CITY OF DARLINGTON
BUDGET WORK SESSION
HELD IN THE COURTROOM/COUNCIL CHAMBERS LOCATED AT
400 PEARL STREET, DARLINGTON, SC
TUESDAY MAY 24, 2022, AT 6:00 PM

Present: Mayor Curtis Boyd, City Manager John Payne, Councilpersons Sheila Baccus, Bryant Gardner, Howard Nettles, John Segars, John Milling and Elaine Reed. Also present was Mrs. Lisa Bailey, Street & Sanitation Supt. Alex Gainey, Kimberly Vinson, CPA

INVOCATION & PLEDGE OF ALLEGIANCE

Prayer by Mayor Curtis Boyd followed by the Pledge of Allegiance

REVIEW OF ESTIMATED REVENUES – KIMBERLY VINSON AND JOHN PAYNE, CITY MANAGER

Mrs. Kimberly Vinson said please forgive me if my voice goes in and out, my allergies got the best of me for the past couple of weeks. She said page one of the budget worksheet is just a summary of everything. If you want to turn to page two, like we presented last year we have the audited numbers from last year and the year before , you can kind of see the trend as to where we are leading. Starting off at the beginning with the property tax revenue, I believe that last year numbers were high because of the property taxes were deferred a little bit because some people did not work to pay their property taxes, so they were not collected because of COVID. So, they were collected last year so that's why you see last year numbers are higher than the previous year's trend was and what our actual was and what the trend is for this current year. Mayor Boyd asked was the $1.6 million is what we actually collected. Mrs. Vinson said, "Correct. She said we are trending $1.6 million for this current year as well. She said the number for next year is kind of where we are leaning in the same direction, so $1.6 again for next year. The MASC telecommunication tax, we don't have control over that. That is money that is collected at the state level and then dispersed to the municipalities. Fire District is based off of property tax as well which comes from the county, and we don't have control over that. We are expecting are business licenses to go up just a little bit because of some new businesses coming into the city. We are expecting building permits to go down because we had some growth the past two years that we are not anticipating for next year. The court fines kept is the portion of the fine that we get to keep. She said last year's numbers are higher than it actually was because of the budgeting process. She said I didn't get to reallocate some of the expenses that were supposed to offset the revenue. The auditors were fine with just offsetting it on their end. So, that's why that number appears higher than it should be. It should actually be around closer to the $100,000 range. Kimberly said we actually collect more than $209,000 total, but we only kept probably a little over $100,000 last year. So, that number is a little off, but I can't go back and change it because it's audited numbers. Mayor Boyd said, 2020 and 2021 audited that's the column that shows what we did or did not collect. Kimberly said, "It's not going to show what we actually collected because it's not supposed to show what goes to the State and to the victim's fund. It's supposed to be what we keep so that you can budget to

spend that amount. There is an offsetting expense that will reduce that down to a little over $100,000. Mayor Boyd said the third column 2021-22 is projected. Mrs. Vinson said, “Yes”. Mayor Boyd said that is what we are projecting for. Mrs. Vinson said, “Yes for the current year”. Councilwoman Reed said, “We would keep the $87,000”. Mrs. Vinson said, “Correct”. Mrs. Vinson said, “Now the SRO Officers(School District) that number is down right now because we’re not fully staffed in our police department, so we’re having to use the officers to actually cover shifts”. So, in anticipation of filling those positions we expect the SRO reimbursement to go back up to where it was as if we had fully staffed officers at the schools. We have a couple of line items here that we don’t budget for because we can’t anticipate unless we know for a fact that we are getting a specific revenues in. Miscellaneous Funds for the police, that’s donations that people make to the police department and then they spend that however they want to you don’t generally budget for that because we can’t foresee what people are going to give. Gym Rentals obviously nothing in 2020 because everything was shut down. Just a little bit in 2021. We’re starting to pick back up in 2021-22 so we are expecting that to continue to increase. The Broker’s Tax – MASC, and also Insurance Tax Collection those both collected on the State level and then disperse to the municipality. I have seen a drop in the insurance tax collection across all of my clients. I am expecting it to stay steady. I mean it could increase but I want to play on the conservative side and expect that it’s going to be the same this year as next year. Interest rates have dropped so that’s why we have a drop in the proposed interest income. The Rent/Lease, that pretty much stays the same that’s some space that we have that we rent out. Drug Forfeitures that’s another thing that we don’t budget because it’s court cases. That’s money that we get to keep that we collect and get from court cases where there is cash collected and then it is either forfeited or the case does not go in the defendant’s way, and we get to keep the money one way or another and so the police department has very specific things that they could spend that money on. So, we can’t budget it for general operating cost. Mayor Boyd asked was this year $34,000. Mrs. Vinson said no it was cases that she went back through to determine what had been closed and should have already been transferred over into the forfeited bank account. So, it’s old cases that were determined. The Police Department has $34,000 that they can spend on drug related expenditures. Mayor Boyd said, “My understanding is it’s not being used”. Mrs. Vinson asked if somebody else in here knows the answer to that. Mayor Boyd said, “My understanding is that it is not being transferred so I want clarification on that”. Councilman Gardner said, “I would like to know the balance in that account. In the drug forfeitures account”. The Fire Department Cost Recovery- that’s new as of the last two years. She said what that is, the Fire Department goes out to assist in a fire, the insurance company is required to pay the fire department a recovery cost for having to go out and assist with the fire so that’s money we don’t know what that will be because we can’t predict the fires. So that’s why we don’t budget that line item and there is a separate bank account the fire department gets to spend so we don’t budget the expenses for that either. Mrs. Vinson said that it’s in their separate bank account for the fire department to spend on specific equipment and stuff. Mayor Boyd asked does it have to go into that fund. Mrs. Vinson said yes it has to be segregated from the rest. Mrs. Vinson said we have some more rental property that we have Downtown Retail and the lofts apartments. The franchise agreements on electricity I have seen a trend across all my clients where the franchise has dropped but I believe the decrease has been related to, I’ve seen it all across the state I think it has to do with the drop-in-rates due to the nuclear plant that

was shut down and the lawsuit and all that. So, I believe that's why the initial decrease happened. We are expected it to go back up. Councilwoman Reed said, "Tell me before you go, what was the downtown loft apartments? And why we didn't get anything before and why we were going to get something now. Mrs. Vinson said, "She does not have a whole lot of information on the downtown lofts apartments because like I said, I had not seen revenue in there before and I haven't had a chance to research it for this year. So, John may have an answer". Councilwoman Reed asked. "Where did the $13,000 come from and how were you able to put that money there"? Mr. Payne said, "We don't have anything proposed for this year". Mrs. Vinson said she can pull the detail and see. Mr. Payne said the reason he did not budget anything is because we don't know. Mayor Boyd said, "Let me go back to the retail loft apartments. Is that where we get rental money from the loft apartments"? Mr. Payne said, "Yes". Councilman Gardner said, "What did you find on the retail side". Mr. Payne said there are no leases. He said when I get through budget ,because this has consumed most of my time, I am going to go to each one of those businesses and get a lease. He said I'm not saying they are not paying us; we just don't have leases. Mayor Boyd asked was that for downtown rental, downtown loft apartments"? We are still collecting from all the people on the books, right? Councilman Nettles asked, "Are we still collecting from them"? Councilman Gardner said, "Previously there was a management company who was over that and for the next 30 odd years, don't quote me on the years, from my understanding, they collect the revenue, and they are supposed to send us a check". Councilman Gardner said, "In the past they have not been doing it, so Howard called them and was going back and forth with them and finally got revenues kicking back in". I would be interested to know why there is nothing for 2019, 2020 and 2021. Mayor Boyd said, "I would say we need to pull all of that because it's been sliding for a while. He said we are digging for revenues". Ms. Pridgen said, "This came up last year Curtis when you said you all would probably get our City Attorney to check into that because it was the way that contract was twisted and done". Mayor Boyd said, "Yes we need to put that at the top of the list". Mayor Boyd said thank you. Mrs. Vinson said, "I have in my notes that Landmark Asset is who should be paying us for those leases". Mrs. Vinson said State Aid to Subdivision is money that we get from the state. Again, that's something we don't have control over and it's quite possible that revenue number will start going back up". The state has opened up more and more, but as it continues to open up it may very well increase, but we are playing on the conservative side for now. Homestead Taxes - that's the rebate that we get back from the state for the folks that are above a certain age. They get a tax break on their property taxes. The state gives us that back in Homestead Taxes. Manufacturers Exemption - that's something similar to it. The manufactures that get a tax exemption that or a tax that comes through the state. The Merchants Inventory tax - also comes through the state that's based on our businesses within the city that pay. You have to fill out a property tax return and that money goes to the state and the state redistributes it to the municipalities. Mayor Boyd said, "The merchants inventory tax looks odd because that number is the same all across the board. He asked if that should that be looked at. Mrs. Vinson said, "Generally if it's the same, it's like a property tax, it's like their equipment so that's the difference. She said it's what the state has allocated to us". She said she can contact the state to see if they can give us more specific details as to why that's not increasing. She said it might be because there is somebody that is not reporting correctly. Councilwoman Reed said, "Tell me what the LOST is". Mrs. Vinson

