

MAY 12, 2020

A budget workshop was held at the M.S. Bailey Center at 5:30 PM with the option of a video conference with Mayor Bob McLean presiding with Councilmembers Cook, Jenkins, Kuykendall, Neal, Roth, and Walsh. The City Manager was present. No news media was present. All News media received an invitation to the meeting on May 11, 2020.

INVOCATION	The invocation was given by Councilmember Roth.
PLEDGE ALLEGIANCE	Mayor McLean asked Council and the audience to stand and recite the Pledge of Allegiance.
BUDGET WORKSHOP	Mayor McLean stated that the purpose of this meeting is to discuss the proposed 2021 budget. Mayor McLean stated that this workshop is a time for Council to discuss the proposed budget and ask questions. Mayor McLean recognized Ms. Renee Morrow, Finance Department.
OVERVIEW	Ms. Morrow stated that the City's Strategic Plan includes Exceptional Infrastructure, Grow the Economy, Develop and Maintain Sustainable Revenue Sources, Provide for a First Class City for our Residents, and Promote Community Development. Councilmember Walsh asked when was the Strategic Plan implemented and Ms. Morrow stated that she did not know. Ms. Morrow stated she would find out and let Councilmember Walsh know. Ms. Morrow stated that the revenue adjustments does not include a Millage Tax increase but does include a Water Rate increase and a Sewer Rate increase. Ms. Morrow stated that the Electric Rates stay level and Council has before them a balanced budget. Ms. Morrow stated that the budget does include a Cost of Living Adjustment and an increase in the South Carolina Retirement Rate. Ms. Morrow stated that the retirement contributions have increased for several years. Ms. Morrow stated that the budget does include personnel adjustments. Ms. Morrow stated that the proposed budget does have several challenges due to the COVID-19, aging facilities, rate adjustments, and infrastructure. Ms. Morrow stated that the budget consist of two primary funds which are the General Fund and the Utility Fund. Ms. Morrow stated that the General Fund budget is \$7,194,507 and the Utility Fund is \$24,164,532 with the total budget being \$31,359,039. Councilmember Roth stated that the General Fund Revenues have increased by \$313,791. Councilmember Roth asked what does the increase consists of. Ms. Morrow stated that a portion of the increase is due to the State funding the salaries of School Resource Officers and the Business License Revenues increased. Councilmember Roth asked if the Business License increase is due to an increase in the Business License Rate and Ms. Morrow stated no just an increase in businesses.

**GENERAL FUND
REVENUES**

Ms. Morrow stated that the revenue adjustments for the General Fund are Property Taxes in which the millage would increase based on allowable CPI and the General Fund would continue to use Local Option Sales Tax to fund the Police and Fire safety training and equipment acquisition. Ms. Morrow stated that the Inspection and Planning fees would not increase. Ms. Morrow stated that the General Fund includes a grant from School District 56 to provide more School Resource Officers. Ms. Morrow stated that the grant amount is \$180,000. Ms. Morrow stated that Fines and Forfeitures decreased based on previous year's trends. Ms. Morrow stated that the Overhead Allocation and the Transfers to the General Fund are calculated under the direction of the Bond Attorney. Councilmember Roth asked if the City had a ceiling for the transfer to the General Fund and Ms. Morrow stated that the cap is 7%. Ms. Morrow stated that a comparison of the tax dollars to the City's expenses shows that 59% percent of the tax dollars goes to School District 56 and 16% percent goes to Laurens County and the City of Clinton. Mayor McLean stated that this graph shows how little the City receives from Property Tax dollars. Ms. Morrow stated that the City receives 13% of the City's tax dollars which funds only three City Departments. Ms. Morrow stated that the total General Fund Revenues are \$7,194,507. Ms. Morrow stated that the breakdown consist of Property Taxes for \$926,415, Fines & Forfeitures for \$74,370, Special Assessments for \$600,000, Intergovernmental for \$1,260,000, CNNGA for \$465,000 and Licenses and Inspections for \$1,011,000. Councilmember Roth asked if the fees the City's receives from fines cover the Court expenses and Ms. Morrow stated no. Mayor McLean stated that the City receives about \$14,000 in fines and it cost the City \$150,000 to operate the Municipal court. Mayor McLean stated that the City needs to change the way the City operates the Municipal Court. Ms. Morrow stated that Contributions and Transfers consist of 31% of the General Fund Revenues, Property Taxes are 13% of the General Fund Revenues and Licenses and Inspections is 14% of the General Fund Revenues. Councilmember Cook stated that Council requested the City to negotiate the Laurens County Fire Contract during the City's budget. Chief Russell, Fire Chief, stated that the City did request a 5% increase. Chief Russell stated that the City has not received an increase in four years. Chief Russell stated that the Laurens Advertiser reported that Laurens County is looking to give the City a 1.8% increase in the Laurens County Fire Contract. Councilmember Roth asked about the rental income and Ms. Morrow stated that the School District and the Laurens County Community Foundation pays rent to use the M.S. Bailey Center.

