

APRIL 28, 2016

A budget workshop was held at the M.S. Bailey Center at 10:00 AM with Mayor Bob McLean presiding with Councilmembers Cook, Jenkins, Kuykendall, and Scarborough. The City Manager was present. Local news present was Larry Franklin from the Clinton Chronicle. News media was mailed and emailed the agenda on Monday, April 25, 2016.

INVOCATION The invocation was given by Mayor Bob McLean.

PLEDGE ALLEGIANCE Mayor McLean asked Council and the audience to stand and recite the Pledge of Allegiance.

BUDGET FY 2016-17 Mayor McLean recognized Mr. Stovall, City Manager. Mr. Stovall stated

INTRODUCTION that the purpose of the budget workshop is to sharpen one another and the proposed budget into a plan that everyone could support for the upcoming year in our Community. Mr. Stovall stated that City staff brings before Council a suggestion in the City's professional and technical view of what it takes to keep Clinton moving forward. Mr. Stovall stated that the purpose of this meeting is for Council and City staff to work together and sharpen this vision so that it accurately reflects what is desired, what is needed, what is feasible, and what is achievable. Mr. Stovall stated that as Council and City staff go over the proposed budget please do not lose sight of the larger picture. Mr. Stovall stated that Council needs to share their vision with City staff so that their vision could be crafted into a reality and to balance the resources to finance the reality of the vision. Mr. Stovall stated that for the first time the City has an Economic Development Plan that everyone could get behind because every organization had a part in crafting the plan. Mr. Stovall stated that the City's Public Safety Department has improved in that the City no longer has a 50% turn-over rate. Mr. Stovall stated that the Public Safety Department has new technology and better training which allows them to do their job. Mr. Stovall stated that Council has taken steps to stabilize the utility rate burden on citizens. Mr. Stovall stated that over 200 customers are on a reduced electric rate because they participate in the Demand Side Management Program. Mr. Stovall stated that the City has created a path for citizens to use solar energy. Mr. Stovall stated that Council is boldly tackling problems that have plagued the City for a long time. Mr. Stovall stated that the City has tackled blight, removed forty-eight derelict vehicles, and is addressing the Sewer System issues. Mr. Stovall stated that City staff is proud of the proposed budget and City staff feels the budget addresses every critical issue Council has communicated to be important. Mr. Stovall stated that the 2015 survey shows Clinton's population on the upswing and Clinton is the fastest growing City in Laurens County. Mr. Stovall stated that the medium age in

OVERVIEW

Clinton is 28 years and the medium income in 2013 was \$27,856. Mr. Stovall stated that the population in Clinton is 51% female and 49% male. Mr. Stovall stated that the ethnicity in 2016 is 59% white, 37% African American, and 2% Hispanic. Mr. Stovall stated that Council has the authority to appoint the Magistrates, the City Manager, and the City Attorney. Mr. Stovall stated that the City contracts three Magistrates who hold a weekly Magistrate Court, twice daily bond hearings, and jury trials as scheduled. Mr. Stovall stated that the City Manager oversees three departments, 107 employees, and a \$28 million budget. Mr. Stovall stated that the five departments under the Office of City Manager are Finance, Human Resource, Information Technology, Risk Management, Special Projects, and Economic Development. Mr. Stovall stated that the Public Safety Department consists of Police, Animal Control, Fire, Emergency Management, and Communications.

Mr. Stovall stated that the Department of Public Works consists of Electric Distribution, Water Distribution, Storm Sewer, Water Filtration, Sewer Collection, Parks Maintenance, Street Maintenance, and Sanitation. Mr. Stovall stated that the Department of Administrative Services consists of Utility Billing, Vehicle Maintenance, Procurement, and Municipal Court Administration. Mr. Stovall stated that the Department of Community Development consists of Community Development, Code Enforcement, Inspections, and Planning. Mr. Stovall stated that the budget process starts in December of each year in that the departments submit their completed Capital Budget Summary, Department Heads receive their budget request forms for non-capital expenditures, and the final Revenue Projections are issued from the Finance Department. Mr. Stovall stated that between February and March budget requests from all departments are submitted to the Finance Department, budget presentations by Department Heads to the City Manager, drafts of the proposed budget is completed, and City Council receives a draft of the proposed budget. Mr. Stovall stated that between April and March City Council holds budget workshops. Mr. Stovall stated that Council holds first reading of the proposed budget in May and the second reading of the proposed budget in June. Mr. Stovall stated that the proposed budget does not include a tax increase, an electric rate increase, a water rate increase, and a sewer rate increase.

