

**CITY OF DARLINGTON
BUDGET WORK SESSION
THURSDAY MAY 31, 2018 AT 6:00 PM**

The City of Darlington held a Budget Work Session in the Old Council Chambers on Thursday, May 31, 2018 at 6:00 PM. Present at the meeting: Mayor Gloria C. Hines, City Manager Howard Garland; Council Members: Mayor Pro-Tem Carolyn Bruce, John Segars, Elaine Reed, John Milling, Sheila Baccus and Bryant Gardner. Others in attendance included: City Attorney Kevin Etheridge, Police Chief Kelvin Washington.

Mayor Hines called the meeting to order at 6:07 PM.

MR GARLAND

Mr. Garland said at their last meeting it was the opinion of staff that they do one City own street a year or they can do patches here and there. (He passed out a list of State owned and City owned streets to Council). Mr. Garland listed the streets by alphabet according to need with “A” being most needed. Councilman Milling asked, “what’s the methodology for determining the ratings, did someone go out”? Mr. Garland said Ruthie Amerson does it for us. He said she did it for the street department years before she transferred to the Fire Department. Mr. Garland told Council this was for information only. Mr. Garland said Mr. Phillip Gaillard, Representative for Congressman Tom Rice’s office was on site today and he filed an official complaint with his office about FEMA (Mr. Garland provided Council with a copy of the complaint that was faxed). He said they will run it up the flag pole and see if we will get a response. He said Hartsville and other towns have gotten their money, but it seems FEMA is giving us the run around and they keep asking for us to provide them with the same information over and over.

Mr. Garland went over the schedule of revenues explaining any increases or decreases. He said court revenue has been down because they are in transition. He said Chief Washington has met with some of the people that run the grants and they will have someone to run a DUI program and they will have a traffic officer. Councilman Gardner asked Mr. Garland how many store fronts do the have and Mr. Garland said five. Mr. Garland said chief Washington is planning to restructure his department but he will let him give them updates on that. He said the pool is in good shape and ready to go. Poolwerx is doing the cleanup of the pool, but the problem they’ve

had is we don't have lifeguards. Mr. Garland said he instructed Mr. Andrews to get temps. Councilman Gardner asked Mr. Garland how many life guards they are trying to hire and Mr. Garland said three. Mr. Garland went over the schedule of revenues for the water & sewer department. He said the total is \$2,426,047 and they are projecting \$2,354,834. The difference is there won't be any money coming in for CDBG. Councilman Milling told Mr. Garland he was going to follow-up with Representative Williams about that \$500,000 he was trying to get. Mr. Garland said he had to go to Senator Malloy. He said he wrote a letter and gave it to Ms. Reed and she took it to Senator Malloy's office. He said the Senator Malloy is in a position to help us right now. Mr. Garland said we're still waiting to see if the company that's painting the water tanks will take over the revenue that's collected instead of us having to pay them. Councilman Gardner said, "and take over the revenue for how long, indefinitely"? Mr. Garland said, "Yes". Mr. Garland said we won't have to pay for the two water tanks to be painted. He said if we get serious about that we'll schedule it as a legitimate agenda item. Councilman Gardner said his personal reserve is we'll pay for those water towers every four years with that revenue and it'll only take us four years to pay it off with that revenue so he would rather have that revenue in years five and after. He said he doesn't see the technology in changing. Mr. Garland said in the last two or three months he's gotten inquiries from Verizon about putting fifteen "hot boxes" around town for cell service. Councilman Gardner said if we were to sell those rights like they were talking about a month or two ago we wouldn't have that ability. Mr. Garland said this is brand new. Councilman Gardner said he understands that but if we sold the rights we couldn't...Mr. Garland interrupted and said it's all so brand new he doesn't understand it himself. Mr. Garland continued to go over the summary of expenses. Mr. Garland said we still don't have the health insurance cost. He said we're getting several different quotes and we're looking at self-insured; partial self-insured; we're looking at completely shifting our service from BlueCross to another company and we're even going to look at the State Insurance Plan. Mr. Garland said what he would like to recommend for the future is that we have an insurance committee made up of Council and staff to look at insurance options. Councilman Milling asked Mr. Garland when he went over the estimated revenue for property taxes did it include any consideration as to what would be available if Council decided to pass a millage increase? Mr. Garland said it does not at the time, but he's going to give them their millage options in a few minutes. Councilman Gardner said there were discrepancies in our revenues from what was actually collected and wanted to know if

we've figured that out. Mr. Garland said it turns out that some of that money was coming from the Municipal Association. He said the auditor counts it all together and when Ms. Pridgen did the budget two years ago, she broke it up. Mr. Garland went over operating expenses and capital outlay, the General fund Recap, the W&S Fund Recap and Non-Departmental. Mr. Garland then went over W&S revenues and summary of General fund. Councilman Milling said, "On page 9 of the W&S Recap the estimated revenue of \$2.4 million is showing, but where was the \$500,000 going to be picked up"? Mr. Garland said that was from the reserve for the painting of the tanks. He said we didn't take it out of the line item, but we decided to take it out of the reserve. Councilman Milling said this is not the reserve capitulation. He said if you took it out of the reserve, then we've got \$500,000 extra in the W&S fund recap. Mr. Garland said as he explained earlier, anything for the water tanks is coming out of the W&S reserve fund and not just the regular operating account. Councilman Milling asked if page 9 is for the reserve fund and Mr. Garland said, "No Sir". Councilman Milling said we've got revenue of \$2.4 million and expenditures of \$1.9 million which creates \$500,000 of excess revenue over expenditures and he's just trying to track where the \$500,000 has gone. Mr. Garland said a lot of that money is paid out each month for the bond payments-\$15,000 for the big bond payment and \$3,000 for the small bond payment. Councilman Gardner said those numbers that you mentioned is only \$212,000. Mr. Garland said we've painted both tanks in this calendar year. He said the math adds up, but he'll go back and check that. He said he does not have an explanation for that at the moment. Mr. Garland said we've paid the roofing company \$267,000 and we'll hold 25% until the punch list work is completed. He said all of the money for this has come out of the Hospitality Tax collections account. Mr. Garland said we also had to pay SCDOT their final match on the S. Main Street sidewalk grant which was just over \$55,000. He said SCDOT will do the sidewalk from Mayor Hines's shop to Walgreens. They will bid the project out this fall. Mr. Garland said SCDOT is doing everything, it's a turn key project. Councilman Milling asked if we can use some of the FEMA money and Mr. Garland said FEMA is just for general fund, not for hospitality. Councilman Segars said the money should go back in the reserve fund and Mr. Garland said, "It should". Mr. Garland went over the General Obligation Bond Expenditures. He said the GOB total is \$369,125.90 for Gardner Roofing, Scott Construction, Servpro, Russco Network, ADC Engineering & Quality H&C. He said the \$1,000,000 GOB was put directly into the general fund because money from Hurricane Matthew never came in so we needed funds to run the City. He