said, “But the thing is it hasn’t changed for any of my clients it has been the same for as long as I have been doing this. For some of my clients it’s been like ten or twelve years, and it hasn’t changed. Councilwoman Reed said, “Again, please just tell me what the LOST is”? Mrs. Vinson said, Local Option Sales Tax, you have an extra 1% sales tax”. Councilman Gardner said, “Can you explain line item 4270 again for me”? Mrs. Vinson said, “Where we issued debt. We issued a bond last year; and we have to report it as revenue. She said it’s just how the general fund works even though it’s not a balance sheet item. It’s only a balance sheet item among the government wide financial statements; on the general fund financial statements it is still revenue, and the debt is still an expense. She said the Local Option Sales Tax we actually saw an increase last year from what I was expecting because we only budgeted about $760,000 just for property tax but we had such an increase last year that we it’s even been even more going into this year that we’re going to expecting that trend to stay the same. It’s just people spending and at the end when the state has a surplus one way or another we get a lump sum that we can’t predict. Mayor Boyd asked, “Is this a tax of any item or not besides food”. She said, “Yes”. She said it’s like if you go into a store and you pay an 8% sales tax, you know, 1% out of that goes to local option sales tax. Councilman Gardner said, “So, you’re saying that people are buying more stuff in the city. She said yes. Councilman Gardner said that’s wonderful. Mrs. Vinson said Accommodation Tax - that’s the state’s allocation of accommodations tax that they get, and they distribute to the municipalities. Sanitation Fees – Is what we bill out for trash collection services. Mayor Boyd asked what line item 4365 is. Mrs. Vinson Setoff Debt Fees (MASC) said when we do set off debt, we send the people that haven’t paid whether it be police tickets or water bills. We send that to the Municipal Association and then the Municipal Association in connection with the state goes and collects what is owed from people’s state tax return. If they are supposed to get a refund the state will garnish it and submit it to us. The city gets to keep a fee and the municipal association get a fee. Councilwoman Reed asked, “So when can they collect from the municipal association, what’s the circumstances”? Mrs. Vinson said Gloria you probably know more about the state, the set-off debt, do you? Ms. Pridgen said, the water department may have a lot of debt where people owe for water bills. At a certain time toward the end of the year they have to submit that information to the Municipal Association. The police department can also take advantage of this with the police tickets. Councilwoman Reed asked, “Will it be a city or a local bill”. Ms. Pridgen said, “Yes it would be whatever is owed to the city. She said the water department uses it for old debt and the police department uses it for old unpaid tickets. Mrs. Vinson said under the Housing Authority that’s pretty much been the same trend but we’re collecting a little more each year. So, we are hoping that continues to increase. She said Sports Recreation Registration - the collections, concession collections; Kimberly said we’re getting back into full swing of the recreation department and activities. So, we’re collecting a good amount for this current year, and we are expecting it to continue to increase for next year. She said Insurance Reimbursement - that’s where we file a claim on an accident, on a vehicle in an accident and that’s where we get the money from our insurance company. Miscellaneous Revenue - that could just be for any various revenue that we collected that doesn’t have its own separate line item. She said the S.C. Guards that’s school crossing guards - that’s the money that we get that money back from the state or the school district. Ms. Pridgen said, we get it from the school district. Mrs. Vinson said so the school district reimburses us for employment of crossing guards at their school.

Mayor Boyd asked do we break even on that. Kimberly said we bill them the same way and yes we break even. Mr. Payne said there is a covenant expenditure expense section. Mrs. Vinson said the Williamson Park Fund is the park that has its own separate bank account that we maintain for them, it's on our books. So, we don't really know what the revenue is going to be; we don't know what the expenses are going to be. That's something they do on their own so that's where we are budgeting $16,000 revenue. She said there's exactly $16,000 in expenses offsetting that because that's not money that we will spend on operating services. Beautification donations - we're expecting that to be about the same as it is this year. Street and Sanitation Capital - we budget that, but it's charged to your water and sewer customers, and we use part of that for debt service. We have a note that's about $15,000 and payment for that note comes out of that money and then we can use that on other street and sanitation related equipment. She said the Wholespire grant was new this year. The fire department had some grants that they applied for and received funding for this current year. The police department has $50,000 that we have budgeted for this year as well. They were approved for a USDA grant of $50,000 to purchase police cars, but we have not received any of the money yet. So, in expectation that we are not going to receive that money in the next five weeks. We expect to receive it next year, so we moved it over to next year's budget. She told council if they have any questions that you might think of later tonight, I will be here tomorrow too. She said we are right about where we budgeted for the current year as far as revenue goes. Mayor Boyd asked about line item 4015 - court fines kept. Kimberly said, "So, we collected more than that, but we only show the fines that we get to keep and spend on our operating expenses. The rest of it either goes to the state or to the victim's fund". She said so, the expense is down on the expense line item it's mixed in down here. Mayor Boyd asked if the $209,000 is what came in? Kimberly said, actually a little more came in. The amount to the state did not come out of the $209,000 last year. Looks like this number includes some of the state revenue. Mayor Boyd said, "Total fees …….any kind of parking tickets or tickets for whatever court fines you said was more than $209,000. Mrs. Vinson said, "Yes in total it's more that's $209,000". Mrs. Vinson said she would have to go back through the detail. Mrs. Vinson told Mayor Boyd that she could give him a spreadsheet on that. She said the way it is on the books you have all the collections coming in and then you have line items on the general ledger that's paid to the state, paid to the victim's fund, and paid to the city. And those are supposed to collapse into each other, but it didn't fully happen last year because I got pulled off of this partly to help with the budget last year. So that's why the auditors agreed just to do it on the financial side and were not concerned about me making the journal entries on the books. She said she can give him a spreadsheet and show you exactly what we collected exactly how much went to the state and exactly how much went to the victim's fund. Councilman Milling said that he had a general operational question. He said he see the concessions collection audited to about $15,000 but when I have been to some activities out there this spring when I went to some baseball games I have seen I've seen vendors out there, people who were selling hamburgers out of food trucks. I didn't know whether that is part of this this $15,000 or whether we are getting anything off of the funds that are generated. Mr. Payne said they have to get a business license. Mr. Milling said if they are preparing food do we get hospitality tax. Mr. Payne said yes. Councilman Milling said are we monitoring who is out there? Do we know if Mr. Smith shows up with the food by himself hamburgers, hotdogs, or tacos on any particular day? Mr. Payne said, "We try. He said

sometimes you have these mom and pops that may drive in a location for a day or two and leave. He said we may easily miss that. Mayor Boyd said, "I suggest when I go to Mr. D's Donuts and it said North Charleston on the door with stickers, he has stickers for each year, and they are visible to see. Maybe our business license should come up with some type of sticker. Maybe they pop up and we walk up, and we buy a hot dog. Mrs. Vinson said they should have their business license displayed. Mayor Boyd said, "They should, but sometimes they may have it back in a corner somewhere". Mayor Boyd said he would like to have that spreadsheet. Mrs. Vinson said that she can have that for him tomorrow if not tonight. Mr. Payne said he also wanted to mention to you I'm going to call this new revenue. This is what we 're looking at as far as the budget, but I wanted to also talk to you briefly before Alex and Charles do their presentation a little bit later - Raising rates for sanitation, stormwater, and water and sewer. He said Mr. Shugart and I did an analysis of the usage of the water and sewer and what we discovered is that the people who use the least amount of water and sewer are paying a higher percentage of the bill than the people who are using the most. If you will go in your packet you have this. Mr. Payne said we will start on the left and you will see gallons used per month and the number of customers broken down by category the number of customers is 3,052 going from left to right. There's an administration fee and if you multiply the customers by the administrative fee you will see how much will be collected on a monthly basis. Then, you will see the gallons used and it totals 18 million gallons a month on the average. Councilman Milling asked something about the customers. Mr. Payne said they are all customers. Mr. Payne said he will break down as we go. And the second page is sewer and then you go over, and you will notice that the rate per gallon is the same if use a gallon a month or if you use 10,000 gallons a month. So, if you go over to the blue area, it will say weighted average gallons. The people who are going up 2,500 gallons a month which we are going to assume are the low moderate income and the elderly people who are not using that much. Maybe they are on a fixed income. They are using about 9% of our volume but they are paying 26% of the tab. The people who are between 2,501 and 5,000 gallons a month are 17%, but there are paying 22% of the tab. People who are 5,001 and 10,000 gallons they are 74% of our usage but they are only paying 53%, so I don't see it as fair if you will. What we are proposing is to not increase these rates on the low to moderate income people, the elderly people, or the people on fixed incomes, but the people who are actually using the water. The water per gallon is not going to change if you use a gallon a month. If you use a gallon or if you use a million, the water is going to be the same. Where our expense goes up is the processing of it, all the equipment so obviously if you are using more it's going to wear our equipment out more, we are going to have to dig up streets. We are going to have to go into different facilities we have, and we have to spend a lot of money to upgrade. Mr. Payne asked Mr. Shugart what was the name of the facility out on Society Hill Road? Mr. Payne said the wastewater treatment facility. The people who use it more are causing it to need to be repaired and maintained more than the people who are not using it. So, in order to try to generate more funds for this because we need more funds because it's no secret that inflation is up close to 10% and our cost are just astronomical at this point. Things that we were paying $1 for last year are $2, $3, and $4 now. Mrs. Vinson said that's one of the covenants of the bond that we issued in September of 2020 which requires that we continue to increase our rates to maintain the functionally of the system. Somebody said they would like to see that. Mrs. Vinson said one of the debt requirements in the bond that we

issued in September of 2020 requires that we keep our rates at a level that's necessary to maintain the system in working order. Councilman Gardner said, "When you say that, is that to maintain a debt income ratio"?. Kimberly said, "No. It's just that we have to bring in enough revenue to cover the operations of the water and sewer system". Councilman Milling said, "My concern is that we don't know if the assumption is valid that as we seem to be assuming that people who use more can afford to pay more. It could be the people who are using more is because their families are larger. Councilman Milling continued to talk about this……. can't hear him well. Mr. Payne said Mr. Shugart correct me if I am wrong, we are under the assumption that it's not people who have most commercial, it's industrial, people with pools, people who are just naturally using more water. Mayor Boyd asked do you have any households that are using 5,000 gallons of water. Mr. Shugart said sure we do. He said most of your folks are using that. Mr. Payne said the customers that are between 5,001 and 10,000 gallons a month, total 424. The people that are 10,00 gallons and above per month are 198. So, from 5,001 plus 622 customers. Mr. Shugart said, "I don't want to interrupt, but what I am talking about here are folks over 10,000 gallons which represent 6% of our taps and looking through those lists they are all our commercial industrial customers, but they are using 58%, almost 60% of our water and they get charged the same amount". Now, if we didn't have those folks, we wouldn't need a third of the system we have now. We wouldn't need four tanks; we would only need one or might need two wells. We need the size of everything we have, so, everything that we have cost more because we have those folks and they actually cost us more than the average person. Councilman Milling said, "But they employ our citizens". Mr. Shugart said, "They do, and they create revenue". Mr. Payne said, "Also they are wearing out our system quicker than anybody else". Mayor Boyd said clarify on the back page you got that if a customer is using 6,000 gallons. Mr. Payne said if you go to the second page it's sewer which it is the same numbers as this, but if you go to the back page and I did a hypothetical 6,000 gallons. Mr. Payne said with 6,000 gallons you are going to spend $4.98 more a month over what we are paying now. Mr. Payne said, so if use 11,000 gallons it will cost $18.26 more a month. Councilman Gardner said, "His wife already yells at him about this". Mr. Payne said we are proposing 10% for water and, 20% for sewer. Councilman Garner asked, "Both of them"? Mr. Payne said, "Yes sir". Mr. Payne said at 6,000 gallons and at 11,000 gallons. Somebody said we had this conversation two years ago. Councilman Gardner said, "Last time we just had…no we raised the bill and it shot up and we know ….. Mayor Boyd said, "Hold on I'm not reading the water and sewer together will be $18.26"? Mr. Payne said, "No, it will increase $18.26". Mayor Boyd wanted clarification. Mr. Payne said they are combined. Councilman Nettles asked him to walk them back through it. Mr. Payne said let's start here, currently 6,000 gallons at $3.42 per thousand is $20.52, you add the admin fee in there, and your total is $33.89. Now, let's do the same 6,000 gallons of sewage at 4.90 per thousand that equals $29.40 plus you add your sewer administration fee of $15.28 that total is $44.68. He said you add the water and sewer together, your bill is $78.57. Let's go down with a 10% increase, again the administrative fee is going to stay the same $13.37 and 15.28. He said the 6,000 gallons at $3.76 per thousand instead of $3.42 is going to increase from $20.52 to $22.56. The sewage, the rate will go from $4.90 per thousand to $5.39 per thousand. So, the sewer administration fee is the same. The 6,000 gallons of sewer will go up to $32.34 instead of $22.56. So, the increase will be $83.55, but if you back out the $78.57 that you are paying now, you are going to