**BUDGET
OVERVIEW**

Mr. Stovall stated that the proposed budget does include a .50 cent increase per month for Sanitation pickup. Mr. Stovall stated that Council has a balanced budget before them and the personnel adjustments in the proposed budget are a 2% COL for the employees and one new position which is a GIS Mapping Technician. Mr. Stovall stated that the proposed budget addresses new priorities such as the energy rebates and the City still faces new challenges such as the Rate Study and the Sewer System issues. Mr. Stovall stated that the Energy Rebate Program encourages

**COUNCIL
PRIORITIES**

**EXCEPTIONAL
INFRASTRUCTURE**

**GROW THE
ECONOMY**

FISCAL STABILITY

**PROMOTE COMMUNITY
DEVELOPMENT**

FIRST CLASS CITY

**PRIMARY
OBJECTIVES 2017**

**MAKE CLINTON
COMPETITIVE**

citizens to reduce their energy consumption and to replace their appliances with a more efficient model. Mr. Stovall stated that Council's priorities are Exceptional Infrastructure, Grow the Economy, Achieve Fiscal Stability, Promote Economic Development, and Provide a First Class City of our Citizens. Mr. Stovall stated that the mission statement for Exceptional Infrastructure is the delivery of exceptional services to our citizens. Our infrastructure is one of the primary backbones of our delivery system and we will continually make prudent investments to grow and maintain all infrastructures to support our delivery of services. We will expect our core services to be of the highest quality. We expect our services to our customers to be focused, timely, and cost effective. Mr. Stovall stated that the mission statement for Grow the Economy is we will promote economic growth and diversification in our local economy through effective policies and programs. We will provide leadership to encourage economic development and redevelopment while actively collaborating with our Community partners to produce economic benefit to all citizens. Mr. Stovall stated that the mission statement of achieving Fiscal Stability is the ability of Clinton to finance quality services, meet the demands of improving and growing our infrastructure, and provide a high quality of life for the Community requires fiscal soundness and growing our revenue sources. We will adhere to sound business practices which obtain true value for dollars spent, diversify our revenue sources through identification of innovative revenue strategies, and implement financial policies which protect City resources. Mr. Stovall stated that the mission statement for Promote Community Development is improving the quality of life for Clinton residents is a top priority. From recreation to improving Code Enforcement initiatives, our citizens will be proud to live in Clinton. Mr. Stovall stated that the mission statement for Provide a First Class City for our Residents is we will promote programs, projects, and initiatives that are designed to allow for the strategic planning of City services, that are inclusive and diverse and serve all of our citizens, that allow us to benchmark ourselves against other Communities, and the ultimately result in a culture of constant improvement that is responsive to the needs of the resident, citizen, taxpayer, and the utility rate payer. Mr. Stovall stated that at the last Strategic Planning session Council listed several priorities for City staff to move forward with. Mr. Stovall stated that City staff took these objectives and tied them into the five priorities mandated by Council and put together primary objectives for 2017. Mr. Stovall stated that the first primary objective is to make Clinton competitive. Mr. Stovall stated that as part of a concerted effort to foster economic growth and success in our Community the City needs to improve its competitiveness in the realm of traditional economic development by improving economic development product, increasing

**SERVICE
SUSTAINABILITY**

market, and supporting work force development. Mr. Stovall stated that the proposed budget contain funding to support improving the entrance Park II and III, complete the development ready pad at I-26 Commerce Park, complete speculative building at the I-26 Commerce Park, complete sewer services at the I-26 Commerce Park, and support countywide work force development efforts. Mr. Stovall stated that another objective is to increase the service fiscal sustainability. Mr. Stovall stated that the City has relied for many years on several single stream revenue sources to generate a profit that allows for other services to be provided to citizens at below cost. Mr. Stovall stated that by transitioning towards a model in which City services are self-sustaining as possible, the City could improve its fiscal condition and accurately communicate to the public the cost of certain City services, without unfairly overcharging for some services and undercharging for other services. Mr. Stovall stated that during the FY 2017 the City would complete a full cost of service and rate planning effort for the electric, water, sanitary sewer, and sanitation operations. Mr. Stovall stated that a 2017 objective is to increase financial stability.

**FISCAL
STABILITY**

Mr. Stovall stated that the City lists this objective every year. Mr. Stovall stated that currently the City has two million in reserves which is a step forward for the City. Mr. Stovall stated that the proposed budget requires additional funds to be placed in the reserves. Mr. Stovall stated that that a 2017 objective is to invest in the downtown. Mr. Stovall stated that citizens have requested through the surveys of a vibrant downtown. Mr. Stovall stated that citizens would like to see a attractive built environment, a thriving business Community, and special events that drive the public into our downtown to support shopping and entertainment venues. Mr. Stovall stated that the proposed budget would implement a Main Street Clinton Program, improve the built environment through the completion of the Streetscaping, and host a series of events designed to attract individuals to the downtown business core. Mr. Stovall stated that a 2017 objective is to focus on infrastructure. Mr. Stovall stated that without quality infrastructure he quality of life and potential for economic growth both suffer. Mr. Stovall stated that the proposed budget addresses several key infrastructure which are implementing strategies outlined in the Sewer Corrective Action Plan, determine a long range future for raw water resources, repair and replace the Sunset Drive water line, replace utility poles and install trip savers, continue with the right-of-way, install control valves at critical junctions on the Water System, and fund small scale street repaving and repair. Mr. Stovall stated that a objective for 2017 is to improve the Community appearance, property conditions and stabilize property values.

