving Fund. Staff was applying for up to \$25,000,000 to fund improving the City's water system through the implementation of the Avenues, Broadacres, North Frink Street and Edenwood water system replacement project.

Council Member Almond made a motion to authorize the City Manager to complete, execute and submit an application to the State Authority. Council Member Corley seconded the motion which was unanimously approved by roll call vote.

- B. Discussion of Proposed FY2016/2017 General Fund Budget

Ms. Vance stated that the General Fund revenues for FY16-17 were projected at \$11,748,253 and included:

- \$615,269 in Hospitality Tax Revenue
- \$150,000 Special Grant allocation from SC PRT

- \$135,160 in Other Financing Sources (Lease Purchases)
- \$1,600,000 transfer from Utility Fund for Indirect Costs

General Fund Expenditures were projected at \$11,945,669. This budget included:

- \$418,091 in capital expenditures. This was a reduced list.
- \$153,130 in funding for a full year of three new firefighters to continue the four year plan to add twelve firefighters in four years. At present, only six firefighters have been hired as part of this plan.
- Reduced personnel requests with no new positions.
- A 10% increase in health insurance costs.

Ms. Vance stated that currently the General Fund was out of balance by \$197,415. She stated that options for balancing the General Fund Budget are as follows:

- \$182,748 for a \$3.00 increase in Residential Sanitation Fees to continue the City's five year plan to make the Sanitation Department self-sufficient. This would take the fee to \$13.50.
- Cut the three new firefighter positions for a savings of \$153,130
- Hire three new firefighter positions in January for a savings of \$76,565
- Raise property taxes by the allowed amount. Staff did not have that amount yet but it would most likely be around 1 mill, which would bring the City approximately \$47,000.
- Completely eliminate the purchase of capital items, not paid for by Hospitality Tax, for a savings of \$418,091.

Ms. Vance stated that she needed guidance from Council in what they would like to cut to balance the budget. Mayor Partin stated that the City was on a five year plan to make the Sanitation Department self-sufficient. She stated that the City's Sanitation staff offer wonderful customer service and the City's sanitation fee is still less than the surrounding municipalities. She asked Ms. Vance what would have to be cut if Council decided to only raise the sanitation fee to \$11.50 rather than \$13.50. Ms. Vance stated that if the fee only increased to \$11.50 the fees would bring in \$91,374 for FY2016-2017.

Ms. Vance stated that there were not any large capital items that could be cut to make up the difference but there were other options such as cutting the new bay doors for the Fire Department. She stated she would like to keep the bay doors in the budget if possible but it was certainly possible to make up the difference. Mayor Partin asked if

it was possible to delay the lease purchase items. Ms. Vance stated delaying the lease purchases would reduce the budget by \$67,580.

Mayor Partin asked Council if they thought it would be a better option to increase the sanitation fees by \$3.50. Council Member Jenkins stated he preferred only increasing the fees by \$1.50. He stated staff could continue to look at other options to generate the lost revenue. He stated that the City was not the only one having hard times and everyone needed to keep that in mind. Council Member Almond stated she felt Council should proceed with the five year plan to increase sanitation fees to make the Sanitation Department self-sufficient. She stated the City had so many capital item needs and by putting off purchasing them it would just put the City further behind.

Mayor Partin asked Council Member Carter if he was familiar with the City's five year plan to make the Sanitation Department self-sufficient. He stated he was not. She explained that it was a plan to slowly increase the sanitation fees so the City would still have some of the lowest fees but would be more in line with the surrounding municipalities. She stated the City's customer service was much stronger since it's handled in house and not done by an outside company. Council Member Almond stated the increases would also make the department self-sufficient and actually bring in revenue. Council Member Jenkins stated constantly raising the fees was not going to make the department self-sufficient. He stated the City needed more customers. He stated the City was growing and getting new apartment developments which should bring in more revenue for the sanitation department. Ms. Vance stated the new apartments were commercial developments therefore they had to use private dumpster services.