**GENERAL FUND
EXPENSES**

Ms. Morrow stated that the total General Fund Expenses are \$7,194,507.

MAYOR & COUNCIL

Ms. Morrow stated that the General Fund Divisions are Mayor and Council, Office of the City Manager, Street Department, Parks and Recreation Department, Department of Community and Economic Development Department, Court, Police Department and Fire Department. Mayor McLean asked what made up the Economic Development Department and Ms. Morrow stated salaries and operational costs. Ms. Morrow stated that the Main Street Program is in this department. Ms. Morrow stated that there are no notable changes to the Mayor and Council Department. Ms. Morrow stated that the total budget increased by \$1,240. Councilmember Jenkins asked what made up the increase and Ms. Morrow stated an increase in health insurance and retirement. Ms. Morrow stated that the next department is the

CITY MANAGER

Office of the City Manager. Ms. Morrow stated that the salaries and wages increased by \$30,456 because the City reclassified positions within the department. Councilmember Jenkins asked how many positions are in this department and Ms. Morrow stated 3.5 positions. Ms. Morrow stated that the Museum's part-time employee is in this department and one position is vacant. Mayor McLean asked what did the part-time employee do and Ms. Morrow stated that he is taking inventory of the Museum. Ms. Morrow stated that the operational costs decreased by \$29,500 because the City moved \$28,000 of legal fees charged to this department to the Legal Department. Ms. Morrow stated that the Capital Debt for this department is a decrease of \$52,020 in bonds, an increase of \$89,063 in Capital Leases, and a \$20,000 increase in Depreciation payments. Ms. Morrow stated that the increase in the Capital Lease account is in anticipation of the upgrades to the M.S. Bailey Center such as moving the Police Department to the building and to make repairs to the current Police and Fire building. Councilmember Walsh asked if Council approves these changes does this mean Council is approving the bond and Ms. Morrow stated no. Ms. Morrow stated that if the City proceeds with these projects then Council would have to approve them and the funds would already be budgeted. Ms. Morrow stated that the \$52,020 in bond payments would be used to fund this account. Ms. Morrow stated that the Depreciation Account increased by \$20,000 due to the purchase of the Founders Building. Ms. Morrow stated that the City used funds from the Depreciation Fund and this department would pay the fund back. Ms. Morrow stated that the total budget of the Office of the City Manager increased by \$52,002.