DOWNTOWN

INFRASTRUCTURE

**COMMUNITY
APPEARANCE**

Mr. Stovall stated that the City must stabilize property values and improve the image of the City by properly dealing with abandoned

MUNIS SYSTEM

CUSTOMER SERVICE

UTILITY STABILITY

FACILITIES

PERFORMANCE

properties, code violations, and conducting Community beautification efforts. Mr. Stovall stated that the proposed budget includes strategies to reevaluate the Code Enforcement Ordinance and revise as needed to provide better tools to neighborhoods for protecting property values, develop incentive package using existing State and Federal resources, investing in neighborhood improvements that have a proven track record, supporting statewide efforts to develop tools to clear blight, conducting a citywide blight inventory, replacing gateway and corporate limit signage, replacing City facility signage, and removing and burying targeted electric lines to improve appearance. Mr. Stovall stated that a 2017 goal is the operating system. Mr. Stovall stated that the implementation of the Munis system will require a significant commitment from several departments and staff. Mr. Stovall stated that during the three previous fiscal years the City has implemented the General Ledger and Payroll portions of the new system. Mr. Stovall stated that City staff would complete the Utility Billing component during the upcoming fiscal year. Mr. Stovall stated that another objective for 2017 is to improve customer service. Mr. Stovall stated that quality customer service must a cornerstone of our operation and the City proposes to improve customer service based on the data gathered during the 2014 Customer Service Satisfaction Survey. Mr. Stovall stated that a 2017 objective is to improve utility stability through metering technology upgrades, DSM System expansion and utility sustainability. Mr. Stovall stated that the fiscal year 2017 is the fourth year of a multi-year implementation of the new metering systems and the work would continue through the fiscal year in order to improve the Utility Billing operation, improve customer services and reduce operational costs associated with meter reading. Mr. Stovall stated that the City would also partner with PMPA to expand the DSM Program in order to assist customers in reducing their utility costs. Mr. Stovall stated that in an effort to improve utility sustainability and reduce system consumption the City would continue to replace street lights with LED lights and explore installing solar systems on City facilities. Mr. Stovall stated that during the fiscal year 2017 the City would begin to construct a new Community recreational facilities complete planning for the continued development of the Martha Dendy Community Facility and conduct the preplanning and engineering required to address long standing issues in the facilities that house the Public Works Department and the Public Safety Department. Mr. Stovall stated that an objective for 2017 is to pursue standards leading to higher organizational performance through benchmarking and strategic planning. Mr. Stovall stated that successful cities willingly put themselves through processes which require a thoughtful review of operating practices and policies. Mr. Stovall stated that the City would work towards becoming a high performance and

BENCHMARKS

efficient organization in the eyes of regulatory agencies, citizens. Mr. Stovall stated that the proposed budget includes strategies to obtain SC Law Enforcement Association Accreditation, benchmarking service provision and public perceptions through participating in the National Citizen Survey Program, develop a new four year strategic plan with public input, reduce the ISO rating, and achieve American Public Works Association Accreditation as an accredited Public Works organization. Mr. Stovall stated that before Council is a chart comparing residential electric rates in the State for a 100 Kw per month. Mr. Stovall stated that Clinton does have the highest electric rate at \$168 per month.

**RATE
COMPARISON**

Mr. Stovall stated that if you compare a residential electric rate for 1200 Kw than the City is not the highest at \$198 per month but Westminster is at \$202 per month. Mr. Stovall stated that many utilities use a step rate which means the more electricity a customer uses the more they pay for the service. Mr. Stovall stated that Clinton ranks second in a commercial electric rate comparison. Mr. Stovall stated that Clinton ranks near the bottom of the State average when comparing water rates for a customer using 6,000 gallons of water per month at \$21 per month. Mr. Stovall stated that the water rate is low because the City's electric revenues are subsidizing the water revenues. Mr. Stovall stated that Clinton's sewer rate ranks high at \$44 per month for a customer using 6,000 of water per month. Mr. Stovall stated that the Sewer System is close to being self-sufficient. Mr. Stovall stated that when all of the rates are compared Clinton ranks second in the State. Mr. Stovall stated that Clinton ranks low in a property tax comparison on a \$100,000 home at \$729 per year. Mr. Stovall stated that the other PMPA cities run their General Fund from the property tax revenues unlike Clinton that depends on the transfer from the Utility System. Mr. Stovall stated that when you compare the cost of utilities and the property tax of a customer then Clinton ranks low in the State.

BUDGET OVERVIEW

Mr. Stovall stated that the City's fiscal year runs from July 1st to June 30th. Mr. Stovall stated that the proposed budget is composed of three funds which are the General Fund, the Utility Fund, and the Sanitation Fund. Mr. Stovall stated that the City's goal is to provide an accurate, conservative financial projection in order to provide the highest level of service to our citizens and customers and accomplish the goals outlined by Council. Mr. Stovall stated that the total budget for 2017 is \$28,734,425 comprised of \$6,285,374 for the General Fund, \$488,160 for the Sanitation Fund, and \$21,960,891 for the Utility Fund. Mr. Stovall stated that 21% of the budget pays for salaries, 61.29% pays for operating costs, 5.39% pays for the transfer from the Utility System to the General Fund, and 4.21% pays for capital expenditures. Mr. Stovall