Mayor Partin stated that in 2015 Irmo's sanitation fees were \$15 a month and South Congaree's were \$15.95. Ms. Vance stated that if the City's fee was raised to \$12 monthly it would only leave the budget with a \$70,200 deficit. Mayor Partin asked what the deficit would be if the lease purchases were delayed. Ms. Vance stated it would be \$67,580. She stated that amount did not include hiring three new firefighters. Council Member Jenkins stated he would like to proceed with just a \$1.50 increase. He stated people were saying they couldn't make that work but they were not trying. Ms. Vance stated she was not saying she could not do it. Mayor Partin stated that staff had to have a decision that night from Council. She asked Council to look at the list of proposed capital items and decide what they would like to cut.

Ms. Vance stated she did not think cutting capital items would be the answer. Council Member Jenkins stated that if the rest of Council was fine with the increase to \$13.50 a month that was fine but that he was not fine with it. He stated he was not trying to convince anyone else to do anything. He stated everyone should go with their

heart and mind. Mayor Partin stated Ms. Vance was going to review the capital items with Council and Council needed to decide what they would like to cut.

Ms. Vance stated that the in-car camera systems and 800 MHz radios requested in Public Safety's Patrol budget were items that were needed for the Officer's safety and so they could communicate with each other, Dispatch and other police agencies. She stated that the bay doors in the Fire Department are very old. They are manual doors and need to be replaced before someone gets hurt. She stated that the Xtreme temp microphones requested in the Fire Department's budget are microphones that the firefighters wear in their helmets and can withstand extreme temperatures so they can communicate while fighting a fire. She stated that the Garage Department's doors need to be repaired so that is listed in the capital items schedule as well. The capital items schedule was reduced by \$958,466. The remaining items total \$418,091. Ms. Vance stated there was a possibility to find the extra funding if the sanitation fee is only increased to \$11.50 a month but did not think the funding could come from cutting any of the remaining capital items. Mayor Partin stated there were not many capital items left in the budget and the majority of the remaining items were either being funded through a grant or were lease purchase items. Ms. Vance stated that if Council wanted her to find other ways to fund the \$106,950 deficit she could but it would need to be from the budget and not capital items.

Council Member Jenkins stated that the City does have good customer service in the Sanitation Department but the residents who live on a fixed income do not receive increases to their income. Council Member Almond asked Council Member Jenkins if he had received any feedback from his constituents regarding the sanitation fee increases. She stated when the City started the five year plan staff communicated it to the citizens. She stated she had not received any negative feedback. Council Member Jenkins stated that the feedback he received was that the City was going to do what it wanted regardless of how the residents felt.

Ms. Vance stated that a \$13.50 monthly sanitation fee was the initial goal so this would be the last rate increase for sanitation unless staff discovered that it was more costly to run the department now. Ms. Vance stated that staff could pay for capital items with fund balance money but advised she did not like doing that. Council Member Jenkins stated he wanted to make sure staff was purchasing needs and not wants. Mayor Partin asked him if he saw anything on the list of capital items that was a want and not a need.

Ms. Vance stated that the Department Heads rank their department's needs from top to bottom and that is how they are listed on the list of capital items. She stated that if there is money left over in the current budget then items are purchased with it. She

stated staff tried to be as efficient as possible. She stated that in the proposed FY16-17 budget there were not any water and sewer rate increases or millage increases.

Council Member Carter stated he had received a tremendous amount of pushback from his constituents. He stated that they felt like rates and fees increased by small amounts every year. He stated that there have been a number of increases over the past few years. Ms. Vance stated that every City is doing the same thing. She stated every year water and sewer rates and taxes should increase at least by the cost of living increase. Mayor Partin stated that property taxes were actually lower than they were under the former administration. Council Member Almond stated that the current Council had to raise fees because the prior Council did not raise rates and fees along the way.

Council Member Carter asked Ms. Vance if the City had a budget surplus in 2015. She stated that the City's fund balance is currently over \$4M. Mayor Partin stated that the City did not have any fund balance under the prior management. Ms. Vance stated that a fair amount of the fund balance has been spent on the City's capital projects. She stated that it is recommended that a City have at least three months of its operating revenue in the bank. Council Member Carter stated that the City has exceeded its three months. Ms. Vance stated that auditors recommend that the City actually have six months of its operating revenue in the bank.

