CITY OF DARLINGTON
BUDGET WORK SESSION
HELD IN THE COURTROOM/COUNCIL CHAMBERS LOCATED AT
400 PEARL STREET, DARLINGTON, SC
TUESDAY JUNE 11, 2024, AT 10:00 AM

Present at the Meeting: Mayor Curtis Boyd, Bill Taylor, Interim City Manager. Councilpersons: Angela McRavin, Sheila Baccus, Bryant Gardner, John Segars, Elaine Reed. Also present was Hunter Thomas and Kimberly Vinson, CPA.
Councilman Milling arrived at 10:51 AM

INVOCATION & PLEDGE OF ALLEGIANCE
Mayor Curtis Boyd Pledge of Allegiance

(The meeting was not live-streamed, but the audio is available)

BUDGET PRESENTATIONS
Legislative, Legal, Community Promotions, Administrative, Public Buildings, Non-Departmental

Mr. Bill Taylor said, "we're trying to wrap up the budget and we've got Kimberly here to help with that". Mr. Bill said he thinks the only thing he and Hunter talked about was about a company that would manage our website. He said they are planning to bring that up on the 25th as a contractual matter. He said his understanding is it's going to be $10,900 for the first year and then it'll drop down to $8,400 the following year. Mr. Bill said Asset Technology has told us that they would no longer manage our website. They were pushing us off on a company that they dealt with out of Irmo. Hunter Thomas said, I think it's Camden. Mr. Bill said he and Hunter met with them, but they didn't feel like they had the true capability of what we wanted. Kimberly said a company out of Texas that some of her smaller municipalities use is called Easy Task. He said Hunter has done some due diligence on the number of companies and he will do a presentation on the 25th that will explain that. Councilwoman McRavin said beautification will fall under Hunter's department. Will he be over the beautification board as well? Mr. Bill said, "yes, he will be coordinating projects with them". There was discussion about the difference between the beautification line item and the beautification board line item. Mayor Boyd said entranceways and any type of beautification goes through the Beautification Board. Councilwoman Baccus asked, "don't we have a tree board? She said they are doing trees, so I don't understand what the beautification board is doing with trees". Kimberly said we have the tree items still budgeted in department 590 which is where it was previously. She said these are just the expenses that we were told to separate out for Hunter's department. She said when we get down to 590 there's a trimming and planting trees line item, but there's also beautification board training which I'm wondering if that needs to move up to Hunter's department now. The council discussed the different line items for beautification. Councilwoman McRavin said, "I guess I need some clarity because I know when I asked her about Arbor Day and we got that grant in there, she said that they would be planting city property, but they could plant trees on

private property. She said, but we also realize that this beautification also raises money, and a lot of their things were donations". Councilwoman Baccus said, "My thing would be, I understand the first couple of years with the expense because we had to buy the pots, but we're not buying a whole bunch of pots now. We're taking some of the pots off the street. So how can the expenses be going up if we're not buying pots. Councilwoman Reed asked if we've always had community promotions. Kimberly said, "we've always had community promotions, but we haven't had personnel in that department prior to now. Councilwoman Reed asked, "So we have personnel under there now? I said if you remember at the last meeting, we were talking about a department for Hunter and we were saying we had some department numbers we could use so that we could split Hunter's department out from Ms. Merry Morgan. So, we are using that department for Hunter. Mr. Bill Taylor asked Ms. Merry Morgan what's the difference between beautification, and beautification board. Ms. Merry Morgan said the beautification board has always gotten $7000 a year to work with for what they do. Someone asked, "What do they do"? Ms. Merry Morgan said, "Well, they were doing beautiful downtown and they have been taking care of the entryways to town. So, if you are not going to work with the parks to create a division there, they might still need to be tasked with doing that. And I think that's what the additional line item of the $10,000 for beautification last year was supposed to accomplish but streets and sanitation could be tasked with that as well. Ms. Merry Morgan said those funds were spent on the entryways to town. Councilwoman Reed said, "So, the board is the one, not just beautification, that takes care of entryways? Ms. Merry Morgan said, "We'll, they do other things too. She said we got some samples for banners that go on Duke poles. Councilman Gardner asked, "Are they planning on buying all that stuff without any oversight? Ms. Merry Morgan asked, buying all what stuff? Councilman Gardner said, "The banners". Ms. Merry Morgan said, "I assume that would be done in conjunction with our Main Street program and with DDRA. Councilman Gardner said, "The last few years they haven't done it, but previously whenever they had goals of what they wanted to do across the city, they would bring it to council to get our input. I just don't see them coming to council about anything". Ms. Merry Morgan said their work plan this year was to tidy up the pots because they had quite a few that were broken and had to be removed and then some that were rearranged. She said Isaac wasn't capable of taking care of all of them and the downtown area too, so that was part of the reason for reducing them and we stored the ones that were capable of being stored at the sewer treatment plant on Society Hill Road. Ms. Merry Morgan said they bought new things to give a little height to some of the plantings that are in the beds, and they've got some solar fairy lights that are going to be on the things that are high. She said one thing they did do for themselves this year to help their work effort is they got their own shed which is out at the water treatment plant on Auction Avenue where they can store pots, soil, and fertilizer and the things that they are having to go buy little bits at a time. Councilwoman McRavin said, "If I'm hearing Bryant correctly, "What he's actually saying is "you're over the beautification board, correct"? Ms. Merry Morgan said, "No. Hunter is". Councilwoman McRavin said, "I think if I'm hearing Bryant correctly what he is saying is with every other board they come before council and let them know what their plan is and what they're working on. And if I'm hearing him right, the beautification board, whether it's planning, historical, but this beautification board, you're saying has not been coming forward to tell you what they are doing". Councilman Gardner said, "We are trying to stop mistakes in the future from happening, so I guess we would like the board to start presenting these ideas. The

