

**City Council Budget Workshop Minutes**  
**July 10, 2023**

**PRESENT:**

**Michael C. Butler, Mayor**  
**Jerry Hannah**  
**Dr. Kalu Kalu, Mayor Pro Tem**  
**L. Zimmerman Keitt**  
**Sandra P. Knotts**  
**Richard F. Stroman**

**ABSENT:**

**Bernard Haire**

Mayor Butler opened the meeting and stated City Attorney Kozlerek would be attending virtually. Mayor Butler thanked the City Administrator and staff for preparing the budget session and working to move the City forward.

A motion was made by Councilmember Stroman, seconded by Councilmember Keitt to go to Executive Session concerning Discussion of negotiations incident to proposed contractual arrangements and proposed sale or purchase of property, and the receipt of legal advice for matters covered by the attorney-client privilege – Annexation SC Code Sec. 30-4-70 (a)(2) and Receipt of legal advice – Downtown Orangeburg Revitalization Association SC Code Sec 30-4-70 (a)(2). The motion was unanimously approved.

A motion was made by Councilmember Stroman, seconded by Councilmember Keitt to return to open session. The motion was unanimously approved.

Mr. Jim Battaglia, The Archer Company addressed Council. He stated, "We presented your current plan developed in 2018. I met with Ms. Williams and Mr. Evering to discuss the project objectives and the competitive organizations to include in the salary survey. We did an initial discussion of the benchmark jobs identifying jobs that will be found in similar organizations to survey that are stable in content, and then included different jobs from different job families, and from the lower pay grade assignments to the upper pay grade assignments. On the next page, we list all the participants for this year salary survey, and the 12 organizations including the following counties: Aiken, Calhoun, Lexington, Orangeburg, and Sumter. Also included are Orangeburg Calhoun Technical College, the cities of Aiken, Goose Creek, North Charleston, Summerville, and Orangeburg DPU. Then we supplement the individual salary survey data with other salary survey data from the Economic Research Institute to calculate average survey data for our benchmark jobs.

We identified 30 benchmark jobs for the salary survey including directors, managers, supervisors, and line workers. At a high level, the City's current pay structure lags the market for almost all the benchmark jobs. The City's current plan is about 4% below the market data. Our system then integrates the market data to the job evaluation points, and trade data analysis and integration. It calculates and develops the new pay structures. We integrate the market salary estimates with the job evaluation points and we are trying to identify a consistent line that gives us the line of best fit for the new pay structure. This is establishing one pay policy line for all jobs, which is important if you are trying to ensure equal pay for equal work. In our system every job evaluation point equals the same dollar value, whether you are in the lowest pay grade or the highest pay grade, every job evaluation point is for the same consistent dollar. After we calculated the line of best fit, we use those results to develop the new cities paid plan to be a 100% to equal the market.

We post the internal job evaluation score compared to the salary survey data and the regression calculates a pay line through all the benchmark jobs. Once we have that pay line, we use that information to design the City's pay structure consistent with your current pay structure. We have a pay range spread of 50% from the pay grade minimum to the pay grade maximum. Every job is assigned to a pay grade based on their internal job evaluation score, job evaluation point groupings from pay grade 1 to 17, job evaluation point groupings from pay grade 18 through 26. Currently, we have no jobs in pay grade 18. There are pay grades 19 to 26."

Councilmember Kalu asked, "Why did we use DPU as part of the evaluation since our DPU is part of the City?"

Mayor Butler stated, "Because DPU has its own classification and pay structure separate from the City. One objective was to bring everybody up to the equal instead of presenting them separately."

Councilmember Hannah asked, "On the benchmark, you estimate 4% we lag. Is that because of the amount of public safety officers DPS has?"

HR Director Williams stated, "We will get into that as we go into the next part of the presentation. I can answer your question then. Page 11 is the plan design, the cost and how we got to this point. Looking at slide 12 is a reminder of Council's priorities for the next budget cycle. Bullet point number two is what we are focusing on a recruitment and retention strategy as it relates to public safety officers and fire fighters."