**COMMUNITY
ECONOMIC
DEVELOPMENT**

Mayor McLean asked what is the Morale and Welfare Expense Account in the Mayor & Council Department. Ms. Morrow stated that expenses for events for employees such as the Christmas Dinner and the Health Fair. Mayor McLean stated the Incidental Expense Account has \$5,000 budgeted. Mayor McLean stated that in 2017 this account used \$24,000 and currently this account has been reduced to \$5,000. Ms. Morrow stated that the Salaries and Wages in the Economic Development Department was changed to reflect the actual hours the part-time personnel worked. Ms. Morrow stated that there are no significant changes in the Operational costs and Capital costs. Ms. Morrow stated that the Department of Community and Economic Development budget increased by \$7,553. Mayor McLean asked if the City still paid the CEDC attorney and Ms. Morrow stated no. Mayor McLean stated that the salaries in this budget have a \$9,000 increase. Ms. Morrow stated that last year the City budgeted twenty hours in salaries for the part-time employee but the employee actually works around twenty-seven hours. Ms. Morrow stated that the budget was changed to reflect the true cost. Councilmember Cook asked if this department has one full-time employee and one part-time employee and Ms. Morrow stated yes. Councilmember Cook stated that the salary increase from last year is 8.7%. Ms. Morrow stated that the increase in salaries also reflect benefits as well. Councilmember Cook asked if Council could see more of a breakdown to determine what makes up the increases or decreases in the departments. Ms. Morrow stated that the next department is Court and the only change is a \$33,000 decrease in the transfer of police fines to the State. Ms. Morrow stated that the Police Department is collecting fewer fines that would go to the State. Ms. Morrow stated that the total budget decrease in court is \$28,941. Mayor McLean asked what does it cost the City to operate Municipal Court. Ms. Morrow stated that the Court budget is \$141,516 minus the \$45,000 the City transfers to the State which leaves about \$100,000 to operate the Municipal Court. Ms. Morrow states the City receives about \$14,000 per year in revenue funds from the Court. Mayor McLean states that it cost the City about \$86,000 per year to operate the Municipal Court. Mayor McLean stated that since 2017 the number of cases for Municipal Court has decreased about 23%. Mayor McLean stated that the cost to operate Municipal Court has increased and the number of cases has decreased. Ms. Morrow stated that the reason the number of cases has decreased is State law has changed which effects how long it takes to bring a case before the Municipal Court. Ms. Morrow stated that now it may take up to six months before a case is brought to Court and in the past it would only take three months.

COURT

LEGAL Ms. Morrow stated that the only change to the Legal Department is a \$28,000 increase due to moving legal expenses from the City Manager's budget to this department. Ms. Morrow stated that the Finance

FINANCE Department has a \$2,000 increase in the operational costs due to additional training in Munis personnel would receive. Ms. Morrow stated that the total budget decrease in the Finance Department is \$21,069. Ms. Morrow stated that the next department is the Police Department which

POLICE DEPT has a \$244,994 increase in Salaries and Wages. Ms. Morrow stated that this increase is offset by the State for the addition of the School Resource Officers. Ms. Morrow stated that another reason for the increase is the COLA, retirement, and health insurance. Councilmember Walsh stated that the \$244,994 increase is offset by the \$180,000 the City receives from the School District and Ms. Morrow stated yes. Ms. Morrow stated that there are no significant changes in the operational costs. Ms. Morrow stated that the expenses in the Capital Expense Account are payback to the Depreciation fund of \$90,000, equipment for \$65,000 which includes radios for \$55,000 and to outfit a Canine Vehicle for \$10,000. Ms. Morrow stated that the total budget increase for the Police Department is \$312,195. Councilmember Roth asked if the Police Department has a canine. Chief Ledda, Police Chief, stated that the Police Department does have two canines but the dogs are still in training as well as the Canine Officers. Ms. Morrow stated that the Salaries and Wages in the Fire Department increased by \$43,428 due to an increase in the number of part-time Firefighters and also the increase in benefit costs. Ms. Morrow stated that there is no significant changes in operations and the Fire Departments Capital Account is funded by LOST and the Depreciation Fund. Ms. Morrow stated that the total budget increase in the Fire Department is \$88,600. Councilmember Roth asked if the Fire Department had inventory that has an expiration date and Chief Russell stated Air Packs, Turn Out Gear have and a lot of the Fire Department's Hazard material supplies. Chief Russell stated that last year the Fire Department did not budget for these items. Chief Russell stated that the Fire Department also incurs a lot of maintenance costs for their vehicles. Ms. Morrow stated that the Salaries and Wages in the Street Department decreased by \$148,333 which is due to reallocating employees to the Right of Way Department. Ms. Morrow stated that there are no notable changes to the operational costs. Ms. Morrow stated that the Capital Account increased by \$18,000 to include \$200,000 for paving projects and \$25,000 for sidewalk repairs. Ms. Morrow stated that the total budget decrease in the Street Department is \$123,678. Mayor McLean stated that the City moved two employees to the ROW which leaves three employees to maintain the City's streets.