pay $4.98 more a month. This is not astronomical but when you put it over 600 ……. Councilwoman Reed said, “What’s happened now then that we have got such high prices. She said my water bill is not $78.57 it’s $80 at the least. Mr. Payne said this is just water and sewer. Councilman Gardner said we use a lot of water. Mr. Payne said that this is just water and sewer. This is not including the sanitation and the carts and all that. Mr. Shugart said most of council is using 5,000 to 10,000 and some of you are using less. Councilman Gardner said so you are saying most council members are using 5,000 to 10,000 gallons a month. Councilman Nettles said then you add the cart and all that on top of that. Mr. Payne said look at the cart in the capital fees and all that, that’s why it goes up. This is purely water and sewer. Councilman Nettles asked if Alex was going to come up. Councilwoman Reed said she thought she would have been in the lower. She said of course especially with me I guess with the washer and dryer, and I don’t have pool or spring system. Mr. Payne said it probably won’t affect you or someone in your situation. Councilwoman Reed said, “I think I’m just average of the those of the folk that are complaining now, but anyway”. Mr. Payne said most of those folks it won’t affect. Mayor Boyd said, “you’re saying it’s $5 for a 10% increase. Mr. Payne said, “Yes that’s 6,000 gallons. Mayor Boyd said, “If they went to 12,000 gallons would it have been $12 a month”? Mr. Payne said let’s just use the 11,000 gallons. Mayor Boyd said 11,000 gallons is a 20% increase, right? Mr. Payne said, “Yeah”. Mayor Boyd said, “No a 10% increase”. Mayor Boyd said this is suggesting a 20% increase. Mr. Payne said, “Yeah”. Mayor Boyd said, “I said if we do a 10% increase, and they use 12,000 gallons….. Kimberly said, “He’s suggesting a tiered level, so a 10% increase for the 5,000-10,000 and a 20% increase for water and sewer users above 10,000”. Councilman Nettles asked, “Is it also going to be tied to something that’s going to escalate each year and we’ll we have to do it again because it’s tied to a bond”? And you were saying we’re going to have to up it again. Mr. Payne said, “We will come back again next year….. what we’ll do is we’ll have our financials by then. We’ll have this year’s audit, and we’ll see where we stand financially”. He said I’m hoping we have some reserves this year. He said remember the last eight years, I think it was back in January I gave you all that information. The last eight years water, sewer, and storm water was averaging losing $333,000 a year. Mr. Payne said what I’m hoping is with this audit once we’ve got a full year of the prior increase I’m hoping that we have some reserves. This is to deal with the astronomical cost that we’re dealing with at this point plus we need to have some reserves. Mr. Payne said, “When one of you calls and says I’ve got a water leak down here; I’ve got sewer running down my street. If I don’t have the funds to do it I can’t send Mr. Shugart’s guys down there”. Mayor Boyd said, “If my water bill is 6,000 gallons, you’re saying my water bill will go up $5 a month”?. Mr. Payne said, “Yeah. No, no, hold.. water and sewer”. Mayor Boyd said, “And then you’re saying for people that use 11,000 gallons or more you’ll go up 20% on them”? Mr. Payne said, “Well, 10,000 gallons or more. I just picked 11,000”. Mayor Boyd asked, “10,000 gallons or more you’ll go up 20% on them”. Kimberly said, “Yes”. Mayor Boyd said, “The question backing up is, if all of a sudden this month I use 20,000 gallons I got kicked into the 20% increase”? Mr. Payne said, “Yes”. Mayor Boyd said, “And next month I use 8,000 gallons…. Mr. Payne interrupted and said it will drop back down to 10%”. Councilman Gardner asked, “And that’s how you want us to raise it? You want us to do 10% under 6,000 and 20% under 11,000”? Mr. Payne said, “Yes”. Mr. Shugart said, “Remember that 80% of our customers will see no increase at all”. Mr. Shugart said eight out of 10 people won’t see any increase at all. He said most of this is commercial; the

higher rate for the 198 people is all commercial". Mayor Boyd asked, "Can we get a number of how many of these people in the 5,000-10,000 range are residential"? Mr. Shugart said, "I don't have it with me, but I can get you one". Councilwoman Reed said, "My concern is only like the scenario that John gave. I'm looking at the lady that lives behind me and I see four little children running around out there and the lady in front of me she waters her plants everyday". Mr. Shugart said, "They're still not going to be above 10,000 gallons". Councilwoman Reed said, "OK I just want to make sure". Mr. Shugart said, "It is actually pretty difficult to use 10,000 gallons through a three-quarter inch tap". Kimberly said, "I had a water leak for three weeks. I was out of state and my spigot in the backyard broke and it was just gushing water for three weeks and I didn't hit 10,000 gallons". Councilwoman Baccus said, "I beg to differ on that because we've got a citizen right now, a senior citizen, 89 years old, she lives alone with no children and her last water bill she got was $200. Eighty-nine years old, no kids in the house, all by herself. She doesn't even use a washing machine. How can her water bill be $200"? Mayor Boyd said, "We need to look at that". Councilwoman Baccus said, "She don't have a leak, we've checked it twice. Councilwoman Baccus said, "The next month her water bill was $250". How is that? She can't drink that much water; she sure ain't taking that many baths not to get to $250. That's a bunch of bs in that water department". Councilwoman Baccus said, "No way should her bill be $250". Mr. Payne said, "What I want to emphasize is, number one think of it this way, if you drive your car 2,000 miles a year it will put very little wear and tear on it and maintenance will be almost nonexistent. If you take it and drive it 50,000 miles a year you're gonna have new tires, balance, you're gonna have a lot more maintenance on it. What we are saying here is the people or the entities that are doing above 5,000 gallons a month are wearing our tires out and we need the reserves so that when we have breaks in our sewer system, and we've got DHEC issues, and I got sewer running down the street, or I've got a water leak, we've got to have the funds to be able to…Councilman Milling asked, "Are you going to project $238,000 of additional revenue"? Mr. Payne said, "Yes Sir". Councilman Milling said, "I don't think it will be that because if you've got people who have an option, they've been able to afford to use more water for swimming pools, watering their garden, watering their grass and we go up, I don't think you're going to see as much water being used so I don't think….Mr. Payne interrupted and said, "And they may pull it back and if they do that just….Councilman Milling said, "I don't know if it necessarily help our system that much, but I think a projected number should be less than the full $238,000. Councilman Milling said, "But I think there will be people making some adjustments in how they use their water". Mr. Payne said, "And they may". Kimberly asked are we going to have additional water revenue from any new businesses coming in? Mr. Payne said, "And again this is just math". Mr. Payne said, "The difference with the increase with the 10% & 20% (only on water) is about $8,100-$8,200 more a month times twelve months is $98,000. He said again, it's just math. I can't…. and you may be right. Prices make people moderate their usage and if it does, it will go down". Mr. Payne said, "But so will eventually the maintenance because we won't be using as much. And sewer is the same way. Mr. Payne said, "Just do it by the math and it will bring in an extra $11,704 a month and over a year it's $140,000. Mayor Boyd said, "It still varies according to what they are using". Mr. Payne said, "Yes". Mayor Boyd said, "If a person uses 5,000 gallons they won't be quite $4.98; if they used 9,900 gallons they are paying more than $4.98, correct"? Mr. Payne said, "Yes". Mayor Boyd asked, "So, it's based on the usage still"? Mr. Payne said, "It is. It's all usage

based. And again, our goal was to make sure we didn't hurt the indigent, the lady on a fixed income……Mayor Boyd asked how many accounts do we have? Mr. Shugart said, "It's on there". Mr. Payne said, "We've got 3,052. In this range though 5,000-10,000 plus is 622". Councilman Gardner wanted to know what the new percentage rate would be. Mr. Payne told Councilman Gardner to look at the handout he was given. He said if you'll notice, the people at the bottom their weighted….. average dollar goes down 2%; whereas the guy at top goes up 3%". Councilwoman Reed said, "My concern…this was kind of explaining…we felt the need because of what we had to do before. And we've got people complaining everywhere. It doesn't work like seemingly we are explaining and how it looks on paper. That's when it actually comes out we got all this….I truly am hoping that we get out of this, but I want this not to be no more hardship on our folks because I don't care what area of town you're in, I hear it one way or the other". Councilman Gardner said, "My wife really doesn't like our water bill. I get it. But for 20 years they hadn't been doing anything. In the next 20 years I would like to have clean water". Mr. Payne said, "We are trying to make up for lost time that this wasn't done and unfortunately we're in that position because this wasn't done in the past and we're having to catch up with it now". Mr. Payne said, "I don't know that $5 a month is going to change anybody's usage or $20 a month for a corporation or some industry. I don't know that that's going to have that big of an impact, but you never know". Councilwoman Reed asked, "Councilwoman Baccus have they looked at the 89-year-old and Charles, have you all resolved that…Councilwoman Baccus said, "Typical thing that they love to say, oh you've got a leak. Councilwoman Baccus said that's the only story the water department knows". Mr. Shugart asked, "Who is it Ms. Baccus"? Councilman Gardner said, "I'm sorry if citizens aren't allowed to attack us, should councilmembers be allowed to attack our departments"? Councilwoman Baccus said, "I'm not attacking anybody. I'm talking about the water department". (Councilman Gardner and Councilwoman Baccus were arguing back and forth). Mayor Boyd called the meeting to order. Councilwoman Reed asked, "Has it been addressed"? Councilwoman Baccus said, "No". Mayor Boyd said, " I've got a suggestion, if everybody can act like adults". Councilwoman Baccus said, "He needs to stay out my business because I wasn't talking to him". Mayor Boyd said, "I'm talking to you". Councilwoman Baccus said, "I'm talking to you too". Mayor Boyd said, "I'm talking to you because you're in my council". Councilwoman Baccus said, "You don't own no council. I done told you before you don't own nothing around here". Mayor Boyd said, "Yeah, I own a lot of stuff". Councilwoman Baccus said, "He ain't gonna keep talking to me when I wasn't talking to him. She said, I wasn't talking to him. I didn't…. Mayor Boyd said, "If you can control your tongue, so I can talk I would really greatly appreciate it". Councilwoman Baccus said, "I don't care what you appreciate ". Mayor Boyd said, "This is a suggestion. We have 2,430 customers below that you're not going to affect. Let's just say, hypothetically, we raise their water bill $1 (no usage fee, just $1). He said that's $2,430. That leaves us $5,739 to get to your number of 8,169. He said if you take the $5,739 and divide by the 622 other customers that puts it at $9.22. Mayor Boyd asked, "Can we not just do a flat fee of anybody that's above that rate or even the ones that are between 5,000-10,000? He said maybe not the $9.22 just $7.00, and the others are $11.00 or something like that. He said that will be a flat fee that you know you'll get your money and then the little old lady that's on a fixed income they chipped in a dollar this year. And then the other corporations all are chipping in $12 or $10. It's a flat fee and it still gives you your guaranteed $90,000. Mr. Payne asked Mr. Shugart what he