PERSONNEL

stated that the City currently employs 106 full time positions and the proposed budget has 107 full time employees. Mr. Stovall stated that the new position is a GIS Technician. Mr. Stovall stated that the General Fund funds 57 employees with the majority of these employees working in the Public Safety Department. Mr. Stovall stated that the Sanitation Fund funds 7 employees and the Utility Fund funds 43 employees with the majority of these employees working in Utility Billing Department. Mr. Stovall stated that the City uses 12.41 employees to serve 1,000 citizens. Mr. Stovall stated that a Clinton resident pays \$574 to support the Clinton employees who serve them. Mr. Stovall stated that the proposed budget also includes a 2% COL for all non-contract employees effective July 1, 2017. Mr. Stovall stated that General Fund debt is \$847,443. Mr. Stovall stated that this debt is made up of \$193,000 for the GO Bond with a maturity date of 2020, \$15,959 for a Grapple Truck with a maturity date of 2017, \$111,643 for a Street Sweeper with a maturity date of 2018, \$264,882 for a Fire Engine with a maturity date of 2021, and the CEDC note of \$261,959 with a maturity date of 2019. Mr. Stovall stated that the Utility Fund debt is \$7,657,620. Mr. Stovall stated that the Utility Fund debt consists of \$3,407,000 for the 2011 Combined Utility System Revenue Bond with a maturity date of 2023, \$3,275,669 for a 2012 A CUSRB with a maturity date of 2020, and \$127,508 for an Electric Department Truck with a maturity date of 2021. Mayor McLean pointed out that the total debt for the Utility System is wrong and Mr. Stovall stated that the total debt should be \$6,810,177.

DEBT

GENERAL FUND

Mr. Stovall stated that the General Fund budget is \$6,282,373 with the majority of the revenues coming from Utility Transfers, Licenses & Inspections and Property Taxes. Mr. Stovall stated that City staff would like to reduce the Utility Fund transfers. Mr. Stovall stated that in the past the transfer was based on what it takes to operate the General Fund but the City is trying to reduce the transfer moving forward. Mr. Stovall stated the Utility System should transfer funds to the General fund for services provided by the General Fund but not to cover deficits in the General Fund. Mr. Stovall stated that the Public Safety Department makes up 48.7% of the General Fund expenditures. Mr. Stovall stated that the City Administrative Department make up 9% of the expenses and Finance makes up 8% of the expenses because these departments carry the General Fund debt payments. Mr. Stovall stated that the General Fund budgets consist of Administration, Legal Services, Finance, Municipal Court, Street Department, Parks & Recreation, Community & Economic Department, Museum, Planning & Inspections, Public Safety, and Council. Mr. Stovall stated that City Administration budget is \$580,799. Mr. Stovall stated that the proposed budget has a 35%

OFFICE CITY MANAGER

ADMINISTRATION reduction because of the HTAX transfer. Mr. Stovall stated that the total budget for Legal Services is \$61,000 which is a 39% increase from last year. Mr. Stovall stated that the increase is due to a rise in legal service costs associated with pole attachments, employment law, and economic development law. Mr. Stovall stated that the City also anticipates legal services for bond issuances for the Utility Revenue Bond and the Special Source Revenue Bond. Mr. Stovall stated that the Special Source Revenue Bond involves the S Broad Street repairs. Mr. Stovall stated that SCDOT has scheduled to repave the road and if that is the case then the City would take the opportunity to put in new water and sewer lines and the SCDOT would then cover the repaving costs. Mr. Stovall stated that the budget for the Finance Department is \$522,061. Mr. Stovall stated that the capital expense was increased to fund furniture upgrades. Mr. Stovall stated that in the past every General Fund Department had a Building & Grounds expense account but the this expense account has been moved to the Finance Department in the proposed budget. Mr. Stovall stated that this would give City staff a better way to monitor this expense. Mr. Stovall stated that the Sanitation Service transfer expense of \$20,916 has been added to this budget. Mr. Stovall stated that the budget of Municipal Court is \$179,212. Mr. Stovall stated that the proposed budget reflects a 40% increase in police fine transfers to the State. Mayor McLean asked if all building and grounds is in the Finance budget and does this mean that Public Safety is not budgeting any money for their building and Public Works is not budgeting any money for their building and Mr. Stovall stated no. Mr. Stovall stated that Public Works Administration has funds in their budget to maintain the building and so does Public Safety. Mr. Stovall stated that the cost of maintaining the Municipal Center is in the Finance Department. Mr. Stovall stated that Mr. Barnes, the Building Inspector, is responsible for maintaining the Municipal Building but Ms. Morrow, Finance Director, will oversee and track the cost of maintaining the Municipal Center. Mayor McLean asked would it not be simpler to have a Facility Manager to manage all of our buildings and give him a budget to operate from. Mayor McLean stated that the Police Department could do Police work and the Public Works Department could do utility work and get them out of the maintenance business. Councilmember Scarborough stated that the City would have to employ another person and McLean agreed. Councilmember Young asked if the City could bid out the work on the facilities. Mr. Stovall stated that the City does use vendors to make repairs. Councilmember Young asked when was the last time the City solicited bids to paint some of the buildings. Mr. Stovall stated that the City did paint the Department of Public Safety last year. Councilmember Young asked if the contract to paint was local and Mr. Stovall stated yes. Councilmember Young stated that the City should put an emphasis on

