

**CITY OF DARLINGTON
BUDGET WORK SESSION
TUESDAY MAY 28, 2019 AT 6:00 PM**

The City of Darlington held a Budget Work Session in the Old Council Chambers on Tuesday, May 28, 2019 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 he got news of an RIA Grant Award for the lift stations. Mr. Garland said this is the RIA Grant and this is the match for the EDA Grant for the four lift stations. Part of the match is \$268,130. Mr. Garland said they are waiting on word in the next week or two from EDA. Mayor Hines said, “This is not what Pee Dee COG did, this is what Ms. Lathan did”.

WATER & SEWER BUDGET – MR. KINSAUL

Mr. Kinsaul went over his schedule of revenues for the water & sewer department noting any significant changes. He said the biggest change is line item 4615. Mr. Garland added \$1,500,000 for the EDA/RIA grants with the assumption we’ll get them. Mr. Kinsaul said also in the revenues there will be a \$60,000 increase from the 3% rate increase in the budget. He said that’s the basic changes for the revenue side. He went over each of his 912 (Water Department) budget line items. Mr. Kinsaul went over 914C budget. He said there’s an increase in his sewer line repair line item. Mr. Garland said we had so many sewer line collapses but we’re going to get reimbursed from Hurricane Florence for sewer line repair that was done on S. Main Street. He said it should be somewhere around \$75,000. Mr. Kinsaul said in capital outlay, they have a vehicle purchase of \$30,000. Councilwoman Baccus asked, “What vehicle are they purchasing”? Mr. Kinsaul said his plan is to buy a truck, but they haven’t purchased it yet. Mr. Kinsaul said Franklin will probably get the new truck because the one he’s driving is a 2010. Councilwoman asked what will happen to Frankie’s old truck? Mr. Kinsaul said they will probably pass it down. Mr. Garland said sometimes

they transfer old vehicles to the Street Department or the Recreation Department. Councilwoman Elaine Reed said, "I don't know what that van was that we rode to Sumter in". Mr. Garland told Council if they want to get a van, he'll get some quotes on one. Mayor Hines asked Mr. Kinsaul if we ever did a drainage study? Mr. Kinsaul said, "Not complete, but they've done part here and part there". Mayor Hines asked if they have the maps on it? Mr. Garland said, "We've done smoke tests on different parts of the line". Councilwoman Reed asked if that is considered drainage with the smoke or whatever we're talking about"? Mr. Garland said, "Are we talking storm or drainage"? Mayor Hines said, "The drains going in pipes and checking them out to see, you know". Mr. Garland said, "We did a storm drainage study in 2011. Councilman Gardner said, "Just so I'm clear on what ya'll asking about; you talking about mapping out our storm water system"? Mayor Hines said, "Yes, it needs to be mapped out because with the storm water project, they hit a whole lot of lines that were not mapped out. They didn't know where they were, so it cost the City an extra amount of money, so where is that showing on here"? Mr. Kinsaul said it shows in expenses in 912-227 (machines & equipment) expense. Mr. Garland said it also shows up in 914-278C. Councilwoman Bruce said, "So the work that they're doing now on the new storm water system in Southwest Darlington, you say they ran into a lot of busted pipes"? Councilwoman Bruce asked, "There's no new map that mapped out this stuff since they did the new project"? Mr. Kinsaul said, "The one line they hit three times, they said there use to be a junk yard down there". Councilwoman Bruce said, "Are there records of that knowing now if we have to go back.....Mr. Kinsaul started talking and said, "Everybody's got it, but nobody"....Councilwoman Bruce said in the past, there was nothing mapped out; now that we did this new project, do we have something mapped out going forward"? Mr. Kinsaul said, "All that would be is mapping on that new project is what they're doing". Councilwoman Reed asked, "The City Water Department because the problems we encountered was because we didn't have an outline of where the other lines were. Are we now drawing an outline of all of our lines (Water & Sewer)"? Mr. Kinsaul said, we've got the majority of lines. Councilwoman Reed asked, "Are you identifying those things now, so we won't have to question it if anybody else come with a project we'll know what lines and where they are"? Mr. Garland said Mr. Milling put this question before Council sometime in the past. He asked about a GIS System and we got a quote on this. Mr. Garland said Ms. Lathan handed him copies of a quote for a GIS System with license fee for users. Councilman Gardner said, "We would purchase this and then we would have to get someone to go