thought about the mayor's suggestion. Mr. Shugart was preoccupied with running numbers so Mayor Boyd had to go explain everything over again. (Mr. Shugart and Mayor Boyd are speaking at the same time). Mr. Shugart said, "I understand where you're coming from exactly, Mayor and maybe those numbers will work. He said he would have to run them and think about it a little bit and look at them some. Mr. Shugart said, "But I wanted you to know exactly how we came to these numbers. There's a little bit of science behind what we're doing here. Mayor Boyd said, "I understand that, but I'm still saying at the same time there's no guarantee that the average person their water bill is not going to go up; if that's 100 people, 200 people or 50 people. But that way, it's still kind of spread across the board. Mr. Shugart said, "There's two things that we haven't talked about here; the average size family and what they use here and what those rates are. And the folks that give away grant money and what they say we should be charging. And what they will not do if we don't charge certain rates and that is 6,000 gallons of water should be near the AWWA average for this area which is $34. He said this is really close to that, so we wanted to make that mark. The second thing we wanted to do is, we did not want to raise rates on fixed income people, low to moderate income, single families, retirees, those folks". Mayor Boyd said, "I know, but you're not guaranteeing that" . Mr. Shugart said, "We're not guaranteeing it, but it's more apt to happen than not. He said 80% of those people are not getting any increase at all. Mr. Shugart said, we're talking about the industrial customers over 10,000 gallons. The industrials and the commercials. He said the 5,000-10,000 are half and half. He said, "So we wanted to make the $34 range or as close to it as we could go for 6,000 gallons of water". Mayor Boyd asked, "Is somebody gonna come get us if somebody is using 6,000 gallons and we're not charging them $34"? Mr. Shugart said, "We're close. He said what they've told us and what they said before in the past as long as we're showing an effort and we're getting there, that they're ok. He said we're less expensive than Hartsville and some of our other neighbors at these rates, so we're not the highest game in town. Mayor Boyd asked, "You said 6,000 gallons needs to be around how much"? Mr. Shugart said $34 for 6,000 for water. Mayor Boyd said what you've got here for 6,000 gallons is only $22.56. Mr. Shugart said, "That whole water bill for 6,000 should be around $34, $33.89 to be exact, which is pretty close. Mayor Boyd said, "But I'm saying if you go up $9 on that person's account, which those people you wouldn't go quite $9, you might go $7 up on them, but then if they use….Mr. Shugart said, "I'm willing to use your formula and plug it in". Kimberly asked, will the software automatically adjust the flat fee based on gallons used or will it only work with the fluctuating, the variable rate"? Kimberly said, "So like your flat admin fee is $13.37 will your software automatically adjust somebody that's between 5000 - 5001 or will you have to go in and manually do for each one"? Mr. Shugart said, "We'll have to work with our software people. He said we've been talking to them. Mr. Shugart said, a lot of folks around us and a lot of folks across the state use what is known as the escalating grade, and it gets higher as it goes higher. Mayor Boyd said the software should be able to say you used 5,001 now you're charged $9, and you use 10,001 gallons so you're charged $11. Mr. Shugart said, "We can charge the rate for 2,500 or less up to 2,500 and the rate for 5,000 or less 5,000, the rate for less than 10,000 up to 10,000 and then as it goes over it goes over into the next rate. He said we can do that too. Mr. Shugart said, "I know we can do that one because it's done in lots of places". He said that's a lot more complicated and actually that's what most folks do. He said Hartsville base their rate on 300 ft.^{3} which is 2,200 gallons, but the rates are based on gallons

per thousand, so you have to figure out cubic feet to thousands of dollars to come up with their bill. He said he has been calling Lamar for three months and in Lamar can explain the water bills, or how they came up with it or how they charge for it. Councilman Gardner said, "I'm fine looking into the flat fee, but I'm also kind of leaning toward him on the weighted scale so that the people 11,000 or more are getting charged appropriately". Mr. Shugart said, "Another thing we can do that we haven't done is charge according to the size of the meter. He said the 5/8 three-quarter meter that is used for most residential houses has a certain rate, a 1-inch meter has another rate, a 1 ½ meter has another rate, a 2-inch meter has another rate along with the escalating rate. Usually that size of the meter thing is built into the administrative cost. He said that's the way it is almost everywhere. Mayor Boyd said, "To get to your number you could do this. I don't suggest this, but you could charge $2.68 for everybody across the board, and you'd get $98,000. But I do agree that the people that are using the water more should pay more and the other person not using it much shouldn't pay as much. Mr. Shugart said, "We tried to fix it so low income and fixed-income and single family and all those folks didn't see any increase as much as we possibly could". Councilwoman Reed said, "It sounds fair to do the one, but I cannot say in good conscience that we raise anything (several people are talking at the same time) Councilwoman Reed said, "If it's imperative that we got to have more money coming in or we won't be able to maintain….Mayor Boyd cut in and said, "Well, it's inevitable that we got to go up….(both Councilwoman Reed and Mayor were talking at the same time). Councilwoman Baccus said, "I'm not in agreement with raising the lower income, senior citizens. I'm not in agreement with that and I'll never be in agreement with that". Councilwoman Reed and Mayor Boyd said they don't agree with doing that either. Councilwoman Reed said, "That's what I want to get clear. Most of these areas that use that amount of money where you're gonna raise it are commercial and not mostly residential". Mayor Boyd said can we look at doing a flat rate fee"? Mr. Shugart said, "Whatever the boss tells me to do, I'll do it". Councilwoman Reed said, "When you say flat rate….Mayor Boyd said, "If somebody is using 0-2,500 gallons they charge seventy-five cents more a month or $1.00 more a month or fifty cents more a month". Councilwoman Reed said, "See that's the part I don't think we should do because that's what the outcry is now. They are screaming about the bill now and if you add fifty cents, twenty-five cents more, they will scream. Mayor Boyd said, "I'm asking for a suggestion. He said it could be anybody from 0-2,500 don't get charged any more money. The next one is charged $1.25. Just a flat rate fee for…and it goes up for the higher rates". Kimberly said, "I don't think that addresses the extra burden that people who use more gallons are putting on the system. She said you still got somebody that's using 9,999 gallons paying the exact same amount as somebody using 5,001 gallons". Mayor Boyd said, "That's not what I'm asking. I said that we could do a flat rate from everybody, $2.67 and it would get him to his number. Mayor Boyd said, "That would put the person that's using 5 gallons a month the same rate as the person using 50,000 gallons a month". I'm saying the person using 0-2,500 gallons we're not going to touch, a person using 2,500-5,000 gallons we're going to charge them $1.25 more a month; 5,000-10,000 we'll charge them $8.00 more a month; the next one we'll charge them $12.00 more a month. Kimberly said, "When you've got somebody that's using 9,999 gallons paying $8 a month the same as somebody using 5,001 gallons. She said the people using almost double the amount of water are still paying the same amount as somebody using half as much". Councilman Gardner said, "Yes that's why I think it needs to….. Mayor Boyd cut him off and said, "No, they are still paying

the water usage fee". He said if somebody is using 5000 -10,000 gallons (just using a round number) we will charge them $10; 10,000 gallons or more we're going to charge them $15 they're only paying five dollars more than the other, but they're also paying a usage fee for those other gallons also. Kimberly said, "Right, but the increase isn't reflected in the burden they're putting on the system by using more when you do it based on variable rate, then the people that are using more are actually paying more because they're using more". Kimberly said, "So when you're giving everybody a flat fee the people who are using more aren't paying more towards the burden whereas the people that are using less are". Councilman Milling said, "But it would be better if we did it at 5,000-7500; 7,500-10,000 because you would reach the next level quicker than almost doubling". Mr. Payne said, "I would have to run the numbers". Mayor Boyd said, "Everybody's objective here, I know we don't want to affect the lower income people that are hardly using water or having a hard time already, we don't want to go up on their fees, but we know that we've got to go up somewhere eventually'. Councilman Segars asked, "How can you look at the usage and determine that's a low-income person"? Mayor Boyd and a couple of council members said, "You can't ". Councilman Gardner said, "My gut tells me to do it over the gallons used. It's a static number and if you use over a certain number of gallons you know what you're going to get charged". Councilman Gardner said, "I would like us to research in the future the inch pipe because that'll be determined upon commercial what your usage is. Mr. Shugart said, either a fixed rate or higher rate for larger meters. Councilman Gardner said those larger meters are gonna be solely commercial. Mr. Shugart said, it will be solely commercial, industrial, or folks that have those meters. He said we have a few residential folks that have 1 ½ inch meters. Councilwoman Reed asked, "This will affect the rate… the rate would go up for those that use over 5000 gallons? Councilman Gardner said, 6,000. Mr. Payne said 6,000 gallons was just an example. Mr. Payne replied Yes ma'am to Councilwoman Reed's question. Councilman Nettles asked, "So you'll provide us with a list of those over 10,000"? Mr. Shugart said, "Yes". He said that would be very easy because that's only 200 folk and I can look those up in a week. Mayor Boyd asked, "Can you do what Bryant said and break it to 3,500 or whoever it was? Milling or somebody". Mr. Shugart said, you want us to change from what now? Mayor Boyd said 5,000-7,500 & 5,001-7,500; 7,501-10,000. Mr. Shugart said we need to try to stay around 6,000 gallons and about $34, we need to do that. At some point we'll quit getting grant money or they'll come in here and say you've got to do that. Mr. Shugart said we've got to charge that much. Mr. Shugart said, "If you want me to do that John and I will run numbers for you and over 7,500 gallons and that's where we change it. Councilwoman Reed asked, "What's making you ask that"? "What's wrong"? Mayor Boyd said, "Somebody else brought it up, but I'm just saying would that break off half those people or…Mr. Payne said, I can run the numbers. I have no idea what they are. I'm going to have to go with a different percentage. Maybe I'll put that at 15%, but I can run you another scenario. Councilman Milling asked, as long as we've got money coming in does the grant people care as to whether it's $34 a gallon or whatever? Mr. Shugart said we've got to charge about what everybody else is charging or they're not gonna give us the grant money. They're gonna say you should raise your rates instead of asking us for money and they have done that. Councilman Milling said, if we are generating the money in a different fashion does it matter to them as long as we are creating revenue. Mr. Shugart said, as long as we are creating revenue, we're showing an effort and we actually have to be going up incrementally on our water bills like we should be.