LEGAL SERVICES

FINANCE

COURT

BUILDING MAINTANENCE

using local vendors when possible. Councilmember Young stated that he thinks it would be cheaper to use an outside source instead of hiring someone to maintain the buildings. Councilmember Young stated that by using local vendors as much as possible it gives back to the citizens and also keeps people working in Clinton. Mr. Stovall stated that the City utilizes the Trustees for many of the needed repairs in order to cut down on the cost. Mr. Stovall stated that if the City did not use Trustees then the cost to maintain these buildings would be significantly higher. Councilmember Young stated that he understood and agreed with the use of Trustees for small projects but what about electrical or plumbing work. Mr. Stovall stated that the City's Procurement Ordinance limits the City in what could be awarded to a local vendor. Mr. Stovall stated that the Procurement Ordinance states if a local vendor is within 5% of the total cost of the lowest bid then the City gives the local vendor an opportunity to match the lowest bid. Councilmember Scarborough stated that Council owes it the citizens to be as efficient as possible when it comes to bids. Councilmember Young stated that the City keeps harping on giving back to keep them in business. Councilmember Scarborough stated that if a local vendor's bid was \$10,000 over the lowest bid then the City could not justify awarding the bid to the local vendor. Mr. Stovall stated that the City has limited resources to use for facility repairs. Mr. Stovall stated that the City would use the newly formed Right of Way Department to tackle some of the facility repairs. Mr. Stovall stated that the City would like to see if using the Right of Way Department in this capacity would work and if it does not work then have a discussion about a Facility Manager. Mayor McLean stated that otherwise the City will play catch up just like we did on vehicles and trucks and everything else all at one time. Mayor McLean stated that we do not need to get into that situation again. Mayor McLean asked why did the Mayor&Council budget have a 10% increase. Is it because of insurance and Mr. Stovall stated yes. Mr. Stovall stated that the Street Department budget is \$354,515. Mr. Stovall stated that the increases are due to personnel reallocations from the Sanitation Department, sidewalk funding, and street funding. Mr. Stovall stated that the Parks & Recreation budget is \$770,956. Mr. Stovall stated that the increase in this budget is entirely due to HTAX allocation to an expenditure line in this department. Mr. Stovall stated that the Community & Economic Development budget is \$321,099. Mr. Stovall stated that this budget includes funding for a part-time economic development position and also includes previous year funding for downtown efforts. Mr. Stovall stated that the Museum Department budget is \$50,033 which is a 17% decrease from last year. Mr. Stovall stated that the Museum account is receiving funding from the local ATAX. Mr. Stovall stated that the budget for Planning & Inspection is \$238,211. Mr. Stovall stated that the proposed budget includes a 32% increase to

STREET DEPT

PARKS

**COMMUNITY
ECONOMIC
DEVELOPMENT**

MUSEUM

**PLANNING
INSPECTION**

PUBLIC SAFETY

fund Code Enforcement but the overall operating budget increased by 1%. Mayor McLean stated that the Planning & Inspection budget has a 1% decrease from last year not an increase and Mr. Stovall agreed. Mr. Stovall stated that the proposed budget for the Public Safety Department is \$3,058,948 which is a 2% increase over the previous year. Mr. Stovall stated that the increase is due to the COL, mandatory increases in retirement contributions, and health insurance coverage costs.

COUNCIL**GENERAL FUND
CAPITAL**

Mr. Stovall stated that the proposed budget includes an increase in Animal Control to allow funding for the merging of City's animal control efforts with the County. Mr. Stovall stated that Laurens County has a Department to handle animal control whereas the City does not. Mr. Stovall stated that the City of Clinton and the City of Laurens would partner with Laurens County for animal control. Mr. Stovall stated that Laurens County would require funding from Laurens and Clinton to handle their animal control. Mr. Stovall stated that the Public Safety Department does have personnel who could handle an animal control issue until Laurens County could arrive and take over the matter. Mayor McLean stated that the Public Safety budget has increased by \$251,400 over the past several years but the Public Safety Capital budget has increased by \$583,400. Mayor McLean asked where did the funds come from to make up the difference. Mr. Stovall stated that the additional revenues are coming from the Local Option Sales Tax which the City uses to fund capital purchases for the Public Safety Department. Mr. Stovall stated that the proposed budget for Mayor & Council is \$107,690. Mr. Stovall stated that the increase is mainly due from the change in the insurance coverage. Mr. Stovall stated that the General Fund Capital expenditures in the proposed budget are \$5,000 for the municipal Center facilities, \$10,000 for furniture replacement in the Finance Department, \$90,000 for equipment in the Public Safety Department, \$10,000 for facility upgrades in the Public Safety building, \$80,000 for four Public Safety vehicles, \$6,000 for a new mower, \$15,000 for sidewalk repair, \$45,000 for road repaving, \$400,000 for Park construction, and \$20,000 for the Museum building. Mr. Stovall stated that the City would replace two of the Public Safety vehicles with funds from the General Fund operating account and two vehicles from the Depreciation account. Mr. Stovall stated that three of the vehicles would be used by Police Officers and one vehicle would be used by the Fire Division to answer medical calls. Mr. Stovall stated that about 50% of the calls answered by the Fire Division are a medical call and instead of using a large Fire Truck the Fire Division could use a much smaller vehicle. Councilmember Young stated that the proposed budget has \$10,500 in capital request in the Parks & recreation budget. Councilmember Young asked if that was also mowers and Mr. Stovall stated yes. Councilmember Young stated that this budget