previous board would bring us a PowerPoint presentation and they would come to council to get our input so we then would fund those things. And that's something that's just been missing the last few years that we need to correct". Ms. Merry Morgan said, "There will be others to include as well before they do that. So, there's no harm in them coming and asking. She said the Main Street program would also be involved in some of the beautification things that the beautification board does, and what the beautification board does could be streamlined as well. Councilman Gardner asked, If the Main Street board is going to encompass the DDRA board, Ms. Mary Morgan said, "I don't think so. DDRA has decided to remain their own entity. Hunter Thomas said, "I think it's my understanding too that whenever people do department updates, I will start coming up here and giving some updates on things I'm over". Councilman Gardner said, "So, we are going to have DDRA, Main Street, Chamber. Is there anyone I'm forgetting"? Ms. Merry Morgan said, we also have a relationship with Stephanie and with the County Economic Development. Mayor Boyd said, "The goal behind Hunter is for everybody when something happens that goes through Hunter. Hunter can either bring it to us, or the council can bring it to us and then it's approved that this is how we want it to look because everything affects public relations and how the city looks. I think what they were asking … you've got a beautification board, we've got trees … we've got beautification in another section. Mayor Boyd asked if all that money could be allocated into one thing. (Several people speaking at the same time) Councilwoman McRavin said, "What we are trying to determine is we've got $15,000 in a trim and plant tree line item. We've got a beautification board that gets $10,000. Ms. Merry Morgan said, "I don't care what's on the beautification line items. I'm just saying that beautification has gotten $10,000 every year. Last year they were given an additional $10,000; $5000 which you appropriated at a budget hearing and $5000 which came from not renewing some physical exercise things for employees or something and that was put together and given to beautification last year. As far as I know, that was the first time that's ever been done. And beautification did not spend those funds. Those funds were spent outside of the beautification board purview or mine. They were done to clean up the entrances to town so that was done, I guess by the city manager, because I didn't do that paperwork and I didn't hire the contractor so I'm not sure. But the work that was accomplished was the tidying up of all the entryways. Mayor Boyd said, "So at this moment everything's been moved to $18,000, $10,000 and $8000. Ms. Mary Morgan said well the reason you might want to keep it separate is that the $7000 that you targeted the beautification board is something that would come through the board that the board would ask for that the board could seek your approval on and the other $10,000 if you appropriate that again this year that might be something that Hunter could have purview over in his department for additional beautification means which may not need to be run through the beautification board. So that's the only reason I will see for separating the line items is that they are earmarked for different expenditures by people with different … Councilwoman Baccus asked shouldn't the beautification board training be in Hunter's department since he's on the beautification board? Ms. Merry Morgan said the Beautification board doesn't really need training. Kimberly said, "On the budget that they turned in where they split out their different departments there is employee training on one and beautification training on the other column. Councilwoman Baccus said, "But you said they don't need training. Ms. Merry Morgan said, "No. So the tree board does need training and then the other ones that also need training are planning commission, board of zoning appeals and planning commission (she repeated). She