Slide 13 is background to explain how we got to this point, and I think it will address your question, Mr. Hannah. When we did the study in 2018, we said we were going to update a pay plan every three years. That was not done. The pay plan grades moved in conjunction with the cost-of-living increases that Council approved. The only movement with the pay plan last year, approved by Mr. Evering, Chief and I did some strategic pay increases for officers and communication operators. We were able to do that because there was salary lag in their budget. We could not impact everybody, but we did impact entry level officers, communication operators, and some higher-level officers. According to the agency, the 2018 scale shows no one is below the scale. On Page 14 Grade 7 Public Safety is starting at \$40,000, Grade 8 certified officer Public Safety Officer II is starting at \$42,500. From a market analysis, the County and a lot of other municipalities are starting at a minimum of \$45,000. There are some municipalities with a starting salary up to \$50,000. We felt for us the sweet spot would be in the middle \$47,000. To do that we would need to shift the scale upward so Public Safety Officer I would start at a grade 8 and a Public Safety Officer II would start at a grade 9.

Councilmember Kalu asked, "How long does it take a PSO I to move to a PSO II?"

HR Director Williams "At least a year because you must become certified. The Criminal Justice Academy has a waitlist. When officers finish their first full weeks here, they can automatically go into the academy. It could be up to a year before they move to a Public Safety Officer II. There is a career progression that is in place. We are working with an aging workforce, and a lot of people are getting ready to retire. We are trying to put something in place so people can be prepared once those openings are available."

Councilmember Hannah asked, "Back to my question, if we took Public Safety out of this study, it would not be 4% lag, it would be 2%?"

HR Director Williams stated, "Not necessarily, the reason we are presenting Public Safety is because Council stated it was a priority for this budget. We have the numbers and the data available for the remainder of the City. Looking at it from a glance, there are a lot of positions that are below scale."

Councilmember Hannah asked, "How many employees are in Public Safety, 68?"

HR Director Williams stated, "DPS are allocated 90 sworn and they have about 69."

HR Director Williams continued, "Page 15 addresses the fire side. If you look at the current salaries and the current scale, the Fire Engineers are below. We only have four slots for Fire Engineers 1,2, 3, and 4. Over the past few years fire engineers have stated in addition to pay, there was no structure. They felt neglected and that all the attention was given to the police side. Under this new pay plan, it changes because we have more structure. We can recruit people coming out of the fire academy as a trainee. Once they go through the training part and probation, they will become a Fire Engineer I. Currently, we start a Fire Engineer at \$36,500. After probation, they are at \$38,325. They may make more now because they are hourly, and they must put in more time because we are short staffed in that area. If you were to put this scale in place their salary would increase and more than likely would be a Fire Engineer III. They are paid based on their hourly rate so they will get overtime. If Council were to implement this pay plan to bring all DPS salaries in this includes all the support staff, it will be a little over \$182,000."

Page 18 are a few additional recruitment and retention strategies because not everything is about money. Employees want to know that you care. The City paid life insurance has been the same since 2012. We offer full time employees a \$15,000 life insurance policy. Checking with Companion Life we can increase it to \$50,000 and will not cost the City anymore. I recommend not only for Public Safety but all employees including DPU. We have the option for the Dependent Life that is available \$5,000 per dependent, and the employee pays .46 cents per pay period. We can increase that to \$10,000 and instead of the employee paying \$1 a month they will pay \$2 a month. Another recommendation is a well-defined mental health program. I get calls every day from fire engineers and police officers that just want to talk to somebody. While we do have the EAP program in place, and a stress management program through Blue Cross Blue Shield. It is not the same as having a person there in the evening at shift change. There is a huge need for a Chaplain for Public Safety. From a recruitment standpoint, I recommend we continue the certified officer bonus program currently if an officer is certified, we offer them \$2,500. Half is paid upfront, and the other half is paid after probation. If they leave during that time, then the bonus is considered as an advance of wages, so we can recoup that money. I know the focus was to look at the starting pay for PSO I and II, but if we take that strategy throughout the agency and look at increasing the scale for all the officers, that will help to secure people that are looking to retire. It will help retain them because we need those folks to help train the new people coming in. We want to show that they are valued.”