FIRE DEPT

STREET DEPT

Mr. Meadors, Public Works Director, stated that the employees allocated to the ROW help maintain the grass and the parks. Mr. Meadors stated that the employees in the Street Department still work on the sidewalks and streets. Mr. Meadors stated that the streets and sidewalks could be maintained between both departments. Mayor McLean asked if the employees who pick up limbs and debris are located in the Sanitation Department and Mr. Meadors stated yes. Councilmember Cook stated that he is concerned that the City has three employees to take care of the City's sidewalks, streets, and grass. Mr. Meadors stated that the Street Department and the Right of Way Department work together to maintain the City's streets, sidewalks, and grass. Mayor McLean stated that the City should just have one department instead of two. Councilmember Roth asked which department operated the Street Sweeper and Mr. Meadors stated Street Department. Mr. Meadors stated that the three employees who were moved to the ROW is still doing the same job. Mr. Meadors stated that these employees are able to accomplish several tasks. Councilmember Neal stated that the employees are crossed trained and Mr. Meadors agreed. Ms. Morrow stated that the Salaries and Wages in the Parks Department decreased by \$32,465 due to reallocating employees. Ms. Morrow stated that there are no significant changes to operations and the Capital Account was decreased by \$20,000. Ms. Morrow stated that the Facilities Account has a budget of \$400,000 for a potential Recreation Development. Ms. Morrow stated that the total budget decrease for the Parks Department is \$56.865. Councilmember Jenkins stated that the budget includes the Martha Dendy project. Ms. Morrow stated that is a Performance Measures from last year and these projects cannot be updated until the fiscal year is over. Councilmember Cook asked where the City stood with the Gilliam Center. Mr. Cannon, City Manager, stated that the City is waiting on them. Mayor Mclean stated that last month the City paid an \$850 gas bill. Mayor McLean asked if the City should make these payments and Ms. Morrow stated yes. Ms. Morrow stated that the gas payment is part of the Gilliam Center contract. Ms. Morrow stated that there are no changes to the Museum Department. Councilmember Roth asked if the City has made repairs to the City parks and Mr. Meadors stated that the City is still working on those projects. Councilmember Roth asked if the City is pursuing a Dog Park on Calvert Avenue. Mr. Meadors stated that he is looking to see how feasible a Dog Park is in that area. Mr. Meadors stated that the park on Calvert Avenue stays wet and it hard to maintain. Councilmember Neal asked Mr. Meadors to look at the park on Jefferson and Sloan Street. Mr. Meadors stated that even though the City maintains that park Calvary Baptist Church owns the park.

PARKS DEPT

MUSEUM

INSPECTION

UTILITY FUND

OVERVIEW

Councilmember Jenkins asked if additional parking along with parking signs be added to the Oak Street Park. Councilmember Jenkins stated that she would also like to see a fence between the Park and the railroad tracks. Ms. Morrow stated that there are no significant changes in the Museum Department. Ms. Morrow stated that the Planning and Inspection Department does not have any notable changes to the operational costs and \$30,000 has been added to the Capital Account for a vehicle. Ms. Morrow stated that the total budget increase for the Planning and Inspection Department is \$48,753.

Ms. Morrow stated that the total budget for the Utility Fund is \$24,164,532. Ms. Morrow stated that Electric Revenues are \$15,842,472 which makes up 65% of the Utility Fund Revenues. Ms. Morrow stated that the Sewer Revenue is \$3,068,646 which is 13% of the Utility Fund Revenues and the Water Revenue is \$4,305,318 which is 18% of the Utility Fund Revenues. Ms. Morrow stated that the Electric Revenues have remained stable. Mayor McLean stated that the City has not had an Electric Rate increase since 2006. Councilmember Neal asked what made up the Miscellaneous Revenues and Ms. Morrow stated customer connections, cable fees, and AT&T fees are included in this revenue stream. Ms. Morrow stated that Electric Distribution's budget is \$1,176,810 which is 45% of the Utility Fund Expenditures. Ms. Morrow stated that the Purchase Power Expense is included in this budget. Mayor McLean asked how much does the City pay for power and Ms. Morrow stated about \$800,000 per month. Ms. Morrow stated that in the proposed budget there is no increase in the Electric Rates, Water Rates increase by 12%, and Sewer Rates increase by 2%. Ms. Morrow stated that the Garbage Fess increase by \$1 per cart. Ms. Morrow stated that the City anticipated increasing the Water Rates by a higher percentage because the City would lose their largest water customer. Ms. Morrow stated that this would not occur until 2022. Ms. Morrow stated that the rate increases are based on the City's Rate Study in which every utility is self-sufficient. Councilmember Jenkins stated that a 12% Water Rate increase seems high. Ms. Morrow stated that an average customer using 5,000 gallons of water per month the new rate would increase their bill by \$1.60 per month. Ms. Morrow stated that 25% of the Cities in the State have higher Water Rates than Clinton. Mayor McLean stated that he does not think that citizens who have an irrigation meter should be charged for the meter monthly but just when in use. Mr. Meadors stated that the base charge for the irrigation meters is because the City has to maintain that meter as well as read the meter on a monthly basis.