said those have mandated training that we have to have. Mr. Taylor said, “Why don’t we just eliminate beautification and just put board training? Kimberly said, “yeah, I’ll do that. The council continued to discuss department 590. Councilwoman Baccus said, “So, at the end of the day we’re putting $33,000 in beautification because you got $15,000 for trees and trimming. Ms. Merry Morgan said, the $15,000 for the tree and trim is technically not beautification. That's maintenance on our street trees that we are required to do as being Tree City USA and that’s tied to our population. She said that’s what we used to take care of our canopy, and this is part of the protection for that. Mayor Boyd asked Ms. Merry do we by chance have an inventory of the oak trees? Ms. Merry Morgan said, “no, but doing a street tree plan is something that we need so we can determine whether or not things are street trees because that’s a problem here and so your practice has been if it’s in the right of way it’s a street tree, but that’s not going to work long-term and hasn’t worked on one occasion so far. So, I have asked the folks that we’ve got free from South Carolina forestry to work to create a street tree plant so street trees will be designated. Councilwoman Baccus asked, “So, that tree in the middle of Main Street on 52 down Chestnut Street. What about that tree? Ms. Merry Morgan said that is a street tree. She asked, could you cut it down? Ms. Merry Morgan asked, “Does it need to be cut down? Councilwoman Baccus said, “it’s a nuisance. Councilwoman McRavin said, when you are turning, you can’t really see - you have trouble seeing the oncoming traffic. And the same thing when you were coming from south towards trying to turn onto Chestnut Street it blocks your view. Councilwoman Baccus said, …. Councilman Gardner said, “I want more trees on 52. Council continued with a lengthy discussion about trees and areas of the city with flowers and plants in the median. Mr. Taylor went over department 570 - Administration. He said he and Kimberly built in a 4% cost of living increase for employees. He said we talked about a merit increase based on evaluations. I thought that was implemented when you did the classification compensation plan, but apparently it was not. But you know, I’ve been a major proponent of merit versus cost of living all along because you know can you get somebody just going through motions and getting through work and getting the same cost of living as somebody that’s really out there busting their tail. The salaries throughout are reflecting a 4% cost of living increase. The proposed budget for the upcoming years is not a significant increase. It could be depending on if you hire the right city manager and have to pay him or her a significant salary more than you are. There are not really any major increases in this department. Councilwoman Reed asked about the employee morale fund. I told them we put that line item in because we wanted to start a fund to be able to do things to help build employee morale. Ms. Merry Morgan said, “I wanted to let you know that I was approached by Collier international, who is the real estate agent for Genesis, and they’ve asked for an evaluation on a demolition permit for 126 Oak St. which is Spot Mozingo’s house. Councilman Gardner asked, “They want to tear down the house? Ms. Merry Morgan said they’ve asked for an evaluation of our code. Councilman Milling said, “just to make you feel a little bit better, in the conversation I have here I don’t think that they are realistically looking at tearing down that property. I’m not aware that the request had been made, but they may just want to see what it would cost. But I think they were looking at other opportunities that would involve that building that fit into …. Ms. Merry Morgan said, “I wanted to let you know that so that you were aware of it. Councilwoman McRavin asked if line item 265 is also where the attorney that Ms. Merry Morgan had on the phone is paid from. Mr. Bill said I’m not sure where we are paying Ron from. I said I don’t know that I’ve seen a bill for

Ron. Mr. Bill said, I haven't either, but it should be covered under Ms. Merry Morgan's department. Mr. Bill went over department 580 - Public Buildings. He said, "We've got way too many buildings. He said we talked about this. I know we need to get rid of some surplus property but as we continue to maintain properties it's going to be more and more expensive, especially if we own the Council on Aging building next door and then the white building where Hunter is. Mr. Bill said, and we still haven't made any moves yet on moving people back up there, but that will come and that may change some of the costs. But we just need to be mindful of our expenses associated with these buildings. Mr. Bill said the Council on Aging building is in need of some repairs. He said he saw ladies sitting on the front porch and he was concerned about the condition because it's our property and I'm concerned about it being a liability. He said Charles had an inspection of it just six months ago and there are no code violations. Most of it is cosmetic but I truly think that the front porch needs to be corrected and dressed up if it's going to continue to be our property. I don't want anybody to get hurt over there. Councilman Milling asked if we are leasing that property. I said, I don't know exactly what the agreement was. Councilwoman McRavin said they have had a restroom that has been out of commission for over two years. Councilman Gardner asked who funds them. Mr. Bill said, "I don't know. there was some conversation about them building their own facility at some point. Councilwoman Reed said that fell by the wayside. She said they were supposed to be building just above the waterfall. But that other part was theirs, but my understanding is that it fell through. The council discussed some of the properties that the city owns. Then they talked about the retail spaces downtown. The city collects the money for the retail spaces. It's my understanding when this subject came up before, I think you all said Kevin was supposed to be checking into the legalities of all of that. Councilman Milling said, it seemed like we were involved in some negotiations. I said they would send us a bill. Councilman Milling asked, "Has any resolution been reached? The last time we talked about it, I think Kevin was supposed to be trying to talk to somebody on the other end. Mr. Dwayne Anderson was the one that originally worked with this project, but he passed away not long after they first started. It was so confusing how this was done and about the only one that could figure that out was the administration during that time. Tony Watkins was the mayor at that time, but it's just so confusing how they were supposed to do things. I think we had to pay them a certain amount of money for certain things and in turn they were supposed to pay us. When Howard was the manager, the bills that were sent to us for us to pay, he was holding them because they had not upheld their end of the bargain. And to this day, I don't think we paid them anything. When I was the Interim and they were sending those bills, I talked with Howard and Howard said they never paid us, so I didn't pay them either. So, we haven't paid them anything in a couple years. I think the way that contract was written up or whatever kind of agreement it was, …. all of us will probably be gone by the time those apartments come back to us. and at the end of that, they probably wouldn't be any good anyway. I think it was something like 50 years or something like that. It was a ridiculous number of years that they talked about, and I don't know how they got tied up in all of that. Councilman Milling said, they've got the benefit of all of the government write offs now and they don't want to do anything with the apartments because it's not financially feasible to them anymore. People who live there come to me and say that these are supposed to be city apartments because whoever it is that they're paying their rent to is telling them that they are the city apartments, and the city is supposed to fix them. We don't get money for that. We never