out and smoke test our lines to identify where they are”? Mr. Kinsaul said you do a smoke test to see if there’s a cross connection or a leak. Councilman Gardner said, “Isn’t there some organization we can use from the State that we can hire to come in and help us with the mapping and they’ll do it in chunks”? Mr. Kinsaul said, “Rural Water Association does some of this and the Ervin Group does some as a contractor”. Councilman Gardner said he asked about this previously and he thinks he was told we should go through this in chunks and allocate \$15,000 per year and systematically go across the City and map out our infrastructure instead of doing it one time. Mayor Hines asked if we can get somebody from Clemson or some place to come in and do that for us”? Mr. Garland said, “I don’t know if Clemson does something like that”. Mr. Garland said, “I’m sure we can find someone to do that. It’s something you’d have to bid out, but I think what we’re looking at here is a software system for that”. He said what we would do is take the input that we have from Davis & Brown and Hanna Engineering and then put that in there, then we’d see what we have filled in and then we would put that out to have work to be done. Mr. Gardner asked if this has a yearly fee that goes along with it? Ms. Lathan said the \$10,000 includes the licensing. Ms. Lathan said, “At one of the budget meetings last year, Councilman Milling asked her to come up with a cost estimate”. Ms. Lathan said, “What would be required would be a computer with software, GIS software license (up to 3 users), a 44” plotter (with power filter). She said the scanner is very critical. She said when the construction company is finished installing any infrastructure, they are required per their contract to provide to the City “as built drawings”. The scanner will be able to take the blue prints as built, scan it and digitize it so that the City can start building a digital database of all their underground lines. Ms. Lathan said she thinks Darlington county has this GIS software, but she didn’t have time to touch base with them, but she did benchmark Sumter County and what they’re using. She said county-wide is costing them about \$27,000. Ms. Lathan said they allow different users from different counties to tie in to that and get their license, so it’s less expensive. She said she is almost 100% confident that Darlington County has a GIS and we should be able to get with them to see if we can just pick up a license, which will be approximately \$3,000 - \$4,000. Councilman Gardner asked, “Is it an annual fee of \$10,000 or \$3,000 that you just said”? Ms. Lathan said it’s going to be an annual fee and she put \$10,000 which is a good figure to use for budgeting. She said we can then get with Darlington County and see if there’s some way we can leverage off of that. Councilman Gardner asked about the scanner and who would run the GIS software. He

said, “Wouldn’t that be another employee”? Ms. Lathan said, “Yes, more than likely”. Councilwoman Reed said we need this system because of the problems we’re encountering now. She said along with this system we’re going to need somebody that knows how to do all of that. Councilwoman Reed said, “With \$22,840 for the system, we’ve got to think of personnel”. Mr. Garland said we can add another \$40,000 to that for the person that’s going to be doing the job. Councilman Gardner said it’s got to be more than that. Mr. Garland said it could be more. Councilman Segars said, “We would be better served if we contracted that out to somebody like Ervin Engineering who has the software and have the people that’s smart enough to use it, run it, and digitize it”. Mr. Garland said, “Unlike the general fund, we have some cushion in the water & sewer fund, so if they want to do this and do it inhouse, we could do it”. Mayor Hines asked Mr. Garland if he could talk to Ervin Engineering. Councilman Gardner said, “I completely agree on this and would love to do it, but I think this is a little like putting the cart before the horse”. He said, “We could take the \$22,000 and study our infrastructure and find out where all of our pipes are and use this fund for a couple of years to map everything and once we have a good map of everything, then we can figure out how to utilize it best”. Councilman Gardner said, “But to purchase a system that’s going to cost us ten grand a year potentially, I’m going to say seventy-five grand because there’s going to be retirement and all that stuff, plus the software licensing fees”. He said, “You’re spending \$50,000 that we can spend in getting a full comprehensive storm water plan and getting a full understanding of where all of our pipes are”. Mr. Garland told Council he doesn’t mean to be rude, but we have an executive session and other departments to cover. Council agreed they need to revisit this because this needs to be discussed. Councilwoman Reed said, “Even if we contracted somebody else, we would be paying about this amount of money, right”? Councilman Gardner said, “You’re right, but we would have \$75,000 a year plus paying somebody to go out and map the system”. Councilwoman Baccus said, “Not if it’s done in house”. Councilman Gardner said, “But we don’t have the person in house that could do the engineering”. Mr. Garland said, “We can rejigger the budget with some work to do that; it’s just that it would have to be done either next year or we could go ahead and have first and second readings on this and then we can amend the budget to include it, but it will have to be amended later on”. Councilman Gardner said, “You’re cutting us off from being able to discuss the issue and then trying to add it to the budget”. Mr. Garland said, “I’m just giving you your choices, that’s all”. Councilwoman Baccus said her question concerning all of the water leaks in the City. She said, “Explain to

