

**BUDGET WORKSHOP
CITY OF GEORGETOWN
JUNE 15, 2006**

Notices of this meeting have been made in accordance with the 1976 Code of Laws of South Carolina Freedom of Information Act.

A Budget Workshop was held this date in the Council Chambers at City Hall with Mayor Lynn Wood Wilson presiding.

MEMBERS PRESENT:

Mayor Lynn Wood Wilson
Councilmember Brendon M. Barber, Sr. Councilmember Jack M. Scoville, Jr.
Councilmember Rudolph A. Bradley Councilmember Clarence C. Smalls
Councilmember Paige B. Sawyer, III

Councilmember Peggy P. Wayne was absent from the meeting.

ALSO PRESENT:

Mr. Steven E. Thomas, City Administrator
Mr. Patrick James Doyle, City Attorney
Mrs. Ann U. Mercer, City Clerk

DEPARTMENT HEADS:

Mr. Glenn Dixon, Fleet Maintenance Superintendent
Chief Dan Furr, Georgetown Police Department
Mr. Sterling Geathers, Public Works Director
Mrs. Lynn Griffith, Information Technology Director
Mrs. Katrina Lawrimore, Director of Kaminski House Museum
Mr. Alan Loveless, Electric Utility Director
Mrs. Jessica Miller, Finance Director
Mr. Lane Mixon, Manager of Water/Wastewater/Stormwater
Mrs. Sabrina Morris, Director of Development
Mrs. Ellen Nespeca, Keep Georgetown Beautiful Executive Director
Chief Joey Tanner, Georgetown Fire Department

NEWS MEDIA

Georgetown Times – Scott Harper

Mayor Wilson opened the Budget Workshop at 4:05 PM and | **Open Budget**

welcomed Mrs. Elise Crosby who will become the City Attorney in July.

Workshop

Mr. Steve Thomas stated that staff's goals have been and continue to be to offer all services as cost effectively and efficiently as possible and position all the funds financially so they are self supporting to the fullest extent possible. He said Water, Wastewater and Stormwater are losing money. The Electric Fund is losing money supporting all other operations. The General Fund both supports and receives support from other City operational funds.

Mrs. Jessica Miller used an overhead to present a snapshot of the fund equities. Changes in cash balances over the last five years in the General Fund indicated the estimated available cash balance on June 30, 2007 will be \$(117,416) if any of the proposed increases are not approved. If the proposed budget is adopted, the cash balance would be \$512,435. She said the \$1.1 million Council set aside for reserves in case of emergency is not included in this report. Changes in cash balances over the last five years in the Enterprise Funds were discussed. Mrs. Miller was most concerned with the Electric Utility Fund. June 30, 2002 there was a \$5.9 million cash balance, with the proposed increases in the upcoming budget the cash balance on June 30, 2007 will be \$3.2 million. Without the proposed rate increases, another \$1.6 million is needed. She said this would dwindle the cash balance greatly and would not leave much opportunity for development or infrastructure needs. The proposed increases in the water, wastewater and stormwater will not make huge strides in the cash balances; however, will provide increases in the funds. The Waste Management Fund, without an increase, will have an estimated cash balance of \$88,391 on June 30, 2007. Mrs. Miller asked if there were any questions.

Mr. Thomas said these are obviously eye-opening and disturbing trends, especially in the Electric Utility Fund. He stated not long ago the balance was upwards of \$10 million and said the City cannot continue to lose money indefinitely in the operational funds. To make ends meet, revenues need to be raised, expenses need to be cut or both need to happen. Staff has tried to identify significant cost savings potential in the solid waste fund that could have an immediate and positive impact on the City's fiscal health. Mr. Thomas wanted to clear up some misconceptions reported in a regional newspaper. He said as is typical with most municipalities, many Georgetown residents are unable to regularly attend City Council meetings so they must rely upon the local news media to