states \$10,000 in capital request but \$6,000 in the Capital Fund. Mr. Stovall stated that the \$6,000 is for the Street Department but the \$10,500 should have been included in the Capital Fund. Mayor McLean asked how many employees are in the Parks & Recreation Department and Mr. Stovall stated four part-time employees. Mayor McLean stated that the City does not really have a Parks & Recreation Department. Mr. Stovall stated that the City does not have any full-time employees.

**SANITATION
FUND**

Mr. Stovall stated that the proposed budget for the Sanitation Fund is \$488,160. Mr. Stovall stated that the Sanitation Fund consist of residential and commercial sanitation pickups as well as man-made pickups. Mr. Stovall stated that the revenue generated by the Sanitation Fund is \$325,762 from residential pickups, \$72,738 from commercial pickups, \$8,000 from penalties, \$50,744 from Public Works fees, and \$30,916 from Sanitation Service transfer. Mr. Stovall stated that the Public Works Fee was placed on the property tax bill in order to be used to purchase capital equipment for the Sanitation Fund. Mr. Stovall stated that there are funds in the General Fund and the Utility Fund to pay for the Sanitation services provided by the Sanitation Fund. Mr. Stovall stated that the expenditures in the Sanitation Fund are 56% to personnel, 30% to operational costs, 4% for capital purchases, and 10% to debt.

Mr. Stovall stated that the proposed budget includes a down payment for a Grapple Truck. Mr. Stovall stated that the Grapple Truck would have the capacity to pick up large containers. Mr. Stovall stated that the City considers offering this service as a potential revenue source for the Sanitation Fund. Mr. Stovall stated that salaries are reduced by 25% in the Sanitation Fund due to the four day schedule change. Mr. Stovall stated that the operational cost increased by 9% due to vehicle maintenance costs. Mr. Stovall stated that the Sanitation Fund's salaries and operational costs are balanced but the Rate Study would determine how much cost for Police Protection, administrative services, and financial services should be allocated to the Sanitation Fund. Mr. Stovall stated that these types of costs are absorbed by the General Fund and the Utility Fund. Mr. Stovall stated that if Council would like to see the Sanitation Fund in balance then he would recommend Council also looking into using a private vendor. Mayor McLean asked what is the Sanitation Department's deficit and Mr. Stovall stated between \$200,000 to \$400,000 depending on how the costs are allocated. Mayor McLean stated that we are looking at increasing the fee by .50 cents. Mayor McLean asked if the City charged \$5.50 per can for any can beyond the second can and Mr. Stovall stated yes. Mayor McLean stated why not charge \$5.50 for the second can. Mr. Stovall stated that the City is not in a position to know who has a second can but the City has started to gather the data. Mayor McLean asked if the City was charged for tonnage

when the City dumped the garbage and Mr. Stovall stated no. Mr. Stovall stated that every resident pays the Laurens County tipping cost for residential garbage on their property tax bill. Mr. Stovall stated that the City does pay a fee for what is dumped out of the Grapple Truck but not what is dumped from the Sanitation Garbage Truck. Mayor McLean stated that we have discussed taking the leaves and grass to someone to grind up. Mr. Stovall stated that the Street & Sanitation Supervisor does use a private vendor to grind up the leaves and grass instead of taking it to the Laurens County landfill. Mr. Stovall stated that the City is now looking into a project where a private vendor comes to the City's landfill and grinds up the debris and the City in turn would use the mulch or give the mulch to citizens.

UTILITY FUND

The proposed budget for the Utility Fund is \$21,960,890. Mr. Stovall stated that the majority of the Utility Fund Revenues comes from Electric Revenue at \$16,880,829, Sewer Revenues at \$2,455,148, Water Revenues at \$2,364,313, and Penalties at \$175,000. Mr. Stovall stated that the majority of the Utility Fund Expenses come from the Purchased Power Cost from PMPA and the Sewer Treatment Fee from LCWSC. Mr. Stovall stated that the Information Technology Department's proposed budget is \$330,782. Mr. Stovall stated that due to the addition of a position in this department salary and benefits have increased by \$53,865. Mr. Stovall stated that the proposed budget includes \$150,000 in capital to fund the GIS, radio system, and Wi-Fi in public spaces. Mr. Stovall stated that the City needs a better radio system for all City personnel to communicate with each other during events and outages. Mr. Stovall stated that the radio system also has a GPS chip and the City would be able to locate personnel. Mr. Stovall stated that the proposed Risk Management is \$94,879. Mr. Stovall stated that the budget has a 25% decrease due to the reduction in capital expenditures. Mr. Stovall stated that the budget for the Utility Billing Department is \$606,124. Mr. Stovall stated that one new position was added to this department in 2016 but there are no other significant increases in their department.