got any rent. Councilman Milling said, “I guess at the next council meeting, we need to direct Kevin to get us a report within X number of days so that we will be able to address it one way or the other, either by going forward with something or having to engage an attorney who handles those types of real estate matters. But as you say, right now we’ve just got a mess. Mr. Taylor went over department 801 - non departmental. Mr. Bill said that’s it as far as the expenditure side, but we really need to concentrate on the revenues, and we’ve got Kimberly here to enlighten you on the revenue side. Mr. Bill said, “One thing I will mention to you is that the city has not increased the millage rate in probably four years or so. If you recall, you were able to increase your millage rate no more than the sum of the consumer price index plus any population increase in any given year, but the legislature a number of years ago, built in there a three-year look back. Because before that was implemented when that cap was implemented, everybody was basically if you didn’t take it, you lost it. So, everybody started doing that, but most local governments said, “hey look we’re not used to increasing taxes every year, so we petitioned the general assembly, and they threw this three-year look back”. Since you all have not increased taxes since 2021, you’re sitting on a bank of 22.87 mills right now. A lot of this is due primarily to the significant increase in 2023 and 2024 that was due to the census figures being released late. And so that population increase bumped the CPI up a lot and with the combined millage increase you’re going to lose millage if you don’t increase it some. And I would say you need to increase it somewhere between 8 to 10 mils. Kimberly said that a mil is only worth about $10,000 in Darlington so you’re not getting a whole lot by increasing the millage. Kimberly said starting with property tax, if you look at 2021 to 2022 it looks like our property taxes dropped, but it hasn’t. She said we had some FILOT tax that was included in that line item. She said the fee in lieu of tax line item for this current year, the county overpaid us, and we had to pay them back. She said the spreadsheet that they gave us to show what we can expect for this coming year is $634,000. There’s a possibility we could get more than that and there’s a possibility we could get less than that. Kimberly said on telecommunications tax we don’t control that we don’t even know what we’re going to get in advance so we always just budget pretty much the same. Kimberly went over the business license line item, building permits, franchise payments, school resource officers, sanitation fees, recreation department. She said State Aid is an allocation that the state gives us every year. They pay us quarterly. The homestead tax is where our property taxes are reduced by folks over a certain age, and then the state gives it back to us in the form of a homestead tax. The manufacturers exemption - that’s also allocated to us by the state based on what we have going on in the city. The merchant inventory tax - that amount never changes. That’s something that the state did back - they killed the taxing ability from the municipalities back in, I want to say the 80s and then they calculated how much each municipality should get and that’s what we get every single year since then. The local option sales tax is the 2% that people pay within the city, and then there is a bucket of money that at the end of the year the state will allocate to us, in addition to our local option sales tax that’s collected for actual activity within the city. Accommodation tax comes from the state as well. Setoff debt fees are when we have uncollected debt that people aren’t paying, like their utility bills, or we can even do it on business licenses, but I don’t think we’ve done that yet. Sanitation fees were discussed, and recreation. Kimberly said, “I think they must be depositing the concession collections in with the registrations because it hasn’t been separated out for this year, so she didn’t create a budget for concessions. Councilwoman

McRavin said, “They have the food trucks that come in, so the food truck pays a fee to the recreation department. Kimberly asked who gets the fee. I told them I didn’t know about the fee for food trucks until recently. Kimberly said we’re paying a lot for recreation because we are putting employees out there too. They’re not putting the expenses out there, but they are getting benefit from it. Mr. Bill said, “I've got a meeting set up with the county administrator to talk about that. I called him a few weeks ago when we started the budget questioning why we are paying for employees that work for the county that we don’t oversee and can’t oversee, but we are paying their benefits. They are town employees, and they are covered by our insurance. So, if they go and get hurt, they reflect on our experience rate against our insurance. Mr. Bill said he asked Charles Stewart if they have any contracts because I know years ago when you all took over the recreation department, were there any agreements? He said Charles did some research, called him back and said, no he didn’t see any paperwork or any contracts. Councilman Milling said, “I think the county ought to run the recreation department like so many other counties do”. Mr. Bill said, “If we set a figure aside that we need to donate $100,000 or whatever to the county for recreation then so be it, you will run it the way you need to as long as you are covering our parks and maintenance and all of that instead of us hiring people that you oversee. Kimberly said our recreation payroll is pretty high considering we only collect $50,000 in registration fees. Kimberly said our budget for this upcoming year for recreation personnel cost is $250,000 and we’re only budgeting $50,000 in revenue. So, if we could do something like Mr. Bill is talking about where they take the employees, and we only give them $100,000 a year that would be really beneficial to us as far as the books go. Kimberly said the revenue for school crossing guards has been steadily decreasing. She asked were we not billing for them? I told her I think we had about eight or nine school crossing guards at one time, but now we only have maybe four and they recently hired two more. Kimberly said, “I will look at the details for the current year and make sure that we bill everybody. She said the street and sanitation capital that’s where we charge our water and sewer customers on their utility bills for street and sanitation fees. Kimberly said that’s the extent of our revenue overview. Councilwoman Reed asked what line item 4855 - African American Museum was for. I told them I think that was something that Ms. Merry Morgan knew about, and it was pass-through money. Councilwoman Reed said, “The Grove Street - the ones with the pictures and everything …I do know that Janie, the Heritage foundation, I thought they were the ones that actually purchased it. She had a grant. Mayor Boyd asked if the business licenses would increase any. Kimberly said, “Not unless you increased it with the business license amendment that had to be done in December, which I doubt you did. Mr. Bill said, “You can increase it. We do have to straighten out that one section. If you recall, that’s the big industry and we did not eliminate that in the text on the license, so we had to allow them to pay at their former rate, but we do need to correct that whether or not we go to a declining rate of any sort. Ms. Merry Morgan said the $300,000 that went to Darlington African American Museum was provided by a state appropriation, a pass through directly to and designated for Darlington African American museum. So, the monies came from Parks, Recreation and Tourism. And those were given to the Darlington African American Museum directly. At the end of the month, they have to report directly to Parks, recreation, and tourism. Ms. Mary Morgan told the council she can copy them on that after we get their filing. Kimberly asked Ms. Merry Morgan if she would send her a copy of the grant award and she said she would. Mayor Boyd asked if they need to put the business license on