Councilmember Walsh stated that the projected increases in the Water Rates are a result of the City anticipating LCWSC no longer buying water from the City and Ms. Morrow stated yes but the City will not lose the customer this year. Ms. Morrow stated that loosing LCWSC in 2022 would have an impact on the Water Rates. Councilmember Roth stated that the City is going to pass the cost of losing this customer on to current customers. Councilmember Roth stated that the loss of the revenue would be offset by a reduction in the cost of maintaining that customer. Mr. Cannon, City Manager, stated that the City still has to pay to treat the water and if LCWSC had left then the Water Rates may have increased by 34%. Mayor McLean stated that the City's Water System has not grown over the past several years. Ms. Morrow stated that the Utility Fund includes Public Works Administration, Electric Distribution, Water Treatment, Water Distribution, Sewer Collection, Right of Way, Sanitation, Fleet Maintenance, and Utility Billing. Ms. Morrow stated that the Salaries and Wages in Public Works Administration increased by \$15,651 due to moving an employee to this department from Utility Billing. Ms. Morrow stated that the Operational costs increased by \$70,000 due to the legal fees regarding PMPA. Ms. Morrow stated that the Facilities Account increased by \$15,000. Ms. Morrow stated that the total budget increase for Public Works Administration is \$124,443. Councilmember Jenkins asked what is the reason for the increase in legal fees. Mr. Cannon stated that the increase is due to the lawsuit with PMPA. Councilmember Kuykendall wanted more information regarding the \$15,000 for facilities. Mr. Meadors stated that the City's Vacuum Truck is an expensive piece of equipment and the City would like to build a shelter to house the truck. Ms. Morrow stated that the Salaries and Wages for the Information Technology Department (IT) increased by \$27,391. Ms. Morrow stated that this increase is due to a change in a classification of an employee. Ms. Morrow stated that that this cost is offset by a reduction in the City's IT cost to PMPA. Ms. Morrow stated that the changes in IT's Operational costs are a \$20,000 reduction in telephone costs, a \$42,000 increase in cyber security, a \$5,000 increase in Munis software, a \$27,000 reduction in PMPA services, and a \$15,000 reduction in employee training. Ms. Morrow stated that the IT Capital Account has a reduction of \$50,000. Ms. Morrow stated that the total budget decrease for IT is \$39,034. Mayor McLean stated that the City has 46 cell phones. Mayor McLean stated that one of the biggest complaints he receives is citizens cannot get in touch with City personnel. Mayor McLean stated that he would like to see these cell phone numbers on the City's website. Ms. Morrow stated that the increase in Cyber Security is to provide the City protection currently and in the future.

ADMINISTRATION

IT

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UTILITY BILLING

Ms. Morrow stated that all of the IT equipment required to operate the City is housed in the IT budget. Ms. Morrow stated that the Utility Billing Department did not have any changes to the Salaries and Wages. Ms. Morrow stated that the changes in the Utility Billing Operational costs are a \$20,000 increase in equipment lease charges, a \$13,000 increase in printing, and a \$12,500 increase in Itron MVRS line. Ms. Morrow stated that the changes in printing supplies and equipment lease relates to the fact the City prints and mails the utility bills. Ms. Morrow stated that the changes in the Capital Account are a \$10,000 decrease in the Facilities Account and a \$7,041 increase in the payback to the Depreciation Fund which is due to the purchase of the Founders Building. Ms. Morrow stated that the total budget increase in Utility Billing is \$49,839.

