

**CITY COUNCIL BUDGET WORKSHOP
CITY OF GEORGETOWN, SC
MAY 29, 2008**

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

A City Council 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 Rudolph A. Bradley	Councilmember Clarence C. Smalls
Councilmember Paige B. Sawyer, III	Councilmember Peggy P. Wayne
Councilmember Jack M. Scoville, Jr.	

Mayor Pro Tem Brendon M. Barber, Sr. was absent from the meeting.

ALSO PRESENT:

Mr. Steven E. Thomas, City Administrator
Ms. Ann U. Mercer, City Clerk
Mrs. Elise Crosby, City Attorney

DEPARTMENT HEADS:

Mr. Glen Dixon, Fleet Maintenance Superintendent
Mr. Paul A. Gardner, Chief of Police
Mr. Sterling Geathers, Public Works 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
Mr. Joey Tanner, Fire Chief
Mr. Keith Wilson, Keep Georgetown Beautiful Executive Director

NEWS MEDIA

Georgetown Times – Tommy Howard

Mayor Wilson opened the City Council Budget Workshop at 4:00 PM.

Call to Order

Councilmember Bradley rendered the invocation and led the pledge of allegiance.

Invocation and Pledge

COUNCILMEMBER BRADLEY MOVED TO ADJOURN CITY COUNCIL BUDGET WORKSHOP AND GO INTO EXECUTIVE SESSION PURSUANT TO 30-4-70(a)(2) TO DISCUSS NEGOTIATIONS INCIDENT TO PROPOSED CONTRACTUAL ARRANGEMENTS, SECONDED BY COUNCILMEMBER SAWYER. Mayor Wilson asked for discussion. Mayor Wilson called for the question. **THE MOTION WAS UNANIMOUSLY CARRIED 6-0.**

Adjourn Budget Workshop and Enter Executive Session

The Budget Workshop was adjourned at 4:03 PM.

COUNCILMEMBER BRADLEY MOVED TO REOPEN CITY COUNCIL BUDGET WORKSHOP, SECONDED BY COUNCILMEMBER SAWYER. Mayor Wilson called for the question. **THE MOTION WAS UNANIMOUSLY CARRIED 6-0.**

Reopen Budget Workshop

The Budget Workshop was reopened at 4:29 PM.

No formal action was taken in Executive Session.

Mrs. Miller called attention to scheduled dates for first and second reading of the budget. She referred to the Monthly Impact Analysis and stated the 2.9 % CPI increase (2.4 mills) is calculated into the taxes line for homes and businesses. The Interfund Transfers have been reduced and maintained up to this point with no changes since the last workshop; in the Revenues versus Expenses detail, local a-tax/hospitality, the majority of the \$771,716 coming from Fund Balance is the Winyah Auditorium expenditures. The other big net difference is a \$52,000 deficit in Waste Management Fund. There has been no change in the cash balances since the last workshop; we are in great shape with the debt coverage ratio on our water and sewer bonds. Mrs. Miller presented a slide showing changes made in the Revenue Expense Summaries since the last meeting.

Budget Discussions

Mr. Thomas focused on major issues related to the upcoming budget, beginning with the Wage and Compensation Plan. This is a market study; not related to merit or longevity. It is easier to retain productive employees and also it makes for better competition for

quality new hires. He reminded Council there were years when employees received nothing...no merit, no cost of living. This plan will take some sticker shock away from future implementation. Every couple years we will need to adjust the ranges with cost of living in order to keep something like this from happening again. With first reading on the budget being next week, Mr. Thomas expressed his desire to have a clear consensus from Council on the major issues tonight. Councilmember Bradley did not have a problem with the wage and comp plan. Councilmember Smalls asked about the amount of the Christmas bonus and if merits were included in the budget. Mr. Thomas said the Christmas bonus is included in the budget, \$150 for employees who have been here longer than six months and \$75 for less than six months. The safety bonus is budgeted but needs to be approved by Council. He said there is no merit pay built into the budget; however, every employee would receive at least 3 %. Mayor Wilson said this is a great thing for the employees and City. Councilmember Sawyer said he did not have a problem with the plan as long as it is within the budget and does not warrant a tax increase. Councilmember Wayne said she does not like merit pay because it is based on whether the supervisor likes you or not. She stated with the looks of going into a recession she doesn't see where the City is cutting anything and she cannot justify a 25% raise. The cost to implement the Wage and Compensation Plan is \$198,852.

Mrs. Miller wanted to point out that debt millage does allow for greater flexibility in the budget because it frees up current year revenues for current expenditures. It compensates for restrictions placed on the City by the legislature, retires debt in the same fiscal year, constantly frees up our 8% debt limit, pays for current expenditures with current revenues; however, it is an additional burden on the taxpayer. Her recommendation is to implement the debt millage because it does free us up in other places. She did say the capital left in the General Fund can be funded through a lease if it is applicable to that kind of debt situation, ie vehicles, major capital expenditures. Councilmember Scoville said if this is the cheaper way to borrow the money, this is the way we should go. Councilmember Bradley agreed we will benefit financially from the debt millage but 'the people we are depending on to fund this' is where his issue lies. Based on his observations and research in dealing with the public, he doesn't think the timing is now. Mayor Wilson stated he is not against the debt millage. Mrs. Miller said she can provide Council with an analysis before first reading. Councilmember Smalls expressed his opposition to the vehicles in