He said we are contractually obligated to raise our rates by 3% a year. Mr. Shugart said, so instead of doing that across-the-board what does that equal and how do we do that without effecting the lower income people, the fixed income people, and the single families? how do you do that? Mayor Boyd said, sounds like to me you don't have to do it at 6,000. he said I don't know where the 6000 number came from. Mayor Boyd said I don't think nobody is gonna walk in here and say we'll you're not charging that as long as the money is coming in the door. Kimberly said, It's the benchmark for receiving grants. It's the $34 benchmark for receiving grants and that's where the 6000 gallons comes into play. Councilman Milling asked, we may be able to do it some other way but if we're not doing their way….Kimberly said, that's what they are looking at because that's their benchmark for determining whether or not you need to raise your rates instead of receiving the grant. Mr. Shugart said they'll continue to give you a grant if you had a $29 bill five years ago and you raised it to $30 and then you raised it to $31; Point you're going to get $32 and you're a showing this good faith effort they'll probably go ahead and give you the grant money but, if you're somebody that's just staying at one rate for a long, long time and not changing the rate….Mayor Boyd said, We'll, we just changed it". Kimberly said, "But that was for the bond. You were forced to change the rate for the bond". Mr. Payne said, "You know the saying, God helps those who help themselves. We've got to show we're helping ourselves before we go to them for free money". Councilman Nettles said, "Well, we know we have people to answer to and helping ourselves is one thing, but how much at one time do you have to punch it". Mr. Payne said, "The bottom line is this is the revenue side of the sheet; our expenditures side we have no control over". Mayor Boyd said, "We understand that, but what we're saying is that if we're showing good faith and we showed good faith last year and we did it. Now we do it this year as just a flat rate and next year we do it as a percentage rate, can that not be fine that way we know what we're getting this year? Mr. Payne said our expenses keep going up. Mayor Boyd said with the flat rate you know you'll get….(Council talking among themselves). Councilman Nettles said, look at the numbers and bring us something different tomorrow. Mr. Payne asked, if they want him to run it at 7,500? Mayor Boyd said run it at the flat rate. He will try it at a flat rate of 0-2500 at no charge and then go from there to get you to $8,100 a month. Mr. Payne told council he can run two scenarios for them the first time 0-2,500 no charge and then I'll run ,7500 gallons and break it up, but I'll make that 115% because it is right in the middle.

SANITATION & STORM WATER

Mr. Payne said we are proposing to go from $28.50 per month to $35.00. He said we've got 2,530 units so if you multiply that out it will generate $1,062,000 versus $865,000. On the commercial side they are proposing to go from $45 a month to $55.00 a month. That will take our revenue to $211,000 versus $173,000 over a year. He said for commercial recycling they are proposing to go from $25.00 a month current to $35.00 and that'll take the annual revenue to $14,700 over the current amount of $10,500. He said on the dumpsters we're going to be pretty much locked in to that $404,000. He said our rates are going up and we have to recoup that. Mr. Payne said, "If you add the total of the residential, commercial, commercial recycling and the dumpsters that will generate $1,693,440 versus what we're doing now $1,442,940 which is $250,500 more a year. Mr. Payne said, right now we charge $6.50 per residential unit for storm water and we're proposing to go up $3.50 (making the monthly total $10.00). That will

generate $303,600 over a 12-month period. Mr. Payne said on the commercial side instead of charging just $8.50, Alex Gainey is proposing a tiered system. He said it will go up from $25, to $50 to $100 and that will generate another $150,900 for a total of $454,500. Alex Gainey said as you see right now we're charging $6.50 for residential and $8.50 for commercial. Alex said when you start looking at your commercial accounts you've got some commercial accounts that are not real big as far as property wise, but it's not fair for commercial to be paying $2 more than residential. Alex said tier 1, tier 2, and tier 3…. basically, what I did was I sat down and looked at all of the businesses across the city. I looked at the impervious surface, the size of the building, asphalt parking lots, to figure out how we needed to charge. He said you have 151 businesses that will fall under tier 1 and that's your smaller businesses like the ones on the Square. He said you'll have businesses like the wing restaurant… the smaller businesses that don't have a lot of impervious surfaces for the size of the building. He said in tier 2, it will be some of the bigger businesses that have bigger lots and that have more impervious surface, more parking lot area, and don't have a lot of storm drains. And then you've got your tier 3 businesses like Walmart, Tractor Supply, your big grocery stores with the parking lots; just bigger businesses that are in the city that have been paying $8.50. Alex said, when you start talking about stormwater… I've been saying for a couple of years that we needed to have a stormwater study done to figure out exactly where we were at with our commercial rates and what we should be charging". He said two years ago we pulled the study that Florence had done, and we can't go off of Florence's study because they paid over $1 million for that study. He said we can't go off of their numbers, but when you start running the numbers, Walmart on Beltline is paying $1600-$1800 a month for stormwater and we are charging Walmart in Darlington $8.50. He said a lot of these bigger businesses are expecting to pay more, but they are not going to say anything to us. Mayor Boyd said, "Their water goes into our storm drain, but at the same time, using Walmart as an example they pay for the big retention pond in the back, and it absorbs their water, right"? Alex said, "A portion and most of it does but it also has an overflow so that when that retention pond gets so high, it's going to come into our stormwater system". He said we have a line that actually runs down beside Walmart. It's the one that we had all those problems with on Main Street. He said there's a line that goes under 52 and goes in front of Bethel AME Church and goes out right beside Walmart, the gas Station and it goes out to a portion of land that I believe the city got from Donnie and Dwayne Weatherford out on Old Florence Road somewhere in that area. And they did kind of a retention pond for the city. Alex said, "I believe that was done somewhere around the time that they did Pecan Grove apartments, but if their retention pond gets too high, then it goes over and overflows into that retention pond. Mayor Boyd said, "You have some places like that they are used and people that have a big parking lot there their water goes into their retention pond they paid for, they really aren't using the storm drains as much. He said just like Sam built the apartments over there. we haven't had that much problem with water on Broad Street since those 2 acres of land has been cleared off; and since it's been cleared off, he's been required to build a retention pond there that holds his water. Alex said it slows it down from going into our system. As a matter of fact, it keeps it off of the main road. Mayor Boyd said, "You have some property that doesn't have a retention pond. It's just flushing and running into the drains as hard as it can". Alex said, "Like I said, and I believe Mr. Payne and I both agree that this is a starting point. He said, "Right now, if we had to pay a consultant to come in here and do a storm study where we

are going to pull the money from". Alex said, "I've said all along since I took over stormwater that stormwater ought to have its own separate department and that department should be self-sufficient. He said you shouldn't have to pull out of water and sewer and street and sanitation to fund a stormwater department. Mayor Boyd said, "But how and who are determining tiers 1, 2 and 3"? Alex said, "Like I said, I sat down and went through every business and looked on the map and figured out how much impervious surface they had and I kind of grouped them into three different tiers. Instead of having 10 tiers, we grouped them into three different tiers just to try to get the ball rolling. I think probably this year we need to try to get somebody to come in and do a stormwater study so we can figure out…. and some of those bigger places like Walmart, I'm sure instead of $100 a month, I guarantee you it will probably go up to $1,000 a month once you get the study done". Mr. Payne said, "What I would like to do Mr. Mayor, hopefully we'll have some fund balance left over and I would like to use that to do a stormwater fee survey". Mr. Payne said, "We really need to do that so we know what we should be charging and not just off the back….He said if we are going to run it, we ought to run it professionally". Alex said, "When you start talking about the stormwater department we have a half million-dollar piece of equipment that we are running. We've got two people that we got salaries for. He said we're doing a project in the church parking lot right now and we're doing it in house, and we will probably have approximately $8,000 in it. Had we subbed it out we would have probably had $60,000 in it. Alex said, "This will be the fifth project that we've done in - house to save money, but nevertheless it cost to do the projects whether we do it in house and save the city money or whether we sub it out." It still costs the city money, and we don't have a department and we don't have a budget to fund it out of". Mayor Boyd said, "According to this, sanitation for residential will go up $7.50 a month, is that correct? Mr. Payne said, "Yes, then he said $6.50 a month". Mayor Boyd said, "And then $3.50 a month for storm water. Mayor Boyd said, "$6.50 plus $3.50 is $10, correct"? Mr. Payne said, "$3.50 and… Call it $10 a month". Mayor Boyd said, "And then you still…. that's all on their water bill right"? Mr. Payne said, "Yes". Mayor Boyd said, "So their water bill is automatically going to go up $10 a month. He said that's what the customer is looking at. The customer is looking at my water bill went up $10, even though it wasn't for water". Councilman Gardner said, "If our commercial is this off, but you're telling me it's really off from what it should be, is there any way we could rebalance this so the commercial could take more of the hit"? Councilman Gardner said, "Because my yard is a retention pond for the neighborhood every time it rains". Councilman Gardner said, "$10 a month on every citizen while we are also raising their water and their sewer. I don't know what the total is, but it's more than $10. I'd like to see what it would look like (at least just see what it looks like) if we take that $10 back off the residences and put it on commercial". Councilwoman Reed said, "That's $10 plus $6.50". Councilman Gardner said, "$10 plus $3.50". Alex said, "On the residential side is $3.50 for stormwater and then you were looking at $6.50 for residential. He said the reason we did the $6.50 for that is, look at the fuel cost. We use roughly 1,500-2,000 gallons of fuel a month for the big trucks and we're paying $2.00 more than we were for the fuel so if we use 1,500 gallons, that's $3,000 a month that we're spending in fuel". Alex said, "We typically order roll carts twice a year. He said roll carts were $13,000 but the last time we ordered them it was between $15,000-$16,000 and we caught it just before the price increased". He said if you look at tires… he said I used to pay $683 for steer tires on the trash truck and cherry picker. Now it's right at $1,100 for a set of steer tires. Councilman