accurately report and comment upon the business of their City. The Sun News failed to communicate properly, to its readers through its recent editorial 'Trash get Political' by misstating several facts and omitting several critical aspects of the solid waste operations proposed. Proposal to alter the way Georgetown conducts its solid waste business in order to provide quality garbage, recycling and yard debris services at a reasonable cost is summarized as follows. The City currently picks up residential garbage and recyclables twice a week and all yard waste, once per week, for a monthly fee of \$17.50 with the support of nearly \$300,000 from the General Fund. Staff has recommended to City Council that garbage service be reduced to once per week, not only to save money, but to encourage recycling as well. All yard debris would continue at a pickup rate of once per week, but a more efficient system would be utilized; therefore, lowering the cost but not the quality of this service. New charges proposed would be \$18 a month for once a week garbage service. Council could opt to continue twice a week garbage service for a few dollars more per month. The cost savings realized from these proposed changes would add back \$300,000 to the General Fund and these funds could be used to lower the City's dependency on its Electric Fund, pave roads or fund other General Fund projects and programs. Many municipalities provide quality, once a week solid waste services to their residents for around \$20 a month through a self sustaining fee-based operations fund. There is no reason why the same system cannot work well in Georgetown. City Council determines the level of service deemed appropriate for the citizens of Georgetown. Mr. Thomas stressed there are savings in going from twice a week to once a week service. There are much more significant savings in changing the way we do yard debris business. There are several options; keep it the same, change yard debris, drop garbage from twice to once a week or a combination thereof.

Mrs. Miller reviewed the Waste Management Fund Options with and without the rate changes. With the proposed rate increase the net difference would amount to \$(73,931), without the increase \$(445,381).

Overviews continued. Mr. Thomas said staff will review the operations of all departments and continue to work to identify other ways to cost effectively provide all services while maintaining or even enhancing the services. Staff recommends that rates be adjusted this year and periodically to keep up with the rising cost of doing business. This will enable the enterprise funds to become self

supported.

Mr. Thomas said after the last budget workshop, along with additional Council input, staff recommends the following adjustments. (1) Remove the additional building inspector from the request, but leave the option open to come back to Council midyear if the need arises (\$40,000). (2) Leave the animal control officer position at the current ½ position level and allow Planning and Zoning to handle some of the livability issues. (3) Consider adding the funding for the water line replacement in the Historic District (\$200,000) to the funding already requested for Maryville; hopes are that water and sewer impact fees, when in place, will come in over budget during the next fiscal year and we can accomplish even more in the way of water and sewer capital projects. (4) Remove the Maryville Fire Station (\$1.3 million) from the budget because we may need the electric funds to pay for infrastructure to meet the new development needs; electric funds would have to be set aside and as already indicated, our cash reserves are dwindling. Mike Walker and Nicky Kellahan will perform a fresh, detailed study of the Maryville Fire Station for about \$5,000 if Council approves and staff will bring the recommendations back in a few months. (5) Absorb the proposed GIS position into the 06/07 budget with savings from restructuring in the water, wastewater and stormwater departments.

Mr. Thomas concluded the recommendations and asked Council to provide direction on the additional changes proposed (above) and any other changes.

Councilmember Smalls asked about the property tax. Mr. Thomas stated there is a proposed CPI, 3.4% increase, included in the budget which would generate \$92,000. Mr. Smalls expressed his concern with increasing property tax.

Mayor Pro Tem Barber said in the past, the Electric Utility Fund has been used to off-set the increases rather than raising taxes and now we are at a critical point in that fund. He is uncomfortable with the small CPI increase but is satisfied overall with the rate increases, they are necessary.

Councilmember Sawyer said he was in favor of the better control, better management in Waste Management with the one vehicle and one operator picking up the yard debris, the once a week garbage pickup and the recommendation concerning the Maryville Fire Station. He said by closing the Police Department after hours and

contracting with an answering service to receive after hours calls, the City could save money. Councilmember Scoville said this should be left up to the Chief. Mayor Pro Tem Barber stated (for clarification) from an operational standpoint, this would have no impact on law enforcement services. As it is now, if someone walks into the police department after hours or on weekends and wants to see an officer, the front desk employee instructs them to go to the phone and call 911. This is what brought about discussions in the past concerning leaving the front desk open.

Mrs. Miller provided additional copies of the budget summary request posed by Mayor Pro Tem Barber, previously faxed to Council. Councilmember Scoville asked to receive a printout of the proposed changes made by Mr. Thomas.

There being no further questions,

COUNCILMEMBER BRADLEY MOVED TO ADJOURN THE BUDGET WORKSHOP, SECONDED BY COUNCILMEMBER SMALLS AND UNANIMOUSLY CARRIED 6-0.

The Budget Workshop was adjourned at 5:40 PM.

Ann U. Mercer
City Clerk

DATE APPROVED: _____
VERIFYING INITIALS: _____

**Adjourn Budget
Workshop**