me how much money we've lost as far as the water leaks we've had in the City because of the time frame it takes to fix the water leaks"?

Councilwoman Baccus said there was a water leak on Jordan Street and she let Mr. Kinsaul know and she told Howard, but in three days the County fixed the water leak. She said they have water leaks on Farm Street and fifty other places and it's two or three months before a water leak gets fixed. Councilwoman Baccus asked how they prioritize fixing these water leaks. Mr. Kinsaul said, "They try to fix the one that's the worst -the larger lines, where it's at and what it's doing. Mr. Kinsaul said it looks like a lot of water, but it's not. He said they had six on Carol Drive at one time. He said it takes a week to get a locate unless you do an emergency, but you can't do them all on "emergency" because 811 is going to scream that you're playing with the system. Mr. Kinsaul said that's probably what the County did that day; they probably did an "emergency" locate. Mr. Kinsaul said the last time he talked to the County they had seventy-five leaks in one day. Councilwoman Baccus said, "Let me understand this. We pay to have this water clean to run through our lines for the citizens, right"? She said we pay to have this water treated to come through our lines, so then we're going to let it run three months on the ground? Mr. Kinsaul said most of them don't go three months. He said, "When they have to work two months on a sewer, a lot of leaks backed up because we had the whole crew working on the sewer". Councilwoman Bruce said, "The bottom line is that there is a problem and it was a problem long before many of them got on Council". Councilwoman Bruce said, I am sure these discussions are the same discussions from twenty years ago. At some point the discussions have got to stop and we've got to make a decision on what we're going to do to fix it". She said, "We can look at this (she told Ms. Lathan she did an excellent job explaining it) the comparison between what would be more feasible because it needs to happen; how it happens is the question". Mr. Kinsaul said, "That don't fix one water leak". Councilwoman Bruce said, "It doesn't fix a water leak, but it gives them something to look at to see where the problems are". Mr. Kinsaul said until you dig it up, you don't know it's there. Councilwoman Reed said, "But I thought this system help identify". Mr. Kinsaul said, "Oh no, you've got to tell that system where that water line is at". Councilman Gardner said, "First off this isn't for water lines, we're talking about doing this for storm water. He said, "But your sewer we can put it all in this system per se". Councilwoman Reed asked about the scanner.... Councilwoman Baccus said, "Didn't Mr. Gardner table this and we went on to something else, now you're going backwards". She said we tabled that conversation for later. Mayor Hines said we have something else

at 7:00 and we need to move on. Mr. Kinsaul said nothing changed in his 914T budget. Councilwoman Baccus asked if 912 (water distribution & maintenance) is where the expenses for where we pay to have the water ...Mr. Kinsaul said department 912 pertains to everything related to water. He said 914C is the sewer pipes. Councilwoman Baccus wanted to know why the operating expenses go up. She wanted to know why it increased from \$482,000 & \$536,000. Councilwoman Baccus said she is assuming the \$482,000 includes those hundreds of gallons of water we wasted on the ground. Mr. Garland said \$482,00 is the current budget year and \$536,000 is the estimated expenditures for next year. Councilwoman Baccus wanted to know why they raised the amount. Mr. Garland said because they expect the expenses to go up some. Councilwoman Baccus asked Mr. Garland if that was where they are seeing the expenses for the water leaks. Mr. Kinsaul said that would be anything pertaining to water. Mayor Hines asked, "Mr. Kinsaul is there any way to tell how much it costs extra when all of these things happen, the water leaks, etc.?" Mr. Kinsaul said, "Not to calculate how much water, because nothing is measured". Mr. Garland said, "I guess the question would be how much water do we use a day, and then what is used in a house a day multiplied by the number of customers to come up with a number. Councilwoman Baccus said, "At the end of the day, the point is, it shouldn't take two months to fix a water line". Mayor Hines asked, "Are we understaffed the reason why it took so long?" Mr. Kinsaul said, "They had the Lee Street cave-in and the S. Main Street cave-in, and the entire crew worked there for a couple of months". Mr. Kinsaul said, "So, yes, they are understaffed".