Council Member Carter stated that he did not think that the fund balance should continue to increase. He stated that he agreed with Council Member Jenkins that the City needs to tighten its belt in other areas especially considering that water rates have to increase starting in the FY17-18 budget to cover the water line replacement project. He stated he was not in favor of any more increases before that time. Mayor Partin stated that it was Council's job to come up with suggestions on how to balance the budget. She stated Council could not say we have to tighten the belt without having actual suggestions on how to do that. Council Member Almond asked where they could possibly tighten the budget any more than it already was.

Council Member Carter stated if he had the data he could make suggestions. Mayor Partin stated he had all the data in his agenda packet. Ms. Vance stated that she could present Council with a balanced budget every year but Council may not like the items that she cut to balance it. She stated she and staff get the budget close to being balanced and bring it to Council so they can decide what they would like to cut.

Ms. Vance stated that no new personnel were included in the FY16-17 budget and the majority of the different department's budgets did not increase. She stated that

unless Council wanted to start cutting staff the only moving parts to the budget are capital items and rates and fees.

Ms. Vance stated that Council had also expressed a desire to give COLA increases to City employees this year. She stated those increases were not currently included in the budgets. She explained that for the General Fund, a 2% COLA would require an extra \$154,039 and for the Utility Fund, a 2% COLA would cost an extra \$78,179.

Council Member Jenkins asked for clarification regarding why new bay doors were needed in the Fire Department. He asked if they were hindering the fire trucks from responding to calls or if anyone had been hurt. Mr. Greenwood stated that since they are manual doors the glass in the windows has broken in the past when the doors were being pushed up. He stated that staff believes the doors are a safety concern. Council Member Jenkins asked how many times the doors had been repaired. Major Fulwood stated that they had been repaired approximately six times in the past year. He stated that the doors were built in the 1970's. He stated every year money was spent on replacing springs in the doors and repairing the motor and wiring. He stated that the doors need to open every time staff has to respond to a call.

Mayor Partin asked what the schedule was for the first reading and second reading of the budget. Ms. Vance stated that the first reading of the budget would be at the June 7, 2016 Council Meeting and the Public Hearing and second reading would be at the June 22, 2016 Council Meeting. She stated that the notice to the newspapers had to be sent before the June 7, 2016 Council Meeting. Mayor Partin stated that Council had to be make decisions that night to balance the budget so it would be ready for the newspaper notice. Ms. Vance stated that she needed recommendations from Council on how they would like her to balance the budget so she could bring them a balanced budget at the next meeting. She stated she was prepared to do whatever Council would like her to do.

Ms. Vance stated that the City is fortunate to have great department heads who do not ask for much in their budgets. She stated they do what they can with what they have to save the City money. She stated that when the operation part of the budget is presented to Council it is already a lean budget.

Council Member Carter asked what the City's fund balance was. Ms. Vance stated that in the FY15-16 budget the City used fund balance money to pay for capital items. She stated her professional advice was to not dip into the fund balance for any of the City's normal yearly expenditures including capital items. She stated that the City had a fund balance because of certain settlement agreements, not because the revenues were more than the expenditures.

Council Member Carter asked Ms. Vance if she agreed that at some point the City had to balance the fund balance. She stated that Council could set what threshold

they would like for the fund balance. She stated as the professional running the fund balance she would say three months. She stated that the City had enough emergency needs that a fund balance is necessary. Council Member Carter stated that the City had to stop burdening the taxpayers while building a healthy fund balance.

Ms. Vance stated that the City's salaries, equipment and buildings need to be improved to be in line with neighboring cities. She stated that neighboring cities that are doing well had systematically raised rates and fees to pay for better equipment, services, etc. She stated that the City's salaries in comparison to other cities are abysmal which hinders it from being able to attract new employees and keep employees. Ms. Vance stated that the City's equipment is nowhere near where other cities equipment is in regards to quality and technology. She stated that Public Safety's buildings are horrendous. The City is about to spend \$200,000 to upgrade all the electrical at Public Safety and will probably have to spend another \$100,000 to improve the HVAC systems. She stated former administrations did not spend money to maintain anything. She stated that the City is still playing catch up due to the lack of purchases and maintenance.

