

**City of Cayce
Special Council Meeting
April 25, 2011**

A Special Council meeting was held at 6:30 p.m. in Council Chambers. Those present included Mayor Elise Partin, Councilmen Steve Isom, James Jenkins, Kenneth Jumper, Tim James, City Manager Rebecca Rhodes, Municipal Clerk, Tammy Barkley, and Municipal Treasurer, Garry Huddle. Mayor Partin advised that members of the press and the public were duly notified of the meeting in accordance with the FOIA.

Mayor Partin opened the meeting and Councilmember Jumper gave the invocation and the assembly recited the Pledge of Allegiance.

A. Continued Discussion of Proposed FY11-12 Budget

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

Ms. Rhodes stated that Council has discussed Commercial trash rates and the fact that the current charges do not cover the expenses for this service. She provided Council with details on information City staff could obtain from other companies providing this service. She stated that these costs that they provided are for once a week trash service. She stated the rates that the city has are for twice a week trash service. Mayor Partin stated that there were two business owners in the Neighborhood meeting held prior to the Special Meeting and they had no objections to the rates being raised.

Ms. Rhodes provided Council with the recommended increases that the staff prepared. She stated it was about a 15% increase in rates for businesses and a small increase for churches. She stated that current expenses for providing this service is \$300,219 and the revenue is \$226,272. She stated that if it is decided to go with the proposed increase, the revenue would be \$357,780 and which would provide a small amount of profit, but a new front loader truck is needed and that costs approximately \$195,000. She stated that obviously this would not cover it, but may provide the City with enough funds to purchase the truck on a lease/purchase basis or save the profit this year and add it to profit next year to purchase the truck. She stated that the City actually needs a front loader and rear loader truck.

Mayor Partin inquired if businesses needed the twice a week pick up services. Ms. Rhodes stated that because the majority of them are restaurants, they need the twice a week service, and they usually fully use the twice a week service. She stated that some businesses require more than two pick ups a week and they pay for the

additional service. She stated that commercial trash is taken to the Screaming Eagle landfill which is a 56-mile round trip which places a lot of wear and tear on the city's trucks. She stated her original plan was to recommend outsourcing this service, but the customers are very pleased with the City's service and the City's staff is very dedicated to providing the best quality service they can. Mayor Partin inquired if there was an option for businesses to choose once a week service versus twice a week service. Ms. Rhodes stated that option is not available at this time, but staff could come up with a plan for those who truly just need once a week service. Council asked that they be provided with a cost per pick up, current rates, and proposed rates. Ms. Rhodes stated that the important thing to keep in mind is that the City needs to recoup its expenses for this service.

Councilmember Isom inquired if the city needed to go up on rates. He stated that a depression is unfolding before our eyes and the last thing Council needs to do is to place this extra burden on our businesses and residents. Ms. Rhodes inquired as to what he would suggest be taken out of the budget. Councilmember Isom stated that it was the City Manager's responsibility to present a balanced budget to Council recommending items to be reduced or cut. He stated that the City is going to have to cut back. He stated that he thought cutting or suspending services would be more applicable than raising fees and that he is not in favor of increases. He stated that government should be getting smaller and not larger. Ms. Rhodes stated that in reference to Commercial trash service, the city could reduce pickups to once a week, but then would have to contend with overflowing dumpsters. However, she stated she is more than prepared to present a balanced budget to Council, but needs their guidance. She reminded Council that the first budget presented included all requests from all departments and she wanted Council to have that information so that Council would be well informed of those needs.

After discussion, Ms. Rhodes stated that she would have staff prepare additional information on the Commercial sanitation service for Council to review at the next budget workshop.

2. Cost Cutting Measures and Revenue Enhancement Options

Ms. Rhodes presented the following cost cutting/revenue enhancement options:

1) Residential sanitation rates – Ms. Rhodes suggests that the rate be increased by \$1.50 per month or \$3.00 per month. She stated it would nowhere cover the expense for this service, but would be a start. She provided Council with rates in other municipalities which ranged from \$19.25 as the highest to \$2.00 as the lowest. She stated that in order for the City to recover the cost for providing this service, it would cost each household \$9.34 per month.

2) Taxes – Ms. Rhodes stated that the city may be able to raise taxes 1.7% or .7 mills which equates to \$29,000. A mill in Cayce equals \$42,456. One mill on a \$100,000 house costs \$4.00.