ELECTRIC DEPT

Ms. Morrow stated that there are no significant changes to Salaries and Wages for the Electric Distribution Department. Ms. Morrow stated that there the Electric purchases have decreased as Electric Revenues sales have decreased due to the energy efficient measures of major Electric users. Ms. Morrow stated that the changes in the Capital Account are a \$25,000 decrease and an increase by \$7,000 due to the purchase of a Bucket Truck and an extended Quad Cab. Ms. Morrow stated that the Electric Distribution's Debt Service decreased by \$188,710 due to the reallocation of the 2017 Bond payment to the Water Distribution and Sewer Distribution. Ms. Morrow stated that the fund Transfer to the General Fund decreased by \$20,113. Ms. Morrow stated that the total budget decrease for Electric Distribution is \$818,451. Councilmember Neal asked when would the 2017 be paid and Ms. Morrow stated 2030. Mayor McLean stated that the Electric Department would replace 100 street lights with LED lights.

RIGHT OF WAY

Ms. Morrow stated that the Salaries and Wages in the Right of Way Department (ROW) increased by \$98,283 due to the addition of three employees. Ms. Morrow stated that there are no notable changes to the Operational costs. Ms. Morrow stated that the Capital Account increased by \$55,000 due to the purchase of a Flatbed Truck. Ms. Morrow stated that the Right of Way Department's debt increased by \$6,300. Ms. Morrow stated the debt for this department includes payments of \$17,276 for a Jaruff, \$12,304 for a Tractor, \$24,835 for a Big Skid Steer, and \$13,501 for a Tree Truck Cab & Chassis. Ms. Morrow stated that the Right of Way Department's payback to the Depreciation Fund for a Chipper is \$6,300. Ms. Morrow stated that the total budget increase in the Right of Way Department is \$146,083.

SANITARY SEWER

Ms. Morrow stated that there are on notable changes to the Salaries and Wages in the Sanitary Sewer Department. Ms. Morrow stated that in the Operational cost System Maintenance increased by \$10,000 and Professional Services increased by \$40,000.

STORM SEWER

WATER DEPT

FILTER PLANT

FLEET SERVICE

RISK DEPT

Ms. Morrow stated that the Capital Account includes a \$40,000 decrease in the Sewer System, and a \$45,000 increase for the purchase of a vehicle. Ms. Morrow stated that the Sanitary Sewer's debt increased by \$233,320 due to reallocation of the 2012 Bonds to this department. Ms. Morrow stated that the transfers to the General Fund increased by \$12,450. Ms. Morrow stated that the total budget increase for Sanitary Sewer is \$311,331. Ms. Morrow stated that there are no changes to the Storm Sewer Department. Ms. Morrow stated that the Salaries and Wages in the Water Distribution Department increased by \$7,564 due to the increases in benefits. Ms. Morrow stated that the Water Distribution Department did not have any significant changes in the Operational costs. Ms. Morrow stated that the changes in the Capital Account include a \$160,000 increase due to Maple Street and Walnut Street tie-in and SCADA equipment for Duncan Creek. Ms. Morrow stated that the Facilities Account decreased by \$44,000 and the Facilities Account also increased by \$34,000 due to constructing warehousing for pipe valves. Ms. Morrow stated that the Water Distribution Debt Service increased by \$425,855 because the 2017 Bond payments were moved to this department. Ms. Morrow stated that the transfer to the General Fund increased by \$22,319. Ms. Morrow stated that the total budget increase for the Water Distribution Department is an increase of \$622,338. Ms. Morrow stated that Water Filtration did not have any changes to the Salaries and Wages or the Operational costs. Ms. Morrow stated that the Capital Account increased by \$38,362 and the projects are \$197,011 for facilities upgrade, \$65,000 for new SCADA equipment, \$45,000 for a new spare River Pump, \$31,000 for a VFD for the River Pump, \$23,985 for a Norea Valve replacement, \$16,000 for new Actuators, \$11,326 for a Soft Start for a high service pump, and \$4,700 for a Filter Transmitter. Ms. Morrow stated that the Equipment Expense increased by \$27,000 due to the purchase of a truck. Ms. Morrow stated that the Water Filtration Department's Debt decreased by \$433,890 because the 2017 Bond payment was removed from this budget. Ms. Morrow stated that the total budget decrease for the Water Filtration Department is \$335,676. Ms. Morrow stated that the Fleet Service Department did not have any significant changes to the Salaries and Wages or the Operational costs. Ms. Morrow stated that the Fleet Department budgeted \$9,000 for a trailer to tow equipment. Ms. Morrow stated that the total budget increase for the Fleet Service Department is \$4,759. Ms. Morrow stated that the change to Salaries and Wages in the Risk Management Department is an increase of \$34,309 because the part-time position in this budget was moved to a full-time position.