MS. LATHAN

Ms. Lathan said some of the residents in the neighborhood that the Joe Louis pump station supports are concerned and wanted to have full assurance that there's maintenance dollars in the City budget that would ensure that J.L. pump station is properly maintained, and any repairs would be made until the new pump station is put in. Mr. Kinsaul said it's been maintained and one of the workers checks it every day. Ms. Lathan said, "So the short answer is yes there's money in the maintenance budget for repairs" and Mr. Kinsaul said, "Yes".

MR. GARLAND

Mr. Garland went over the consumer price index figures which is 2.44% so if council wanted to raise millage they could by this amount. Mr. Garland said some councilmembers have been upset that we're not paving streets so

he's going to give them this option – If they want to raise millage this year, they can because we have 2.44% consumer price index increase. He said our current millage is 131.4125; the millage increase is 3.2; a mill in the city of Darlington is worth \$17,929 so if you wanted to raise this just for paving the streets, you could raise 3.2 mils and it would bring in about \$57,370. The new millage would 134.6125 if council chooses to do the increase. Mr. Garland asked Council if they want to consider doing this or want him to forget it and move on? Mr. Garland said he would also have to update our City street listing because DOT has added another street therefore we have 43 streets now. Mr. Garland said Keith Evans did some work on Columbian Street without getting an encroachment permit, so DOT gave us that street saying he didn't follow proper procedure. Mr. Garland said the first block of Columbian Street between E. Hampton and E. Broad Street, we own now, because of that. Councilwoman Baccus asked, "So, what did he do to it"? Mr. Garland said he put in seven apartments. Councilwoman Baccus said "Didn't he have to get a permit"? Mr. Garland said he got a permit from the City to put in the buildings, but he went ahead and built too close to the road. Councilwoman Baccus asked who the inspector was at that time and Mr. Garland was said he thinks it was Henry Chapman. Mayor Hines said, "Didn't Mr. Chapman come in on the end of that, and it had already started or something"? Mr. Garland said Mr. Chapman was building inspector at that time. Mr. Garland went over the total property tax collection total which includes the property taxes. local option sales tax, homestead exemption, & manufacture's exemption. Mr. Garland said he broke this down because a few years ago councilmembers didn't understand how the property taxes were broken out, you thought that the property tax was the first line in our revenues. Mr. Garland said councilmembers also asked for a sanitation service survey and he called around to several difference towns/cities in our area, so he provided them with his findings. Councilman Gardner asked, "Wasn't that \$1.00 for the roads"? Mr. Garland said, "No, the \$1.00 is used just for the sanitation". He said we just started getting where we have a reserve fund for the street & sanitation, but we set aside approximately \$43,000 of that for the cutter and camera. Mr. Garland said another idea for the future. He said we currently have inhouse garbage collection, but we could farm that out and let somebody do our residential garbage service pickup. He said out of the seven towns/cities that he got sanitation rates on, three of them have companies that do their residential sanitation pickup. Mr. Garland told Council if they are serious about doing this they can bid it out and look at it. He said we can also bid out the commercial garbage pickup which is currently handled by Waste