the agenda. Mr. Bill said, “Yes, we need to do that before December. He said what we would recommend is that you go to a declining rate, whereas if you based on the amount of revenue, it’s a percentage. He said we honored all of those based on their previous rate, because of what was in the text, we eliminated basically class nine, which is included in the business license classification. We eliminated it in the fee structure, but we didn’t eliminate it in the text of the ordinance. We talked with Kaitlyn at the Municipal Association, and she said because it’s in the text she felt like you needed to honor the previous payment schedule, so that’s what we did. Kimberly said if we were to go back and implement the millage, that would give us an extra $415,781. Kimberly said if we went up to 153.4 mils from 130 mils that would give us $415,781 based on the property tax assessment that we are working under for the current year. Councilman Segars asked, “Bill, what was the statement you made that if you don’t increase the millage by a certain amount, we lose …Mr. Bill said, “Well basically I ran a calculation based on the millage rate and the cost-of-living adjustment or CPI plus population. So, what happens is you have a three-year look back. So, you’re going to lose right now the 2021 amount that you have in the bank which is only 1.6 mils or less than that. And then in 2021 it’s like 1.8 mils. The big one is 2022-2023 where you’ve got 7.92 mils and then last year for 2023-2024 it was 18 mils. You won’t lose a lot, but if you don’t start using it, you will start losing. So, I've always told folks it’s better to go a little bit at a time or every other year or so, but don’t lose the advantage of taking advantage of this. Kimberly said, when we did that millage increase in 2021, we hadn’t done the millage increase in a while. We could have gotten a little more, but we just took what we needed to balance the budget back then. Councilman Segars asked if it would be wise to go up 20 mils … what would be the …. Kimberly said, “you’ve got a huge, $666,000 you’d have to cut in your budget if you don’t do it based on the information that we’ve gone over today. Councilman Segars said, as far as the maximum amount … Kimberly said, if we do the maximum amount of the millage that you can take right now, we still have to cut $251,000 out of the budget. I told them and this does not include any of the wish list items. Kimberly said, the budget is based on the current year budget that we’re working with adding and subtracting the necessary things like providing for the second drug dog and adding Hunter and his department. Mayor Boyd asked, “Even if going up to 14% we will still have to cut? Kimberly said, yeah. Even taking the 22% or the whole 18.05% that we can increase, we still have to cut $251,000 or find another revenue source. Mr. Bill said, “Well, you know as always, you’ve got to bring new revenue in or cut expenses or a combination thereof. He said we could cut the cost-of-living adjustment back, but he does not want to do that to the employees. He said, “I think they probably deserve more. Councilman Gardener asked, “What if we go to merit? Mr. Bill asked, “If we go strictly on merit? He said merit is my preference, but the way that it is implemented …. I mean basically if you have a 5% merit adjustment, you basically evaluate employees on the anniversary month of their employment typically 5% would translate into probably only close to a 3% impact to the budget overall because you’ve only got a certain number of employees that are hired in each month throughout the year. The challenge is just trying to implement the evaluation system at one time. Do you do it on a quarterly basis and do everybody in that quarter? Because some people would feel short changed if you came to work in May or whenever and you start implementing the merit in July then they have to wait until May of the next year. But it can be done. Mr. Bill said, “I actually talked with the Archer Group who did your compensation plan, and they do some training for evaluating employees because that’s the big