IT DEPARTMENT

RISK

UTILITY BILLING

FLEET

PW ADMINISTRATION

Mr. Stovall stated that the Utility Billing employs nine employees who include the Administrative Services Director, Meter Readers, Customer Service, Utility Billing Clerk, and a Customer Service Supervisor. Mr. Stovall stated that the budget for Fleet maintenance is \$65,206 with no significant changes from last year. Mr. Stovall stated that the proposed budget for Public Works Administration is \$782,149. Mr. Stovall stated that this is a 2% reduction due to the property insurance decrease. Mr. Stovall stated that this budget includes the Utility Rebate Program and \$160,000 to go toward reserves. Mr. Stovall stated that the budget for the Electric Distribution is \$15,105,794. Mr. Stovall stated that the

**SANITARY SEWER
STORM SEWER**

transfer to the General Fund has been reduced by \$26,000, Mr. Stovall stated that this budget includes capital funds to replace an Auger Truck and implement pole replacement and other projects. Mr. Stovall stated that the budget for Sanitary Sewer is \$2,016,921 with no significant changes except for personnel reallocation. Mr. Stovall stated that one goal for this budget is to rehabilitate 75 manholes and develop a policy for service line repairs. Mr. Stovall stated that 50% of the City's I&I issues are coming from the manholes and the service lines. Mr. Stovall stated that the City would need tools in place in order to address the challenges the City would face in changing out service lines. Mr. Stovall stated that the budget for Storm Sewer is \$2,600 with no changes in the proposed budget. Mr. Stovall stated that the budget for the Water Distribution is \$942,437. Mr. Stovall stated that this budget includes funding to purchase a mini-excavator, complete tie in projects, and replace hydrants. Mr. Stovall stated that the City is transitioning to excavators instead of backhoes because they do a more efficient job and the City plans to replace 10 water hydrants. Mr. Stovall stated that the budget for Water Filtration is \$1,716,140. Mr. Stovall stated that personnel cost increased because of certification upgrades. Mr. Stovall stated that this budget includes an increase in capital due to significant preventative maintenance needs to the building. Mr. Stovall stated that the budget for the Right of Way Department is \$297,859. Mr. Stovall stated that this budget was increased to fully fund salaries.

**WATER
DISTRIBUTION**

FILTER PLANT

ROW

**UTILITY FUND
CAPITAL**

Mr. Stovall stated that the proposed budget includes \$428,250 for capital improvements and purchases. Mr. Stovall stated that the breakdown for capital expenditures are \$245,000 for facility improvement which include Utility Billing facility improvements, water line replacements, water treatment equipment, LED lights, hydrant replacement, Willard Road line burial, trip savers, and Department of Public Works improvements; \$42,000 for vehicles which include a truck payment to CERF, an Augur Truck lease; and \$210,250 for equipment which includes Phase II of the Radio System expansion, computers, GIS equipment, AV equipment, Hydraulic Pack, digging machine, and manhole equipment. Mr. Stovall stated that the Utility Billing will utilize these funds to turn some office space into consultation rooms for City staff and customers. Mr. Stovall stated that departments pay back the CERF Fund whenever the funds are used to purchase a vehicle for their department. Mr. Stovall stated that the Auger Truck is fifteen years old and is in need of replacement.

SPECIAL FUNDS

Mr. Stovall stated that the City has three special funds which are the Economic Development Fund, Capital Equipment Replacement Fund, and the Sewer I&I Fund. Mr. Stovall stated that a charge is placed on the

SEWER I&I

utility bills to cover the cost of rehabilitation of the Sewer System. Mr. Stovall stated that these funds are held in the Sewer I&I Account. Mr. Stovall stated that the City would use some of these funds to pay salaries of two Sewer employees and one ROW employee.

Mr. Stovall stated that the second category the Sewer I&I Funds would be used for is to purchase equipment for the repairs to the Sewer System. Mr. Stovall stated that funds not spent in one fiscal year would be used in the following fiscal years for the projects. Mr. Stovall stated that the engineering costs for the SCDHEC Consent Order would be paid from the Sewer I&I Funds. Mr. Stovall stated that two pieces of equipment to be purchased with Sewer I&I Funds are a Right of Way Cutter and a Right of Way Giraffe. Mayor McLean asked when did the City start the Sewer I&I Fund and how much money is in there. Mr. Stovall stated that the City started this fund in 2007 and the current balance is \$942,000. Mayor McLean stated that the City roughly loses two million in Sewer I&I and Mr. Stovall stated that he did not know the amount.