Mayor Partin stated that the City is very transparent every year with the budget process. She stated that every year a flyer is put on resident's roll carts explaining the budget process and the decisions made. She stated that a Cayce resident pays \$70 less in property taxes on a \$100,000 house than a West Columbia resident pays. She stated that the City of Cayce offers more services than West Columbia does. She stated that staff did an amazing job with a small amount of money. Council Member Jenkins stated that you could not compare Cayce to larger communities. He said it was not comparing apples to apples. Ms. Vance stated that Cayce and West Columbia are the same size and have almost the same population numbers.

Council Member Corley stated that four years ago during a Strategic Planning Session Council talked for hours about what they could do to help the City's budget. At that time, Council unanimously decided to implement a five year plan to raise sanitation rates so the City could afford to keep its Sanitation Department. She stated that the City's residents did not want to lose this department and have to use an outside company to handle its sanitation services. She stated that even with the increased rates the City's rates are lower than most other municipalities. Ms. Vance stated that the City's sanitation rates were \$1.50 a month before the plan was implemented. Ms. Corley stated that so much time was spent deciding on the plan and now Council was going to go back on the plan. She stated that Council also decided to hire twelve dedicated fire fighters over a four year span and had not stuck to that plan either. Council Member Jenkins stated that sometimes plans had to change. Council Member Corley stated that the City stuck with the sanitation fee increase plan for four years and did not understand why in the fifth and final year it was going to change.

Council Member Almond stated that she agreed with Council Member Corley. She stated that Council agonized over what to do four years ago. She stated previous

Councils did not make the hard choices so it had fallen on the current Council to make them. Council Member Jenkins stated he was not speaking for the rest of Council. He stated he was only speaking for himself. Council Member Almond stated she agreed with a \$3.00 sanitation rate increase and to cut the new fire fighters out of the budget. She stated she would normally not agree to cut the fire fighters but a new Chief was being hired and additional information had come to light that indicated that the hiring of more fire fighters could be postponed.

Council Member Carter thanked Ms. Vance for her frankness in discussing the City's situation. He stated that he agreed with Council Member Jenkins regarding only increasing the sanitation rate by \$1.50. He stated he was in support of the 2% COLA for City employees. Mayor Partin asked Council Member Almond and Corley if they were good with only raising the fee by \$1.50. Council Member Almond stated that she wished Council could agree to a compromise. She stated that she had looked at the City's budget repeatedly and it was already a very tight budget. After further discussion, Council decided to increase the sanitation fee by \$1.50. Ms. Vance stated she would make the necessary cuts and communicate with Council before the June 7, 2016 Council Meeting so they would know what was cut from the budget.

Council Comments

Council Member Carter thanked Ms. Vance again for her candor during the night's discussions.

Executive Session

Council Member Almond made a motion to move into Executive Session. Council Member Jenkins seconded the motion which was unanimously approved by roll call vote.

- A. Receipt of legal advice relating to claims and potential claims by the City and other matters covered by the attorney-client privilege
- B. Discussion of negotiations incident to proposed contractual arrangements regarding the funding of a waterline project
- C. Discussion of negotiations incident to proposed contractual arrangements regarding proposed redevelopment of 800 Lexington Avenue (Cayce Grammar School)
- D. Discussion of negotiations incident to proposed contractual arrangements regarding the development of 12,000 Year History Park Interpretive Center
- E. Discussion of personnel matters related to the Director of Public Safety position

Reconvene

After the Executive Session was concluded, Council Member Almond made a motion to reconvene the Regular meeting. Council Member Corley 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

There was not any action in follow up to Executive Session.

Adjourn

Council Member Almond made a motion to adjourn the meeting. Council Member Carter seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 7:15 p.m.

Elise Partin, Mayor

ATTEST:

Mendy Corder, Municipal Clerk