Gardner asked, “Have we figured out why we are going through them so quickly”? Alex said, “You drive them”. Councilman Gardner said, “Well, we had a little issue, I think”. Alex said, “We were going through tires as much as we were before because the trash trucks were having to go to the landfill in Bishopville. He said we have more mileage on the trucks and that landfill would tear your trucks up. He said we were paying $27 for fuel filters for the big trucks and now they are at $51. He said everything has gone up. I don’t know where else to come up with the difference, but we are going to be cutting it close this year and if we don’t do some kind of increase….. Councilwoman Reed said, “All of these things that you are talking about right now.. it’ll be on the bill; the sanitation increases to $35 for residential and then stormwater increases to $10. Councilwoman Reed said, “This is going to hit us. I don’t know how else to do it, but that’s $16.50 more a month; we’ve got to figure out something”. Mr. Payne and Mayor Boyd said, “It’s $10, $6.50 plus $3.50”. Councilman Gardner said, “We need to come up with $25,300 per month”. Councilwoman Reed said, “It’s going to be $16.50”. Mayor Boyd said, “No, it’s going to be $10 more”. Councilwoman Reed said, “Alright $10 more, however you want to do it. I’m just saying”. Councilman Gardner said, “You’ve got 2,530 residences so $25,300 per month if we have to….Alex said it’s about 9,000. Mr. Payne said the difference will be about $9,000 more a month. Councilwoman Gardner said, “Well if you’re raising it $10 and it’s 2,500 residents…. Mr. Payne said what we’re raising is $3.50. Councilman Nettles asked, “How are you doing the sanitation”? Alex said, “Your total is $6.50”. Alex said another thing you have to look at is the maintenance costs. He said these trucks are not old, but they are starting to get age on them. He said we can’t afford to replace them, so we have to keep them in service”. Councilwoman Reed said, “Are we were able to make it through this year with all these problems I am repairs and digging and unexpected cave ins and all that kind of great stuff. How were you able to do it, with grants? Mr. Payne said, water and sewer gets grants. We don’t get grants for streets and sanitation. Councilwoman Reed said, ``I know we’ve had problems. I'm just asking how we are doing it? Councilman Gardner said, “We’ve eaten up our revenues and we’ve gone for an emergency EDA grant. Alex said the stuff that we’ve done as far as stormwater goes up to this point we have done it in house. Councilwoman Reed said, and just for that and some of the work that we’ve done with water and sewer, we’ve had to contract it out. Alex said he contracts the big stuff out because we don’t have the manpower or the equipment to do big jobs. Councilwoman Reed said, and looking at it so that we can actually determine how to get your own budget so it won’t have to come out….Alex said we need to eventually… you’re talking about stormwater and that’s what we’ve been trying to do for the last couple of years to try to generate some income for stormwater so that hopefully eventually we can get a department for stormwater and it will be self-sufficient and you won’t have to pull money from water and sewer and streets and sanitation to fund a storm water department. He said you can have everything for stormwater that you’ve got for street and sanitation and water and sewer. Kimberly said technically we have a stormwater fund that 100% of the stormwater revenue that we get pays debt. Kimberly said when you look at that page I was under the weather when I updated last year‘s numbers. We were at a positive $4,700 last year. I am projecting we will be in the positive $7,800 this year and that is only covering debt for stormwater. That’s not covering any storm water expenses at all. Mr. Payne asked, that’s just the bond, right? Kimberly said that’s just the bond and $30,000 for some equipment that storm water uses too that gets transferred to another fund. She said that’s just debt. Councilman

Segars said that's the Chalmers Street ditch project. Councilman Gardner asked, how many more years we have on that? Alex said, And I'll tell you right now we've got some issues on that project that we'll probably have to spend $200-$300,000 to fix. Councilwoman Reed asked, what happened? Alex said, we've got collapses and sinkholes; and poor workmanship. Mr. Payne said, that dumpster charge of $404,280 I am going to say that's pretty much non negotiable. We are just covering our cost. Alex said we signed a contract with capital waste July of last year and they honored our current rates until January 1st of this year just so we wouldn't have to do another increase to get us through this budget year but going into this budget year we're going to have to do something because we use to spend $16,000-$17,000 a month but I think now we are spending $31,000-$32,000 a month in dumpster fees. He said we knew that when we signed the contract. Councilwoman Baccus said, we're doing all these things to raise the fees on our commercial businesses and our citizens. What are we going to do to give them a reason to stay in the city? Councilwoman Baccus said some of our small businesses are struggling now so how do we figure they are going to stay in the city of Darlington. We're talking about raising all of these fees. What are we doing for them? Councilman Segars said, "They've got to raise their fees too". Councilwoman Baccus said, ``What is the council doing. I didn't say what they are doing. "What we are going to do". Councilman Gardner asked, what do you propose? Councilwoman Baccus said, "Give them an incentive to stay. I propose they get out of Darlington. I'm asking what we're going to do to help them. Mayor Boyd said, Darlington, Florence, Hartsville, Cheraw, Bennettsville, Bethune, Dillon, Marion. All of them are going up.

Mr. Payne said nothing really changed in Department 500 (Legislative).

Mr. Payne said **Department 550 (Accommodations**) is pretty much the same. He said he increased the Christmas Parade to $600 because the price of floats went up. Councilman Gardner said, shouldn't all these things be in the community fund that we're doing where we're opening it up for a set time period? Mr. Payne that's the H-tax. Councilman Gardner said, all of this stuff should be under the same things. Mr. Payne said "Well, this is pretty much you're budgeting this…..Councilman Gardner said, "I understand what the difference is". Kimberly said, "I think he's just recommending the same application period". I said I think that's what you all mentioned that you want it before even with the H- tax just put everything together and you all will decide how much you want to give to the people. Councilman Gardner said, "That's what I thought we were going to do". Mr. Payne said, "That's just hospitality". Councilman Gardner said, "Well, I misspoke because these are two separate line items. I understand that, but still, both of them are community promotions so my suggestion is we have all these people apply like the rest of them have to apply. I don't understand why they would be any different because it's one revenue source versus another". Mr. Payne said, "This is coming out of the general fund and the hospitality comes out of hospitality. Councilman Milling said, we just have to take a certain amount of money and budget it to blank and then they have to make applications…. Mayor Boyd said, "We can allocate $21,000-$22,000 and it comes out of the general fund, and they need to come apply". Mr. Payne said I will make it coincide. I will have H-Tax and I'll have community promotions. Mr. Payne asked, "Do you agree with the dollar amount? Councilman Milling said, "So that's essentially what we will be talking about. It is roughly $22,000 ($21,850

exact)". Mr. Payne said, "What I'll do is I'll take out the individual name and I'll just put the dollar amount at the bottom. so, I'll have the dollar amount there, but they would have to come and apply for it.

Mr. Payne went over **Department 570 (Administration**). Mr. Payne told the council they will see the salaries have gone up a bit. He said he's proposing hiring a grants manager and that salary is included there. Mayor Boyd said, "It's projected at $353,000, but we spent $397,000". Kimberly said, "No, last year was $397,000. Kimberly said last year we had Howard's payout". Mr. Payne went over the remaining line items. Councilman Milling asked, "Who all is included in professional services"? Mr. Payne told Councilman Milling they would get that answer as soon as Kimberly could pull it up.

Mr. Payne went over **Department 580 Public Buildings**
The custodian is included in this department. Councilman Nettles and Councilwoman Reed asked why the salaries for this department decreased? Mr. Payne said, "He (the custodian) has some overtime this year and I am holding on tight on overtime going forward". Councilwoman Reed said, "Yeah, but the other two years will make it $34,000. Councilman Gardner said, "Overtime". Councilwoman Reed said, "I mean he just made overtime this year. What has that got to do with next year?" Mr. Payne said, "Well there's really no need for overtime in that area". Councilwoman Reed, "Is this happening now… I mean he's got overtime now so that means…. Councilman Nettles said, "He probably had overtime but now it's been cut out." Councilwoman Reed said, "I'm just looking at the other two years where it was $34,000". Mr. Payne said both of those years included overtime.

Kimberly said the professional services includes the auditors, Asset Technology, there's Mask Consultants and then there's Datamax which they did like a revenue finding project for us and they get 50% of the revenue that they found. Councilman Milling asked, "How long does that 50% obligation last?" Kimberly said, "I haven't read the contract that you all have but a contract that another one of my clients have is for five years. Mayor Boyd asked Kimberly to give him a list of what was spent in 2019-20 for line item 590-381. Mayor Boyd asked Kimberly to look up line item 580-388. Councilman Gardner said, "When we passed that millage increase it all was supposed to be in a separate account accruing for paving the roads. He said, "Well we voted for it, and I really made sure that happened". Alex said it was over $60,000 a year, wasn't it? Alex said, "It was going to go into an account to use for paving streets every year". Mr. Payne asked, "And it went into the general fund? Alex said, I don't know where it went. Kimberly said if it's a millage, it's coming through property tax, and it hasn't been separated out. Councilman Gardner said, "It has to be because we voted on it. Kimberly said, "Yes it's being reported as property tax revenue; it's just going into the general fund". Alex said, that's what I told you before, there should have been money this year to do streets that needed to be done because when they voted to increase the millage, that's what it was voted for; to be able to work on the streets". Councilman Milling asked, "Does that mean you've got to go and adjust your general revenue"? Kimberly said, "No, because the general fund supports the streets department anyway and it's just a matter of how we allocate the expenditures". Alex said, "But at some point you should be able to… I mean because you're not going to spend $60,000 a year".

Councilman Gardner said, “It’s supposed to be accruing and it could be used to pay off the debt. We took a loan out to pave those twenty-one roads, correct? Councilman Milling said, “I thought that was part of a…Councilman Gardner said, “A bond or whatever you want to call it and it should be paying for that bond right now”. Kimberly said, “Oh yeah, the revenue in the general fund from, I guess the property taxes, that’s what was increased is where it’s coming from; then yeah, the general fund is paying the bond. Kimberly said $60,897.96 of general fund revenue is paying that bond, so that’s where all that property tax money is going to. It’s already allocated there”.