Ms. Morrow stated that the changes in the Operational costs include a \$2,000 increase for Professional Services, a \$1,500 increase for an Employee Assistance Program, and a \$2,000 increase for training material. Ms. Morrow stated that the total budget increase for Risk Management is \$34,934. Councilmember Jenkins asked what is the title for the new position and Ms. Morrow stated Risk Management Assistant. Mayor McLean stated that the City needs an Administrative Assistant for the City Manager before this position is filled. Mayor McLean stated that the City would have two employees in Risk Management and Ms. Morrow stated yes. Mr. Cannon stated that the City would hire an assistant for his Department first. Ms. Morrow stated that the City Manager's Assistant may be able to coordinate projects and write grants. Mayor McLean stated that he agreed with Ms. Morrow in that the Administrative Assistant for the City Manager could be able to write grants. Councilmember Jenkins stated that the Administrative Assistant for Risk Management is a separate position. Councilmember Walsh stated that the positions are two separate needs for the City. Mayor McLean stated that he would like to see the position in the City Manager's office filled first. Councilmember Jenkins stated that these are two separate positions for two separate departments. Councilmember Cook stated that he wanted to encourage the City Manager to consider personnel with a grant writing background. Councilmember Cook stated that he sees the need for an Administrative Assistant for the City Manager but that employee should work only for the City Manager and not with other departments. Ms. Morrow stated that the Salaries and Wages in the Sanitation Department increased by \$28,000 and there are no notable changes to the Operational costs. Ms. Morrow stated that the changes in the Capital Account are a \$39,999 increase for a Clam Truck down payment and a \$33,000 increase for a truck. Ms. Morrow stated that the transfers to the General Fund increased by \$3,764. Ms. Morrow stated that the total budget increase for the Sanitation Department is \$91,250. Mayor McLean stated that Council has discussed whether to privatize the Sanitation Department for five years. Mayor McLean stated that he would like to see the City put this service out for bid. Mayor McLean stated that the City does not make any money from the Sanitation Department and Ms. Morrow agreed. Ms. Morrow stated that the Sanitation budget is \$670,000 and the Revenues from this department are \$475,000. Mayor McLean stated that he would like to bid out the garbage pickup. Councilmember Roth stated that a private company may charge just as much to pick up the garbage. Councilmember Roth stated that other Cities have tried this and had to go back to picking up the garbage.

SANITATION DEPT

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Councilmember Roth stated that the City needs to take a hard look at this matter before moving forward. Councilmember Roth stated that garbage pickup is an important function of the City. Mayor McLean stated that privatizing garbage pickup would save the City money and the City should explore this option. Councilmember Roth stated that he did not have a problem with looking at this option but in detail. Mr. Meadors stated that the City is charging \$14.50 per month for garbage pickup which includes man-made and debris pickup. Mr. Meadors stated that the City still has to pay a Landfill Fee for some of the debris. Mayor McLean stated that the City should charge a citizen for every garbage can they have. Mayor McLean stated that each additional can should have a charge of \$8.50.

**SUMMARY &
COMMENTS**

Councilmember Cook asked if Ms. Morrow would change the name of the Morale and Welfare Expense Account to another name since that name is misleading and Ms. Morrow agreed. Councilmember Cook stated that the City should consider putting funds aside to help offset the Water Revenues when the City loses their largest water customer in the future. Mayor McLean stated that the City does have a Reserve Fund for the General Fund and the Utility Fund. Councilmember Roth stated that the City should concentrate on reducing the I&I filtration into the Sewer System because this would lower the City's Sewer Treatment costs. Mayor McLean stated that the I&I Filtration also includes customer's sewer line and the City has an Ordinance requiring citizens to maintain their Water and Sewer lines. Mayor McLean stated that the City may have to repair the citizen's Water and Sewer lines and then set up a payment plan for citizens to pay the City for this service. Councilmember Roth stated that the City has to repair their Water and Sewer lines. Ms. Morrow stated that \$328,000 is in the I&I fund. Mr. Meadors stated that the City has applied for a CDBG for \$750,000 and an RIA Grant for \$450,000 and both of these grants will be used in the Clinton Mill area. Councilmember Roth asked if the City could do some of the work and Mr. Meadors stated that the City does not have the personnel to tackle that type of project. Mr. Meadors stated that the City could do some of the smaller projects in-house. Mayor McLean asked if the City could start testing private property to see where the I&I Infiltration is and Mr. Meadors agreed. Mr. Meadors stated that other agencies use an Insurance Program in which the citizen pays the City a monthly fee and when a problem arises with their Water or Sewer lines then the City would make the necessary repairs. Mr. Meadors stated that the City has also applied for a SRF Grant which is a forgivable grant from the State to do a Sewer Study. Mr. Meadors stated that part of this study the City could test some private Water and Sewer lines.