the capital budget, specifically Municipal Court. Council agreed with Mr. Smalls and their consensus was to remove the vehicle request from the Municipal Court budget. Questions from Council followed concerning other capital requests. Councilmember Scoville reiterated his feelings that the City should have an annual replacement policy so that 'every seven years or so that our entire fleet should be replaced.' Councilmember Wayne asked Mrs. Miller if she can provide a vehicle replacement policy. Other Councilmembers agreed that would be a good idea to consider. Councilmember Wayne stated she has a problem with take-home vehicles because of a ten mile limit. Also, with the cost of gas, the price of vehicles along with the cost of maintenance she feels there should be no take-home vehicles whatsoever unless you live inside the City limits. Chief Gardner noted the limit is 15 miles and all drop sites where vehicles are parked overnight are located at manned fire departments where they are secure and approved by the GPD. Mr. Thomas said staff is reviewing the on-call policy, which is a major piece of the Personnel Policy review. Once this information is compiled and updated it will be presented to Council.

Mr. Thomas stated there is no management issue with Kaminski House Museum operations. The Museum is well run and has been for some time. It is a matter of personnel and operating resources that are budgeted for the Museum. Based on the current visit rate and the usage as mentioned before, we have a \$350,000 "business" that is losing about \$300,000 a year. Staff would like to narrow that gap and free up those hospitality fees for uses that Council would like to see. We think some of the operational costs can be scaled back significantly without losing the value of the Museum as a community amenity. We can also work to seek additional sources of financial support as well as improve the marketing of the Museum. Mr. Thomas listed the points to consider: FY 07/08 losses equaled \$314,289/10-year loss equals \$2,001,120; proposed changes will save about \$93,125 per year; savings to be used for other projects; makes supply of services more in line with demand; eliminates need for Stewart Parker House as offices; open less hours per week – 8 hours less on Monday, 4 hours less on Sunday. This plan would eliminate all the paid part-time help except for one, relocate offices from Stewart-Parker House, getting out of the retail business. Discussions followed. Councilmember Scoville asked what impact the Kaminski House has on tourism. He said it is primarily a furniture museum. Councilmember Bradley said he knows staff is not promoting closing the Kaminski House, but he wants to go on record stating he is 'not at all, and doubts very seriously what he will

ever be in favor of closing the Kaminski House.' He asked what the City is doing to assure the Museum is being promoted on a national level. He noted Georgetown is a seaport town and third oldest city in South Carolina with a lot of history. Lengthy deliberations continued. Councilmember Wayne asked how many volunteers can you depend on to learn the history of the House and spend enough time there just because they like to volunteer...'it's just not going to happen.' Mayor Wilson said we can take the money saved and put some place else. He does not see any problems cutting back a little bit, trying to make it manageable.

Mr. Thomas spoke on the points to consider with commercial waste management. If the City gets out of the commercial sanitation business it would eliminate an enterprise that is "break-even" at best; increase cash on hand; eliminate need to purchase new equipment; out-source management issues associated with collection and there would be a 30% cost reduction for all customers. His recommendation would be to cease commercial waste management operations. Councilmember Bradley said he would be in favor of the recommendation, but is not in favor of outsourcing management collection. Councilmember Smalls asked about the commercial garbage truck included in the budget. Mrs. Miller said if the City continues with the commercial sanitation business we need this truck. If we go private, the truck is removed from the budget.

Mr. Thomas told Council the City would save about \$20,000 a year if the once-a-week residential garbage, recycling, yard debris service was implemented. He said this is the most effective and efficient system. Discussions followed.

Mr. Thomas reviewed points to consider relating to contracting out street sweeping services. The City will save \$36,855 per year, the current driver is still on staff and available if needed; current equipment on hand; we would be able to respond to emergencies if needed; guaranteed job completion-regardless of mechanical problems; flat line budgeting-costs known up front and if contract is not accepted we must purchase a new sweeper for \$160,000. The recommendation is to approve contract for street sweeping services. Mr. Thomas said if the City is not satisfied there are provisions that would allow us to terminate the contract. Discussions regarding equipment and routine maintenance followed. Mayor Wilson wants some way to monitor the sweeper. Councilmember Scoville said when he was the county attorney all the county vehicles had a GPS

CITY COUNCIL BUDGET WORKSHOP (6) MAY 29, 2008

so they could be monitored. Mayor Wilson indicated he would like more information on this for City vehicles. Mrs. Miller told Council if the City continues to provide street sweeping services we will need a new sweeper.

Mr. Thomas provided points to consider on cutting back hours of operation at the Police Department front desk. The City would be able to utilize same dollars more effectively; eliminate redundant services and there would be decreased hours of available services. The recommendation is to not keep the front desk operations at the Police Department open 24 hours a day. Councilmember Scoville asked for some statistic or number as to how many people have actually gone there in the night and asked for help.

COUNCILMEMBER SMALLS MOVED TO ADJOURN CITY COUNCIL BUDGET WORKSHOP, SECONDED BY COUNCILMEMBER WAYNE AND UNANIMOUSLY CARRIED 6-0.

Adjourn Budget Workshop

The City Council Budget Workshop was adjourned at 7:00 PM.

Ann U. Mercer
City Clerk

DATE APPROVED: 08/21/08
VERIFYING INITIALS: _____