challenge for supervisors and department heads. Not everybody gets the five or 10, so you've got to be mindful of how you evaluate employees, but I feel like every employee needs to be evaluated. He said, "I think a lot of people have gotten used to a cost-of-living adjustment, and that's what's being offered to a lot of your surrounding local governments. You all have to make that decision. Mr. Bill said Kimberly has a 4% cost of living increase included in the budget for all employees. Councilman Milling asked, "You said we could do 18 mils? Kimberly said, "18% which is 23.4 mils. Kimberly said if we do no mils it puts us $666,000 short; if we do 14 mils of the 23.4 mils that puts us $418,000 short; if we do all the mils it puts us $251,000 short. Councilman Milling asked, "If we did 14 mils now, would we be able to go back? Kimberly said, "Yes, we could, but our budget is not balanced. So, you're looking at cutting almost $419,000. (several members talking at the same time) Kimberly said, If we take all of our mils this year, then next year all we could do is take whatever percentage we get next year, which can be anywhere from, like our lowest we've been allowed is 1.23%. Our highest was 18%. So, whatever we get next year based on our CPI is all that we get. Kimberly said, "We have 23 mils that we can work with. We have to take 5.3 mils for this year. Then we take 1.6 mils. If we take this year and the first year and then the next two years, we don't take anything, so that means we skip 2022–2023 so we never get that 6.11 mils if we don't take it in the next two years. If we don't take it this year or next year, then we start losing those. The council continued to discuss the millage rates of what percentage to take or not to take; If they should go the full amount or do just a portion Mr. Bill said, "Well, my understanding and looking back at some of your audits and talking with Kimberly it looks like you all have been overestimating your revenues and that's not a good thing. Kimberly said, "Yes. It's in the utility billing and the sanitation revenues. Councilwoman Reed said, "So again, do what we need to do to get us on the right track because if we keep doing this …, it's all this manipulation". Mr. Bill asked, "Have you thought about ….. Because the millage rate only affects the general fund, we're not talking about water and sewer rates. Kimberly said we're almost $82,000 short in water and sewer based on just using the current year budget numbers and comparing that to where we actually are and not doing any wish list items or anything like that. It does include the 4% cost of living adjustment. Kimberly said for this year in the water and sewer collections, we budgeted to collect over $1.3 million. We are on trend to collect $2.7 million. Kimberly said she expressed concern with this to John the past two years. Our water and sewer budget has been too high. She said we went with budgeted revenue, based off Alex's projections for the past two years. Those two years we used your budget for sanitation and for water and sewer, and it was too high. Kimberly said, "So, where we budget line items 4500 & 4501 for the current year, we budgeted those two combined to be $3.147 million and it's looking like we're actually going to collect from our bill out (not even just collect) $2.7 million. We had something similar with the sanitation side, but it wasn't as large of a difference in sanitation. Kimberly said, "I have the spreadsheet on how Alex calculated the expected revenue for the previous two years. My only guess is his number of customers was wrong"? Councilwoman Baccus asked, "You are saying on water and sewer? Alex didn't …. Kimberly said, "I'm sorry. I apologize for mentioning Alex 's name on that. It's storm water and sanitation. Kimberly said in water and sewer, I don't know how the water and sewer budget got that high. I don't know who projected that, but that was my note saying that it's too high for 2023–2024. Kimberly asked if we did a rate increase this year because when looking at where my projections were for 2022–2023 we're only looking at approximately $1.2 million for water,

but we were projecting $1.26 million for this current year and the only way that would have happened would have been if we did a rate increase. She said she was projecting sewer to be $1.4 million for the last fiscal year, but we budgeted almost $1.9 million for this current fiscal year under water and sewer. She says she doesn't know where those numbers came from, but it's not in line with the information that she presented as far as our anticipated revenues for the current year. But fortunately, we're not dealing with as big of a difference as we are in the general fund because we're only dealing with $81,000 in the water and sewer budget. That also doesn't include anything that the water and sewer department would have requested as far as the things that we need. It would just be running basically based on our current year budget that we are running plus the cost-of-living adjustment that we added. Councilman Milling said, "You said $81,000, but I thought you said it would be $400,000". Kimberly said we got grants in water and sewer. We got grant money coming in for expenses that were incurred in the previous year, so it makes it look like we are going to be …. So right now, and just estimating out we're going to have income in this current year. But we collected hundreds of thousands of dollars in grant revenue that we spent in previous years, so it makes it look like we are OK. Mayor Boyd said, "It looks like we are in the hole". Kimberly said it looks like we are not in the hole because we got money from the previous year's activity. Kimberly said if I was to take out the CDBG, we are in the hole with the current year. Kimberly went on to discuss the expenses and revenues. Councilman Milling asked, "If we're looking at a $400,000 shortfall in the general fund". Kimberly said, potentially for this year. Kimberly said it's all depending on what millage you got. Councilman Milling asked again, "How much the shortfall is for the water and sewer department". Kimberly said $81,000 almost $82,000 right now. Mr. Bill said, "That's not including any of the proposed capital that they were asking for. Mr. Bill said technically, we need to add a main street manager. Kimberly said, "I did drop that in when she told me and that is part of our numbers". Councilwoman McRavin asked about the items that the police department and the fire department requested. Kimberly said I did include the cost of the software that the police needed. Councilwoman Baccus said, "If we can do a better job of managing the funds that's being spent then we'd be better off. She said in 2021, 2022 and 2023 we spent almost $56,000 just for repairs to the vac truck. Councilman Gardner said, "I've been on council for eight years now and for my first tenure with the former city manager, budget numbers in every department, every expense, or whatever, kind of stayed the same so I've never really trusted the budget to be honest. And what I was wondering is at some level, do we go through and cut everything and reevaluate? How do we adjust what's already been broken and the wheels have been turning for so long and every department is so comfortable. Kimberly said, "You would have to literally go through every line of each budget and sit down and be like, is this necessary or is this not necessary. Councilman Gardner said, "But they are going to all say it's necessary". Mr. Bill said, "What you must do is say I need you to cut $75,000 out of your budget. Tell me where you want to take it". Mayor Boyd said, "We also need to tell these officers ... They're only writing 30 tickets a month, but at the same time, the officers are not performing and that's been a major loss. Kimberly said I have a small municipality with a population of less than 2,000 that's bringing in over $30,000 on their police fines revenue and we are budgeting $75,000 for you all. Kimberly said you all have probably four or five times the number of officers on your payroll than they have. Councilman Gardner said, "I mean we've got four officers or something on the street, but we have 40 employees in the department. I mean I'm making that number up, but it's 30 or 40