5 MINUTE BREAK AT 8:05 PM

STREET AND SANITATION - ALEX GAINEY

Alex said in his salaries it’s saying that what was budgeted was $297,000. He said I’m showing what was budgeted was $332, 218. Kimberly said, “No, that’s actually last year and not what was budgeted. Alex said I’m showing $332,000 was budgeted this year. Kimberly asked if somebody moved departments after we did the budget last year. Alex said $339,425 is what he’s proposing moving forward. Mayor Boyd asked, “Where are you getting $332,000 and it says $339,000? Councilman Gardner said we had one of our guys left for a while. Alex said the last report I have was run on 4/4 and I was showing that we’re at $251,305. Kimberly said as of the end of April on the general ledger it was $280,545. Alex said he was trying to figure out where we came up with that much difference. Mr. Payne said, “When I ran the numbers for each one of his departments I went to Cheryl and I got a breakdown per department how they’re itemized right now”. Kimberly said it could be that I have accrued payroll from last year that needs to be reversed out. Alex said, “My thing is, if we’re projecting to be at 364,000 at the end of this year and we’re proposing to go to $339,00 next year I don’t know how we’ll make that work”. Councilman Milling asked, “Does the $339,000 cover all employees including the ones that are vacant right now”? Alex said, “Yes, that’s everything. Mayor Boyd asked the same question; how you go from $364,000 to $339,000. Kimberly said she’s running the details right now. Alex said he is putting $40,000 in auto operating expenses; electricity, water & gas includes all the streetlights in the city, and it comes out of his department. Alex said, “As you all know, we’ve got the hotbox and they’ve been doing more than we have in the past. Mayor Boyd asked, how many times have we used the hotbox? Alex said, “I don’t know how many times we’ve used it. I don’t count every time you use it. Alex said there was a while we couldn’t use it because we didn’t have the personnel there to be able to put it out on the road. He said now we’re getting pretty much a full staff and as long as we have people there what we try to do is maybe once a month or once every two weeks we have an off week where we don’t run recycling on Tuesdays and Fridays; we are trying to get the asphalt on Tuesday afternoon or whatever and then put one of the trucks doing whatever we need to do to try to asphalt on a Wednesday or whatever. He said Wednesday is our smallest route for pickers so that gives us the most manpower. Mayor Boyd said, “Well, I haven’t seen the hotbox used but about one time in the last six months. Maybe I missed a day or something and didn’t see it”. He said what I would like to see is… I know you can’t pull everybody off everything because you are shorthanded. What I would like to see is… I have it on my list along with other things as being a project that’s tackled throughout the whole town and if it takes a week or two weeks for this; I’ll

do it this month or whatever…schedule out how we're going to do it . Alex said we don't have the manpower to….you can do that hotbox one day and that's pretty much all you can do in a week's time because you don't have the manpower to run that hotbox for a week. Mayor Boyd said, "If you schedule it and say in June we're going to do the hot box one day a week and you go out four days this month, then you should be able to pretty much tackle the whole town. Alex said two weeks out of the month you are doing recycling so that's another truck that's running. He said when you are doing a recycle week you can't do hotbox. Councilman Gardner said, "What you were saying is two weeks out of the month theoretically we'll have the manpower. Alex said theoretically you will. He said, there again you've got some months that are harder than others if you're in the grass cutting season, I mean we're already short on manpower trying to keep the grass cut around town, so you can't pull a bunch of people to go run that hotbox. Alex said usually I will pull one or two of the grass crew to go run the hotbox, so during grass cutting season if you pull too much he's going to get behind. Councilman Gardner said, "Let's try to step it up best we can to get around to doing it monthly". Alex said, "If you do about a half a day's worth of work and you got about all you can get, if you don't believe me come on out there. I'll be more than happy to put you….Mayor Boyd said, "I told you I'll be glad to do it". Councilman Milling said, "Bryant is going to drive the mosquito truck". Alex said we have a decrease in the uniform line item. Alex said. "We signed a contract with Cintas and we're under the community (whatever grant it is) and that's how we get our pricing". He said he had to add a little more for physicals because all of our CDL drivers are required to have a physical every year. Machines & equipment line item has $45,000 for repairs to equipment. $25,000 is in the paving line item. Alex said it was brought to our attention this year that we own a portion of Hank Haney Drive and at some point in time we need to look at surfacing Hank Haney Drive. Mayor Boyd said, "I don't think you're going to pave Hank Haynie Road for $25,000". Alex said we're not responsible for paving the whole thing. Alex and I got a quote from Sam before, and he said it will cost between $20,000- $25,000 to pave it. Councilman Nettles asked, "How many houses are on that street? Mr. Payne said, two. Councilman Gardner said three. Alex said It looks like one of them is about to fall down. Councilman Nettles said, "And we are going to spend $25,000 to pave a road that two houses are on?" Mr. Payne said, "It's our road, isn't it"? Mayor Boyd said, "Stone Road is our road too. There's one house down there". Mr. Payne said, "If we could get DOT to cut that ditch to keep the water from running down that road and make the water go into the storm drain it would solve 90% of the problem. Councilman Nettles said, "And it would be a whole lot cheaper". Mr. Payne said, "A lot cheaper, but I can't get DOT to do it". Councilman Gardner said, "What about DOT's responsibility when their stormwater is washing our roads out"? Alex said, "It's on the list". Mayor Boyd said, "That's our road and you can't ask the DOT to go do something on our road, can we"? (Alex, Mayor and Mr. Payne are talking) Councilman Gardner asked Alex if money is in the budget for training the guy who's going to run our mosquito truck this summer. Alex said we don't have anybody to run the mosquito truck this summer. Councilman Nettles asked, "Is it broken"? Councilman Gardner said, "No, we just aren't training anybody to run it". Councilman Gardner asked, "Are we going to make a priority this year to train somebody to run the mosquito truck"? Alex said, "Running the mosquito truck it's not a problem. He said Jamesey ran a mosquito truck for years. He knew how to run the truck and he knew how to mix the chemicals; problem is you don't have a license applicator to be able to buy the chemical and to be able to monitor and be able to sign off on

chemical….Councilman Gardner said, “I understand that. We’ve had that issue for a couple of years now and we just aren’t training so we need to find somebody”…….Mayor asked, “What do we have to do to have a licensed applicator is what they’re asking”. Alex said, somebody has got to go take the class and test through Clemson Extension and DHEC. Mayor Boyd asked, do we have somebody that can do that?'' Alex said, “I had said something about going and doing it. I have approached Mr. Payne about it and if they want to do it, we can do it”. Mayor Boyd said, “So in other words, you could go, the city could pay for you to be certified and you’d be certified to oversee Jamesey or whoever and then they could go out….Councilman Nettles asked, “How many times does that truck run theoretically”? Alex said, “I used to run it a couple of times a week”. Councilman Nettles asked, “We couldn’t find someone in another municipality who has that training and we could maybe….Alex said, “The problem is, most municipalities whenever you go and get that certification, it’s not a commercial applicators license, it’s basically for the municipality so you can only….I was going to go take the test so I could get my commercial applicators license; I would pay for it, and then you’re not just locked in to the City of Darlington”. Mayor Boyd said, “Let’s just cut through the chase, can we pay him to go be certified”? Someone asked, What’s the cost? Alex said he would check and see. Mr. Payne said, “What’s the cost, and then what’s the cost of chemicals, and do we have the truck”? Alex said, “We do have the truck and we’ve got two….(several people are talking at the same time). Councilman Gardner said, “I’ve never had more constituent service calls than that subject right there”. Alex said, “One of the problems you have, and in talking with the lady at Clemson Extension, is the chemicals that they authorize you to spray now are not nearly as strong as the chemicals that they use to spray, so it’s not as effective”. Mayor Boyd said, “At least we are showing an effort”. Alex said, “And that’s fine, but what she’s saying is a lot of municipalities are finding other avenues because you’re spending the money to spray the chemical and it’s not as effective as it used to be”. Mayor Boyd and Councilman Nettles asked what the other avenues are. Alex said we have been putting the mosquito dunks out. He said you put them in the ditches or anywhere there is standing water and that will kill the larvae. Mayor Boyd said, we have a vac truck that you hired a guy for that came right now but we also have a sweeper truck that should run at least twice a week. We have an asphalt hotbox that should run at least once or twice a month. Mayor Boyd said, to do both of those we need a CDL licensed driver, right? Mayor Boyd said we hired one CDL licensed driver, how many other licensed drivers do you need? Alex said, “All of my CDL license spots are full”. He said he has five CDL drivers down there. Mayor Boyd asked, “Is the sweeper truck where we can schedule to where it can cover (if it takes one day, a week, or five days, a week), we can at least cover the whole town once per week to get the leaves and stuff. Councilman Milling said, I don’t want to be too picky but seems like these are operational issues that up to be worked out between Mr. Payne and Alex rather than dealing with them during a budget session. Mayor Boyd said maybe so but I don’t get a lot of opportunity to ask questions on…Councilman Milling said, “You can ask questions but those are not budget questions those are operational questions”. Councilman Gardner said, we can do a work session to discuss all the operational management side or executive session. Mayor Boyd said, we’ll, I’ll be glad to call a meeting for that. Mayor Boyd said, let me backup for a second so I can clarify my question. My question was, “Did we budget money to be able to have these operational vehicles that we’ve got all this money in to be occupied and used, so it was a budget question”. Mayor Boyd said, my question to you was in these salaries and you

answered, and you said you've got all the CDL drivers that you need, right. Alex said no I didn't say I had all the CDL drivers I said I had all of the positions filled there are still two trucks that we have that require a CDL's that we don't have drivers for. Mayor Boyd said, so we need more drivers. We've got Trucks and stuff that we paid for that aren't being used so therefore my question is for the budget question is should our budget be higher for salaries so that these trucks are being used that we paid for. Alex said if we hired another CDL driver it would make life a lot easier. You could run the sweeper truck (I didn't say he could run it every day) and he could also run the hotbox. Mayor Boyd asked, "Have you budgeted for enough people to run your department"? Alex said I'm not trying to be disrespectful …..but where is the money going to come from. Mr. Payne said a CDL driver is going to cost more than the vacancies that are sitting there. Mayor Boyd said, "I understand that, but we keep going on and on and on and then our constituents ask why our roads are not patched, why our streets are not swept, and we've got this equipment that we've paid for, but we don't have people to run it. Mayor Boyd said, so my question is do you have enough people to budget and the answer is, no, so we need to figure out how we can get you to that point because your department is very important to make sure that those pieces of equipment that we have paid $50,000 for a hotbox is used on a consistent basis. Councilman Nettles asked, "So what salary amount would you need to add to your budget to make that happen? Mr. Payne said, if I don't have any additional revenue I've got to borrow from Peter to pay Paul. He said, the vacancy that I've got sitting here is a base salary of $25,500. Alex said it would cost you between $40,000-$45,000 to hire a CDL driver. Councilwoman Baccus asked why some of the guys that you already have can't be trained. Alex said I have five CDL drivers . He said Jamesey drives the vac truck so you can't pull him; you've got two garbage guys and those guys are running the routes so you can't pull them; you've got two cherry pickers running and those guys are running pretty much all the time. Alex said his employee Jesse is learning how to operate the sweeper but probably won't get but two hours a day on the sweeper so if you want to cover the whole city every week you wouldn't be able to do it in that amount of time. Councilman Gardner said, I don't want them coming down my street throwing rocks in my yard. Alex said for the most part, that sweeper is used for curb and gutter roads to keep the debris out of the curb and gutters, so it doesn't go into the storm drains. Councilman Gardner said, "So that's our main thoroughfare that doesn't include the whole city". Alex said, it does not include the whole city. Mayor Boyd said when I'm saying the whole city it's wherever it's supposed to go which is your curbs and your main drag. Alex said, "Do you know how long it takes to get Pearl Street done?" He said if you start at Main Street and go down to Subway and you go down and make that loop, it will take about four or five hours to get that part of the city. He said it would take you two days just to do South Main Street. He said if you had a man running 40 hours a week I don't know that you could cover all of the roads every week. Councilman Gardner said, "So our wish list right now for the Street department is to add a CDL driver for $40,000-$45,000. Councilman Milling asked, "That would not include benefits, would it? you'd still have to put another $20,000 on top of that. That's what I'm guessing. Mayor Boyd said if we go up on the sanitation and sore that's almost $470,000. Mayor Boyd said if we go up on this is it not going to be to where he can allocate for more workers. Mayor Boyd said, and I love the disability board and I thank God for them cutting the grass but we're a business and we are dependent on volunteers to go out there and do a lot of what his department is supposed to be doing but they can't do it because he doesn't have