Deficit Millage – Ms. Rhodes stated that Act 388 does allow municipalities to recoup their deficit from the previous year. She stated that it would take adding 5 mills to the current millage rate for the City to make up the \$200,000 deficit from FY2009/2010. However, she advised that once the deficit is recouped, the 5 mills would be removed.

She stated that a fee can be added to a tax bill for a service such as trash pickup, etc. She stated you have to specifically state what the funds would be used for and use those funds for that service only. Ms. Rhodes stated that the City's 41 mills brings in about \$2.3 million. She advised that the expenses for public safety alone are \$3.6 million so property taxes do not even come close to covering the expenses for public safety.

3) Animal Services/Shelter – Ms. Rhodes advised that she and Chief McNair met with Pawmetto Lifeline last week and have meetings set up for May 5 with West Columbia and the County to discuss partnership on that issue. She stated that if we used our staff to build the shelter, the cost would be \$125,000. She provided Council with a copy of a newspaper article stating that the John Hardee Expressway is back on the fast track.

4) Vehicles – Ms. Rhodes stated that rather than buying the vehicles outright, she suggests they be done on a lease-purchase basis which would save approximately \$406,000. These would be on a four-year lease payment of \$150,000 per year to buy every car that has been requested. Councilmember James inquired about the list of take home cars and the possibility of moving some of those vehicles to replace older cars. Ms. Rhodes stated that there is some savings but not enough to be significant and you get into the issue of it being a part of their salary or benefit and having to replace that with increases in salaries. She stated that most on the list are on call and we either have to provide a vehicle or pay mileage. Councilmember James stated that it was his opinion that it was a lot less expensive to pay mileage than to provide vehicles and the policy of providing cars needed to be reviewed.

5) Park Fees – Ms. Rhodes proposed charging a fee to cover electricity and clean up - \$25 each. She stated that the city has a lot of people who use the parks and this would provide approximately \$2,950 to cover our costs.

6) Hospitality Tax – Ms. Rhodes stated that Council has considered this option previously. She stated that one of the good things about this tax is that it can only be used on tourism related brick and mortar projects and 20% can be used for operation and maintenance. She stated this could be used for the Museum or park staff or Public Safety officers in the Riverwalk Park. She stated it does not bring in a ton of money for operation and maintenance. She advised that 20% of a one penny tax would provide \$66,974 in revenue that can be used for operation and maintenance in General Fund; 2 pennies would provide \$133,948 in revenue. Council reviewed the following list of expense and revenue options:

Raise Commercial Sanitation Fees = \$131,508 (will provide additional information to Council)
Raise Residential Sanitation Fees = \$78,250
Raise mills by 5 for Deficit = \$212,330
Raise mills by .7 mills = \$29,000
2% Hospitality Tax = \$133,948 (20% that can be used for operation and maintenance)
Remove Fire Truck = \$416,000
Lease/Purchase Vehicles = \$406,000
Remove Trash Truck = \$195,360
Reduce Auto Repairs = \$41,000
Delete Twice a Week Summer pickup = \$30,964 (Council already approved)
Delete Additional Personnel and Salary Upgrades = \$299,894
Delete Equipment for Additional Personnel = \$29,346
Animal Shelter (more information to be provided to Council after May 5th meeting with West Columbia and the County)

Ms. Rhodes asked of the items listed, if Council had any objections to them. Councilmember James stated that he was not comfortable in charging the citizens additional mills to recover the deficit. He also stated that he was concerned about deleting the trash truck. It was suggested that it be left in the budget on a lease-purchase basis. Councilmember Isom asked that the restaurants be surveyed to get their input on the hospitality tax.

Council scheduled the next Budget Workshop for Wednesday, May 11, 2011 at 3:00 p.m.

Councilmember James made a motion to postpone Item III. A. Discussion of Increases in Compensation for Certain Staff Positions as Requested for FY11-12 until additional information can be provided. Councilmember Jenkins seconded the motion which was unanimously approved.

Councilmember Jumper made a motion to adjourn the meeting. Councilmember Jenkins seconded the motion which was unanimously approved by roll call vote.

There being no further business, the meeting adjourned at 9:04 p.m.

Elise Partin, Mayor

ATTEST:

Tammy P. Barkley, CMC, Municipal Clerk