employees at least. He said I'm not talking about the officers on the street. There's four or eight of them, maybe if we had them fully staffed, but there's still 40 people in the entire department. Why do we have 40 people? Because in my mind, the other 30 people - let's say there's 10 on the road and there's 30 people in the back office. Those 30 people in the back office are working for the 10 people on the road in my mind. I have never understood the total numbers needed when we only have four on the street". Council continued to discuss the different departments and the number of employees they have to do the work. Kimberly asked, "Do the department heads come and present the budget to actual at the council meetings every month, and do they explain why they're over budgeting this? She said, "I think I would start with holding them accountable for why they are overspending. Councilwoman Baccus said, "The city manager at the end of the day signs off on the invoices. So, that could be controlled". Kimberly said, "I know there was an issue in the past where the invoices wouldn't make it to the city manager until after the department had already spent the money. I don't know if that's still going on, but at that point there's nothing you can do. We've already spent the money, we've already got the equipment, or we've already used the service. I'm just saying that's how it was". Councilman Milling asked about forensic accounting. Kimberly said you are doing that when you are looking for a problem. You were just looking for and knowing what's going on. She said it's going to take just digging in and looking at the actual numbers but that shouldn't be done at a council level. I would think that it would need to be finance and each individual department, sitting down and hashing out what's what and making sure things are being coded correctly because I've definitely run into that problem every year when I prepare the stuff for the auditors. I'm always having to re-class expenses because they are being charged to the wrong department or the wrong account code. Right now, Gloria did send a good chunk of money to the state treasurer's office. This time of year we start getting extra money from the municipal association and for our franchise tax and what Gloria is going to do is transfer whatever we don't need right away to spend on operating expenses to the savings account with the state so that it can earn that 5.5% interest. When it is needed, she can just draw it down because it only takes a day or two for them to transfer it into our bank account". Councilwoman McRavin said, "So, I'm hearing … What I'm getting is that one of the things to help us alleviate some of this problem going forward is maybe every month the department head needs to come to a work session or something and go through their budget with us and explain how they've been spending money. Kimberly said, "It's been a problem for years here where people overspend their budgets and it's not a new thing. I don't know how else to have somebody reign themselves in unless you have them explain to you guys, why". Mr. Bill said, "I think you just need to have a copy of the financial report and have the department managers here so hopefully you will look at it before the council meeting and if you have any questions about the budget or their expenditures ask them then. Mr. Bill said, we definitely need to have our folks held accountable". Councilwoman Baccus told Mr. Bill she would like for him to check into the vac truck and why it's always breaking down and ends up in the shop. Councilwoman McRavin said, the splash pad is going to end up costing us money too. She wanted to know if anything was included in the budget for the splash pad. Kimberly said, "Unless it was already in this current year's budget, it's not in next year's budget because I wasn't aware of that". Kimberly said, I will probably put that under the recreation department. Kimberly asked what is involved in maintaining it? Councilman Gardner said, you'll need to ask Lee Andrews or somebody who