enough manpower. They said we have $100,000 sweeper truck sitting there and I'm asking is it going to be used I don't care what day of the week it's used but I want to know if it's going to be used because the people that voted for me paid for it; the people that voted for you paid for it. And then we are not using it that's not being good stewards of our funds. Mayor Boyd said we've got a hotbox that I haven't seen used in six months because you don't have a CDL driver. Councilwoman Reed said, "I said tell him to submit what you need, and we will have to decide whether that's something we can do". Councilwoman Reed said, let's just move on with this. if you want him to put it in, put it in. Let's just go with it and stop procrastinating. Mayor Boyd said, I'm sorry I want more. I want to raise all of your guys' fees and everything else, but how much money are we playing with? I don't know. If we say Alex go ahead and hire the guy for $65,000, Can we pay for it? Can we pay for what we've got here? Councilwoman Reed said, "And our city manager when he was interviewing said he had a solution for this. He's a good financier so come on do your magic". Alex said one thing I've said from day one is there are a couple of departments that should be self-sufficient and the street and sanitation department is one of them because everything we do we're offering a service. He said that's one of the reasons why he proposed the fee increase so that the department can be self-sufficient. Mayor Boyd said, we are proposing that we go up and this is sanitation and stormwater. This is your department, right? Mayor Boyd said, if we do this your department is going over $400,000. Mr. Payne said, "that $1,693,000 that goes into the general fund". Alex said, but it's to help fund our department and Mr. Payne said, "yeah". Mayor Boyd said, His department is going up $248,000 so his department should be able to…Councilman Gardner said, "The only thing we need clarity on is the exact dollar for FICA and everything else for this employee if we were to add one". Capital Waste is a part of the $248,000 where we were paying for public service which everybody went up. When you all redid your bid it's going from $16,000-$17,000 to $31,000-$32,000 a year. She said that increase is absorbing a lot of that where that expense has doubled. Kimberly said the majority of the increase that they're asking for there is covering something that already went up. Mr. Payne said, we'll run you some numbers on what it would cost (including benefits) to get another CDL driver. Councilman Gardner said, and training for the mosquito and/or an alternative. Alex went over Department 640 - Sanitation. Alex said he has two vacancies in this department. Mayor Boyd and Alex ….Kimberly said you're looking at a loss for the year. It's already been spent elsewhere. He said where he may have a line item that still has some budgetary expense it's actually been spent somewhere else. Mayor Boyd asked, "Why". Kimberly said that's not a question for me. Mayor Boyd said, I thought that's what we asked for before it's supposed to stay in the line item…..Mr. Payne said it all goes down into the net between all departments. Councilman Gardner said, "From here on out with our new city manager if a line item goes bust then you'll come to us and we will reallocate money, isn't that correct Mr. Payne said, "Yes". Line item 293 Allied Waste has $370,000 budgeted. Alex said we actually had more in this line item, but Mr. Payne bumped it back and we were going to do the roll carts…. Mr. Payne said we had some money just sitting in a bank account now that we were going to pull $30,000 out of and only expand $370,000 here and so it balances we're just pulling some from an account….Kimberly said that account is specifically for street and sanitation. Councilman Gardner said, can you tell me how much the truck cost if we were to buy one? Alex said a front load truck, $500,000-$750,000. Councilman Gardner said, And the only reason we didn't do it is we didn't have the bond to do it. Mr. Payne and Kimberly said we

didn't have the borrowing capacity. Alex said if you look at the total picture it would cost us over $1 million to get into that business and then you can't have one truck you've got to have two because if it goes down you still got to be able to service. Kimberly said the debt payment Is for the cherry pickers. Alex went over Department 660 - Garage. He said everything pretty much stayed the same. Mayor Boyd asked Alex how many operating trucks he have. He said they have seven pickup trucks, two garbage trucks, two pickers, the vac truck and the sweeper. Mayor Boyd asked about the mechanics and his duties. Alex explained that if somebody is out he will work a route. He not only services the vehicles for the street and sanitation department, for police, recreation, water and sewer. Mayor Boyd asked, "Shouldn't we look at budgeting more for another person"?'' Alex said there use to be two mechanics down there. He said we really need a diesel hydraulic mechanic. He said Kendrick will tell you straight up that's not his specialty he can get by with it. Alex said we have spent a lot of money in the last couple of years outsourcing mechanic work because it was more than he could handle. Mr. Shugart said he could save $15,000 in generator maintenance if we had a certified diesel mechanic. Mayor Boyd said, I would add to our wish list to see if the water department could chip in with you to help hire another mechanic. Alex said if you hire another mechanic you're going to be looking at $65,000 including benefits and if you hire a diesel hydraulic mechanic you'll probably pay him a little bit more. Mayor Boyd said I understand that, but what I'm saying is we've got all this stuff that's got to be fixed and you've got one man trying to fix it. Councilman Gardner asked how much have we paid out fir hydraulic issues this year? Alex said this year hasn't been as bad as last year. He said last year we spent roughly $50,000.

WATER AND SEWER DEPARTMENT- MR. CHARLES SHUGART

Mr. Shugart went over Department 912 - Water Department Mr. Shugart said Councilwoman Baccus asked, what is line item 212 - Contract O&M is Waterford Enterprises and Davis & Brown for operations at the water treatment plants. Councilwoman Reed asked about professional services is for David & Brown, The Brittingham Group, the auditors, Asset Technology, our IT people and a bill from Sam Evans was charged there. Councilman Gardner asked about Line item 256-meters and parts. Mr. Shugart said meters have gone from $180-$200 before Easter They are $540 each. He said Vondell tests about 300 meters a month to make sure they are operating correctly. The device that connects it to the tower went from $7 to $17. The meter boxes have gone from $80 to $125. He said they brought one the other day for 600 bucks. He said I think we'll probably pay in the neighborhood of $300 for meter boxes. Mayor Boyd said this concerns all departments, but your department is at 5,300:for telephone. He said I just calculated every department together and it comes to $30,000 for phones. Mayor Boyd wanted to know why so much is being spent for phones. Kimberly said it's not just cellphones that are charged to that line item but Segra, Verizon Wireless, etc. Council argued this at length. Mayor Boyd said I understand it's budgeted out of different departments, but my question is the average phone bill is about $30-$50a month for a phone bill. He said, we don't have $30,000 worth of phone bills. My question is, why are we spending $30,000? Councilman Gardner said, "When we're done with budget can we look at all our telephone services, bring them together on one page, however you want to do it and then go and look at the organizations that we have to concentrate with and see if we can renegotiate as a whole so we don't have one bill over and one bill over here. He said it may be that we have to pay this amount of $35,000

but it may be that we can consolidate it in some way and save a dollar. Mayor Boyd said, My question is can you show me where we're spending $30,000 on phones. Kimberly said the police department also has to have wireless Internet for their computers in the cars. Mayor Boyd asked Kimberly if she can give him a list of where the money for the line item for $30,000 is being spent on phones. Mr. Shugart said we also have to have the communication licensing for our meters. Mayor Boyd said, "I questioned that last time, I didn't get it". Councilwoman Baccus asked, what are special contracts - line item 272. Mr. Shugart said we paid C.R. Jackson for asphalt, Evans Pavement, and SCDHEC. Mr. Shugart went over Department 914 C. Mr. Payne asked Mr. Shugart to talk briefly about line item 914-278 $450,000. Mr. Shugart said we fix sewer lines all over but mostly in the South Darlington area is where almost all of this money has been spent. He said Limit Street, Kirven Street several times. He said Kirven Street was repaired three different times and every repair made was a repeat repair. Mr. Shugart said the last large sum of money I just got through spending and it's going to go into this is actually going to add $100,000 to this. He said at the last council meeting you all approved a $50,000 plus expense for Frank Horne to come in and make a repair on West Broad Street. They had to replace 500 feet of the force main on Syracuse Street for another cost of approximately $18,000 that we will add to the $50,000 that we contracted with Frank Horne and almost $30,000 spent out of pocket. He said we are still not through, we've got to pave it. He said that's just one of many that I did over in the South Darlington area. Councilwoman Baccus said, that's not South Darlington, that's West Darlington. Mr. Payne said this happens on a regular basis. Mr. Shugart went over his 914T budget. Mr. Shugart said in line item 248-Chemicals have gone up almost 70% on chlorine and sulphur dioxide.

Mr. Payne went over 801-272-special contracts. Mr. Payne said, "As I mentioned to you before I highly suggest that we do a compensation and classification study for our employees. He said he's got some bids in and he knows about how much it will cost. He said he has put that amount in this line item because we really need to do this. Other items that come out of special contracts: Kimberly has been paid out of there; Municode is paid out of there, benefit coordinators is paid out of there. Mr. Payne said, I will come back to you all after the budget is over with a proposal to do a compensation classification study. He said the gym access that all the employees have comes out of there as well. Under 801-279, we've got Sunbelt Rentals, Amerson Nursery, MASC.

Mr. Payne told the council to be thinking about how much they want to commit from H-tax. Mayor Boyd said can you give us a total of what we have been doing. Mr. Payne said year to date we've spent $115,000 out of H-tax.

Mr. Payne said right now we have a balance of $1.2 million around September we should get another $1.47 million. He said we transferred $461,000 from the bond fund into the H-tax fund, if you add both accounts we've got $1,817,513 in the H-tax account. We're averaging about $35,000 a month in collections. Mr. Payne said, "You all be thinking about how much you want to allocate to whomever is going to get this money. Councilman Milling said if you would, also provide us with how much we have to set aside to cover the debt expenses so it will help us determine how much we actually can set aside. Kimberly said a little over $155,000.

ADJOURN

Councilman Nettles made a motion to adjourn the meeting at 9:41 PM. Councilman Gardner seconded the motion. Councilpersons Reed, Baccus, Milling, Segars and Mayor Boyd voted in favor of adjourning the meeting.

_____

Mayor

ATTEST:

_____

Clerk & Treasurer