Mayor McLean stated that he would like to see this money used just for repairs to reduce the I&I we pay in Joanna. Mr. Stovall stated that it takes personnel to do the repairs and it also takes equipment to get to the lines to make the repairs. Mayor McLean stated that we could reduce some of the other charges and Mr. Stovall asked what other charges? Mayor McLean stated charges like Office Supplies and Mr. Stovall stated that these funds would only cover equipment and personnel not any other costs. Mr. Stovall stated that the Economic Development Fund covers a three year plan starting in 2016. Mr. Stovall stated over the three year plan the City anticipates a revenue stream of 3.39 million for economic development expenditures. Mr. Stovall stated that funds would be used to make industrial park improvements which include an industrial pad, improvements to the West Corporate Drive, landscaping the frontage road, speculative building, Corporate Park III improvements, and workforce development. Mr. Stovall stated that there are four components to the workforce development which are membership to outside marketing agencies, Business Development Program, Retail Development Program, and scholarship programs. Mr. Stovall stated that Economic Development Funds would be used for Community Development Programs. Mr. Stovall stated that one project under this program is Streetscape Phase IV and V for \$515,000. Mr. Stovall stated that the cost of Streetscape IV may prevent the City from completing Streetscape V. Mr. Stovall stated that other projects being funded by Economic Development Funds is the startup money for the Main Street Program, Gateway Signage Program, and the Community Development Program. Mayor McLean stated that the startup fee for the Main Street Program is \$50,000. Mayor McLean asked where is that cost located in the proposed budget and Mr. Stovall stated in the Economic

**ECONOMIC
DEVELOPMENT
FUND**

CERF

Development budget in the General Fund. Mr. Stovall stated that he thinks the City should put enough funds in the proposed budget to cover any unanticipated costs for the Main Street budget. Mr. Stovall stated that City staff has started to track all personnel costs associated with Downtown events in order to give Council a true cost of providing these events. Mr. Stovall stated that the City started the Capital Equipment Replacement Fund several years ago because the City was concerned with not having a sustainable source of income to replace equipment. Mr. Stovall stated that departments budget funds to go toward this account in order to be able to use the funds to purchase equipment and vehicles. Mr. Stovall stated that this process enables the City to purchase the vehicle or piece of equipment outright and not have so many lease purchase agreements. Mr. Stovall stated that the City would like to purchase vehicles to be used for travel and not use work trucks.

CIP PRIORITIES

Mr. Stovall stated that the priorities for the upcoming fiscal year are AMR/AMI Program, Sewer System improvements, Water System improvements, recreation facilities, downtown built environment, Martha Dendy Park, and the Industrial Park improvements.

**ELECTED OFFICIAL
SALARY
ADJUSTMENT**

Mr. Stovall stated that he was asked to prepare an Elected Official Salary Adjustment. Mr. Stovall stated that he was asked to research an increase for the Mayor and Council salary of the average salary paid to the Mayor and Council in the neighboring Communities of Laurens, Newberry, and Abbeville. Mr. Stovall stated that the salary adjustment would increase the budget for the fiscal year 2017 by \$4,692.80 and would increase the budget for 2018 by \$18,771. Mr. Stovall stated that if the salary adjustment is approved for fiscal year 2017 then the City would reduce Administrative Capital by \$2,000, reduce Finance Capital by \$1,000, reduce Special Events and Programs by \$1,500 and reduce Code Enforcement from \$33,000 to \$32,500. Mr. Stovall stated that the legal requirements of an Elected Official's salary adjustment is it must be done by Ordinance and the adjustment can only take effect after an election of no less than two members. Mr. Stovall stated that the next General Election is March 2017 and the salary adjustment would go into effect after this election. Councilmember Scarborough thanked the City Manager for going through the budget. Councilmember Scarborough stated that the proposed budget includes the Strategic Priorities that Council has set. Mayor McLean thanked the City Manager for the presentation so that Council could sit together as a group and bounce

ideas off of each other. Councilmember Young stated that nine attendees went through the Kauffman Foundation training. Councilmember Young asked if these individuals were still in business and Councilmember Scarborough stated yes. Councilmember Young asked if they have current businesses in Clinton and Councilmember Scarborough stated yes. Councilmember Scarborough stated that the program the Kauffman Foundation put on for Clinton was for existing businesses. Councilmember Young asked if the program helped these businesses and Councilmember Scarborough stated that he received positive feedback from the businesses that participated in the program. Councilmember Young asked if the City had a timeline on the Rate Study. Mr. Stovall stated that City staff has a copy of the Rate Study but have not been able to review it in great detail. Mr. Stovall stated that the next step is to tell the engineers that the City agrees with the formulas they used for the allocations in the Rate Study. Mr. Stovall stated that the City would let the engineers know what type of rate structures the City would like to review and by the end of the summer Council would be able to study the different types of rate structures they would want to implement. Mr. Stovall stated that City staff would like for Council to make a decision on the rate structure by the fiscal year 2018. Mr. Stovall stated that the engineers would probably present a multi-year rate structure. Mr. Stovall stated that Council may want to look at different rates such as an economic development rate. Mr. Stovall stated that some of the current rate structures are obsolete and may need to be upgraded. Mayor McLean stated that he wished Council had the Rate Study before them while doing this budget. Councilmember Scarborough stated that this is such an important issue that Council and City staff need to make sure the decisions are right for Clinton. Mayor McLean stated that sometimes you have to make a decision and if it is not right then you tweak it.

ADJOURN

With there being no further business before Council motion was made by Councilmember Scarborough to adjourn and seconded by Councilmember Jenkins. The vote was unanimous.

CLERK

MAYOR