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Ms. Morrow stated that the proposed budget has a Cost of Living with an average rate increase of 2%, a Retirement Rate increase of 2% which is offset by a 1% credit from the State, and a health insurance increase of 6.73%. Councilmember Roth asked how much does the City pay for health insurance for employees. Ms. Morrow stated that the City follows the PEBA guidelines regarding health insurance. Ms. Morrow stated that the City pays the employees portion of their health insurance. Ms. Morrow stated that if an employee covers children or a spouse then the City would pay half of that cost. Mayor McLean stated that the City pays for the employees' health insurance but pass the cost on to the family member and Ms. Morrow stated that the City pays half of the cost of a family member. Councilmember Roth asked what is the cost to the City for the COLA increase and Ms. Morrow stated \$100,000. Councilmember Roth asked what is the cost of the health insurance increase to the City and Ms. Morrow stated \$20,000. Councilmember Roth stated that the increase in the benefits would cost the City approximately \$120,000 and Ms. Morrow agreed. Councilmember Roth stated that he would like to increase the COLA by 1%. Ms. Morrow stated that currently the COLA is as follows: employees making less than \$30,000 receive a 3% COLA, employees making between \$30,000 to \$40,000 receive 2.5% COLA, employees making between \$40,000 to \$50,000 receive a 2% COLA and employees making over \$50,000 receive a 1.5% COLA increase. Councilmember Roth stated he would like to keep the same schedule but just increase the percentage. Mr. Cannon stated that he does not know how COVID-19 would affect the City's budget and he would like Council to revisit the budget and Revenues after the first quarter of the new fiscal year. Councilmember Roth asked if City staff had a dollar amount of how the COVID-19 has affected the City's Revenues Councilmember Roth asked if the City has used any of the Reserve Funds and Ms. Morrow stated no. Ms. Morrow stated that Accounting Agencies in the State have recommended Cities to look at the revenue history particularly in 2008 which was during a recession. Ms. Morrow stated that the overall decrease in net revenues in the Utility Fund in 2009 was \$200,000. Mayor McLean stated that based on this information the City's Reserve Accounts would cover any deficit. Ms. Morrow stated that the Business License Revenues would be the revenue stream most affected by COVID-19 and in 2009 there is a slight decrease in the Business License Revenues. Ms. Morrow stated that Business License Revenues decreased by \$100,000 because of the 2008 recession. Ms. Morrow stated that some Accounting Agencies are predicting a 5% decrease in revenues due to the COVID-19 but the economy would rebound in 2020 by 4.8%.

**FIRST READING
ORDINANCE
BUDGET
FY 2020-21**

Mayor McLean stated that the next item on the agenda is the first reading of an Ordinance to appropriate and raise revenue and adopt a budget for the City of Clinton, South Carolina, for the fiscal year ending June 30, 2021. Motion was made by Councilmember Roth to approve the first reading of the proposed budget for the fiscal year ending June 30, 2021 and seconded by Councilmember Neal. The vote was unanimous.

**COUNCILMEMBER
REPORT**

Councilmember Walsh thanked Ms. Morrow for all the work she does for the City.

Councilmember Kuykendall thanked Ms. Morrow for the budget presentation. Councilmember Kuykendall thanked City personnel for their work during the COVID-19 and he would also like to see the City hire a Grant Writer.

Councilmember Neal thanked Ms. Morrow for her hard work.

Councilmember Jenkins thanked Ms. Morrow for the budget presentation and also the IT Department for setting the meeting up.

Councilmember Cook thanked City staff for their work on the budget and the budget presentation.

MAYOR REPORT

Mayor McLean thanked City staff for putting the budget together. Mayor McLean thanked Council for their participation during the budget workshop.

ADJOURN

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

CITY CLERK

MAYOR