said it was not out of necessity and not out of habit. Mr. Garland said we can increase the millage by 2.13%. He said the current millage rate is 125 and 1 mil is worth \$17,450; the CPI increase is 2.13 so we can raise 2.6625 mils x \$17,450 and if they decide to raise it we would get \$46,460.63 additional revenue. Mr. Garland told Council they can discuss this among themselves and decide what they want to do. Councilman Gardner said he doesn't understand and asked Mr. Garland to educate him on where this would come from from a citizen's perspective. Mr. Garland said from property taxes on your house, car, boat, motorcycle. Councilman Milling asked when the last time the City had a millage increase and Mr. Garland said in 2008. Mr. Garland told Council this will be on the agenda Tuesday night for first reading on the millage increase. He said he was asked by a Council member to look at this and they need to discuss if they want to raise millage or not. He said he hasn't included any new revenue for this amount in the budget. There was a discussion about the amount we should be collecting vs what is showing in the budget. Mr. Garland said the Bond Attorney said we're collection approximately 96% of our taxes. Based on our current millage rate of 125 mils, we should be collection \$2,181,200. Councilman Milling said Bryant's figures say 96% collection would yield \$2.1 million instead of \$1.4 million, so there's a \$600,000-\$700,000 gap there and we don't know why. Mr. Garland said he doesn't know that answer. He said all the information he got about what a mil was worth came from the bond attorney because we could not get the information otherwise. Councilwoman Reed said she would like to know good figures because that would determine if we raise it or not. Council continued to discuss what we should be collection. Mr. Garland suggested that Council table second reading on the budget and table the millage until a later date. He said we've got to have 15 days' notice anyway and before we have second reading on the budget we have to have a public hearing. Mr. Garland said we will have a meeting on Thursday June 21st at 6:00 PM so we can have public hearing and then have second reading, but before then he will get with each Council member individually on the W&S budget and the millage issue. Mr. Garland asked Council if any of them want to talk about the water & sewer rate increase. Mayor Hines said her thoughts on this is she knows we need to raise rates and get in line with other cities, but our work is not up to par. She said we keep going up and there's still not quality work in some areas. Mayor Hines said she thinks we need to hire some more people in both departments because the men are overworked and some of the men are out on sick leave. She said one of the men is sitting in the office because he can't work on the street. She said people are telling her they are not getting

quality-they are not picking up the trash when they should. She said you don't want to go up right now when you've got so many other things out there that's not happening. Mr. Garland said if you don't raise rates he'll have to go back and take \$59,000 out of the water/sewer budget. Councilman Milling said personnel need to perform and if we do not have sufficient personnel then we may have to hire additional personnel but he doesn't think we can not raise the rates and lose that revenue because we'll need that revenue as a base if we have to hire new employees. Councilman Milling said he hopes we don't have employees that are intentionally missing homes on a trash collection route. Councilwoman Baccus wanted to know the last time we raised w/s rates and Mr. Garland said last year. Mr. Garland said Council voted last year to go up 3% for five years. Mayor Hines said she's not against going up because she knows we need to go up to maintain, but when you go up, "maintain". Councilwoman asked if the workers were bypassing peoples houses and the green cans are out there? Mayor Hines said her debris pickup is on Thursday and she knows they have bypass her and other people have said that they have bypassed them. Councilwoman Reed said in her area there is a push to clean up the property so they are putting more out, but they are not picking it up on a regular basis. She said one property owner was trying real hard to clean up his property so after cutting down his bushes he put them across the street because it was empty. She said, "So that's a problem". She said she is talking to them because they are making an effort to try and clean up their areas but we've got so many policies and things (we've got the new truck and that's all they see and they pass on by the debris and don't pick it up). Councilwoman Reed said she stopped the guys and they said the tree limbs are too big. She said, "Then what are you to do"? Councilwoman Reed said they are trying to get somebody out there to clean it up, tear it down and be able to put it on a pile. She said something's got to be done. She said she's also talked with Ms. Carroll about this as well and she said the limbs have to be a certain size, it has to be on the right side of the road and it can't be on an empty lot. Councilwoman Reed said she told her the citizens are making an effort to clean it up, tear it down and put it in a spot and they don't know all of these rules. Councilman Milling made a motion to adjourn the meeting at 7:19 PM. Councilman Gardner seconded the motion.

Upon motion of Councilman Milling, seconded by Councilman Gardner, the meeting adjourned at 7:19 PM.

Mayor

ATTEST:

Clerk & Treasurer