went to the training. Councilwoman McRavin said, “But also since they’re over budget we didn’t have all the funds to cover the cost of everything needed and some of that is going to roll over into this coming year. Where is that coming from? Because we’ve got fencing, the parking lot, and none of those things were budgeted. Councilman Gardner said it’s not over budget; we never budgeted for them. Councilwoman McRavin said, “The grant money that was given for that. That's what I’m talking about”. Councilwoman McRavin said, “So that would have to come out of somewhere”. Councilman Gardner said, “hospitality”. Mr. Bill said, “And we’ve been paying a lot out of that out of hospitality, but that fund is dwindling down”. Kimberly said hospitality is going to drop out of what you can spend next year because we’ve got new debt related to the public facilities corporation in the amount of $220,000 of hospitality money that we’ll have to pay every year. I told them I just paid an invoice for the ballfields for the 2017 debt in the amount of $154,000. Kimberly said we’ve got $375,000 worth of debt coming out of hospitality tax collections going forward. Kimberly says she is projecting about $468,000 in revenue for the hospitality tax fund, so that’s leaving us less than $100,000 that we can spend on other hospitality type acceptable expenses and that includes giving money to people. The council started discussing how other counties run their recreation program versus how ours is run. They discussed how the public facilities corporation came about with the Blue Street ballfields. Councilman Gardner said he wants a list of the kids who are playing on our field and their addresses. He also feels like the county should be paying toward that annual bond payment that you were talking about. Councilman Milling said some towns charge more for kids that live outside the city than those that live inside the city. Mayor Boyd asked Mr. Bill if he had talked with Charles Stewart about this. Mr. Bill said once again that he had asked for a meeting with Charles to talk about primarily the entire recreation department and how it is set up. Mr. Bill said we’ve got to come up with a plan to balance the budget. Kimberly said your CPI is increasing a certain percentage every year. Your rates should be increasing every year. She said the cost to do business is increasing, and we’re not increasing our rates. We are not increasing the cost of the services that we provide”. Mr. Bill said one of the towns he used to work with actually built that into their ordinance as far as the water rates. They would go up annually according to whatever CPI is. Kimberly said I think that’s a good idea. They get upset if you go up 5% or 10%, but if they get a little bit along the way …. He said everything is going up. Councilman Segars said, “It appears to me we’ve got to decide what millage we want to go up and talk to department heads and say, you’ve got to cut this much out of your budget”. Councilman Gardner asked, “So, you all don’t want to go up on the millage and water and sewer millage in the same year”? Councilwoman McRavin said, “I think we definitely need to take the maximum that we can on that millage”. Councilman Gardner said, “One of the things I want to look into is we are piecemealing our water and sewer infrastructure and how we fix it, how we upgrade it, and another USDA grant that you can get on 1% that are huge $1 million grant where we can fix everything as far as a total fee, and we can just have everything in the city fixed”. Kimberly said, “We’ve got the SCIIP grant that’s working on some of these water and sewer projects. She said I don’t know exactly what the projects are. Gloria sent me some documents last week but I haven’t had a chance to read over them, but it was like a $10 million SCIIP Grant”. Councilwoman Reed asked, “We are at the point now we know we’re going to have to go up on the millage. Are we at the point where we are deciding on how much it is”. (Several people are talking while Mr. Bill is trying to talk) Mr. Bill said we’re a capital city here.

We have a lot of nontaxable property within the city, county, school district so I've always felt like if you have an opportunity to raise money through your utilities or your franchise fees, at least you capture some from everybody. If you rely on it solely on taxes, you've got a lot of non-taxable property we're not able to take. …. (Several People Talking) Councilman Gardner asked, "Is there anything else we can do to the nonprofits, the nontaxable entities besides water and sewer rates? Mr. Bill said, "Not really. I mean I think you can charge them a business license. (Everybody has a different conversation going on at the same time). Mr. Bill wanted to know if there's a consensus on the millage rate. Councilwoman Baccus started talking about equipment in the water department- a camera that was purchased. Mayor Boyd said, The question on the table at this moment, is they are asking what percentage of the millage rate would you like to increase? Mayor Boyd said, "My suggestion is the full amount". Council started discussing cutting things in the recreation department, and not getting new vehicles. Council agreed to doing the maximum millage. Mayor Boyd said, "Can you go back and ask the department heads what they can trim and cut. Mr. Bill said, "Yes, we can do that. He said we'll sit down and go over what the department represents the total budget and ask them to cut accordingly and then see if there's any other priorities that they want to maintain, if so build that in". Mr. Bill said, "We'll try and clean all this stuff up. I'll get some input from the departments and then will send you all a clean copy with some notes on what was taken out and how it was balanced and see if you agree. Mr. Bill said, "If you agree, we will have a public hearing on it on the 25th and pass final reading". Councilman Milling said, "I was just saying if enough of us are still confused, we can have another budget workshop between now and the 25th". Mr. Bill said, "Yes. absolutely. Councilman Milling said, "But if you can, get some kind of explanation on the expenditures in the recreation department and how that department is working. Mr. Bill said, and I've got a good working relationship with Lee, but I still question a lot of stuff that he brings over here. Mr. Bill iterated once again about his meeting with Charles Stewart at the county to see if we can come to some understanding on how we can better formulate this whole thing. Councilman Gardner said, "I think our bond that we are paying needs to be part of the equation". The Mayor and Council started talking about the recreation department and their employees again. Councilwoman Baccus wants to know where the $50 that the recreation department is charging the food trucks is going.

REMINDERS

Juneteenth Holiday, Wednesday June 19th – City Offices Will Be Closed
Tuesday June 25, 2024, Public Hearing & Second Reading on 2027-2025 Budget, 6:00 PM
Tuesday, July 9, 2024 – Regular City Council Meeting, 6:00 PM
MASC Annual Meeting July 18th - July 21st at the Hyatt Regency in Greenville, SC

ADJOURNMENT

Upon motion of Councilman John Segars, seconded by Councilman John Milling, the meeting adjourned at 1:11 PM.

_____ , Mayor

ATTEST:

_____
Clerk & Treasurer