Management. Mayor Hines said, “We just got that new truck; we don’t need to bid it out just yet, we’ve got to get the use out that new garbage truck we brought”. Mr. Garland said you’d be surprised how quick a truck breaks down. Mr. Garland said the reason he is bringing this up is that the conveyer belt at the County broke down again so the last three weeks we’ve had to drive to Bishopville everyday (Monday, Tuesday & Thursday). On Friday they take recyclables to Sonoco. He said it’s a concern because if the County decides not to do this anymore, we would have to drive to Bishopville every day. Mr. Garland told Council it’s just for consideration. Mr. Garland continued to go over the schedule of revenues, summary of expenses for the General Fund (Personnel) which gives a breakdown per department. Mr. Garland called council’s attention to personnel cost for the police department which is over \$2 million. He said that’s the cost of doing business when you have 31 employees in one department. He said the police department is our largest department. Mr. Garland went over the operating expenses for each department; Capital Outlay for each department and the general fund recap. Mayor Hines said, “The loft apartments, the 30-year phase one, the second year-18years how much time d we have on each one and where is it located in the line item”? Mr. Garland said, “For phase 1, you’re not going to have a line item for that until 2037. Phase 2 is line item 4260. Mr. Garland said they haven’t made a payment in three years. Councilman Gardner said, “Hold on, downtown loft apartments haven’t made a payment in three years”? Mr. Garland said, “Let me explain that. They based that on the number of apartments that they rent, and it’s written into the agreement that was signed in 2007 or 2008 that if they rent the apartments full, we’ll get some money back, if they don’t we don’t get anything”. Mayor Hines said, “I didn’t vote for it ya’ll, to let ya’ll know”. Mr. Garland said out of 10 years, they have probably paid us three years. Mayor Hines said, “With all of the mildew and with all of the mold that’s in those buildings when they finish with them, they revert back to us, right”? Mayor Hines said, “We can’t do nothing with them, they’ll be so rotten”. Mr. Garland said, “We held payment from them for two years because they weren’t addressing code issues”. He said we finally paid them within the last 2-3 months approximately \$60,000-\$62,000 for revenue from the retail rents and money for the water bill (\$10,800 a year). Mr. Garland said since they have not been good corporate citizens, they’ve sent them letters saying they are breaking the City’s building code and they’ve been given a certain amount of time to fix the deficiencies in the apartments and the retail spaces. He said if they don’t do that, then we’ll take them to court. Councilman Gardner asked, “What if it’s not done”? Mr. Garland said, “Then we’ll start fining

them”. Councilman Gardner asked, “Can we take them over, can we condemn it”. Mr. Garland said, “No, we don’t want to take them over, then we’ll be responsible for fixing them”. Councilwoman Bruce asked, “when was the last time we communicated with them on this”? Mr. Garland said within the last six weeks we have sent them letters. Mr. Garland said he has talked with some of the regional managers and they said in March and in April that somebody was coming down to look. He said he has called the tenants and the lady at the Chamber and she said someone showed up but all they did was put Clorox on the wall to wipe some of the mold away. Mayor Hines asked if we were having this problem before the previous owner passed away and Mr. Garland said, “No”. Mayor Hines said, “When we did this long time ago, I spoke out against it, Annette Thomas and myself. We didn’t vote for it because we felt it was a bad situation and it has turned into something really bad now and it never should have been done. Those buildings were dilapidated then; I mean it turned out to be a pretty good thing, but now we’re suffering for it and after we get money from the five or six retail spaces and we’re having problems now and we’ve got so many more years to deal with this, that’s just a loss”. Mr. Garland said, “We asked several years ago, I think starting in 2012, to put this as a note in the audit because if I’m alive I would come to Council in 2037 and say, “Hey these things are due you now, but there’s a reversion clause in there that those buildings go back to the City”. Councilwoman Reed said, “We must have an avenue of some kind of way to revisit the contract because they are already out of compliance on some things”. Mr. Garland said, “We are doing what we can based on the law”.

5 Minute Break

Councilwoman Baccus made a motion to go into Executive Session at 7:12 PM to discuss the Municipal Court Judge. Darlington City Council will not vote after executive session. Councilman Gardner seconded the motion.

Councilwoman Reed made a motion, seconded by Councilwoman Baccus to go out of Executive Session at 7:35 PM.

Mayor Hines said there was a discussion in executive session, but there will not be a vote tonight.

Upon motion of Councilman Gardner, seconded by Councilwoman, the meeting adjourned at 7:36 PM.

Mayor

ATTEST:

Clerk & Treasurer