Melissa Harrill stated, “As we discussed business license tax is a significant portion of your general fund revenues. On the handout is the appeals process. This can help your constituents understand their rights and how they can proceed if they want to debate their bill. Business license tax is something that needs to be treasured. The legislature a few years ago mandated every jurisdiction that charges business license tax must be standardized. When the new law passed, we updated your ordinance and again in 2021 in preparation for the 2022 year, so you are in great shape. The law states every other year you must adopt the standard business class schedule. In a few weeks an addendum to the current ordinance will be brought to you. You do not want to have a revenue loss. I recommend you go through the rebalancing which is a good way to look at your rates and make sure you bring in the same amount of money. There were several changes in the class schedule as a lot of these industries moved around. Your rates have not been addressed in years. We kept your revenue neutral because you had a lot of conversion to the completely different system. I think you need to keep up with some of the inflationary issues and some of the increased cost embedded for the City. I will bring an option for you with a rate increase at the same time. DPS, Public Works, and Finance requested a special events ordinance to address the private ticket parties that are becoming a problem on the Public Safety side. City Attorney Kozlarek is working on the final version to bring to Council soon. It will be a standalone ordinance addressing the rules.”

Councilmember Hannah asked, “Are special event fees predicated by location?”

Melissa Harrill stated, “If it is the promoter, it will be one license and one permit. Everyone hired under it is covered under that one so it will be a significant cost, but the promoter will pass that down when they bring in a food truck, a bar, etc.”

City Administrator Evering stated, “I wanted to review your priorities as a reminder. Annexation, increase number of public safety officers and fire fighters, complete report of other projects, and timetable to complete all existing City projects. Under tab six the first project is the New City Hall. There was a delay of about 30 days because inflation has impacted everything including the cost of materials. I have reached out to our state legislative delegation, and we will receive additional funds so we can build exactly the way we anticipated. We will receive one million dollars to make sure we cover any inflationary costs. The completion dates of City Hall are May-June 2024. We are not only building for our current needs, but also future needs. Next is the skatepark. We have a public meeting scheduled Wednesday. One of the issues that we have encountered is the location. We had to make sure that we were building above floodplain and that required engineers. We are looking at late April mid-May grand opening for that project. Railroad Corner is probably the most complex project. You all are aware of the raise grant for the pedestrian overpass, the parking deck, and some other infrastructural needs. We are looking at a June 20<sup>th</sup> completion for the design renderings for the 601 and 178 Welcoming Center and the goal is to get it in place before the World Series.”

Administrator Evering continued, "Under tab seven. We are under budget as it relates to expenses. The projected 2023-2024 budget is slightly higher than our current year budget projections. The current budget for administration \$903,000 which includes a 3% COLA, 1% increase for retirement, moving the community planning department into the administration department and adding special projects. I am suggesting adding an economic development coordinator based on our discussion earlier in terms of our downtown. Municipal Court increase of \$30,000 which is the cost of living. In HR, we have a 3% increase, one additional staff person, the Risk and Safety manager, that was approved earlier, and we are moving the Christmas party expenses under HR totaling an increase of \$80,423. IT, you will see 3% and an additional employee as a help desk person. Finance, 3% increase there, from \$700,000 to \$815,000."

Marc Wood stated, "There are challenges in trying to hire additional staff. We still have openings for the Finance Department. Currently the City is relying on myself and Melissa to fill in as consultants. We had to increase the budget some for the cost of consultants. Unfortunately, there is not a lot of qualified candidates that have government experience that will be able to come in and help with the expertise or they have some accounting background. However, it could take two to three years to get those people trained. Governmental accounting is vastly different than regular accounting. I expect if we can get the right people hired, then our consulting fees would start coming down."

City Administrator Evering stated, "Community Development; we want to buttress our social media efforts promoting all the good things that we have going on in the City and some of these projects in the pipeline. To recruit and work with young people. We must improve our social media efforts. This would include a salary, but also some money in case we need to hire consultants to do branding and things of that nature to expand our social media reach. I want to make sure that each of you all have PIO, Jennifer Van Cleave at your disposal in case you have anything going on in your districts, or anything that you want to get out to your constituents. Grants, the substantial increase is having money set aside for matching purposes."

Councilmember Stroman stated, "DPS has requested to hire General Counsel for DPS."

City Administrator Evering "Yes. That has been requested as there are times the officers must prosecute their own cases so; they would like to have someone on retainer to help prosecute the cases. They have asked \$50,000 be set aside for a local attorney. Public Safety and fire were separated this year. For next budget, we are looking at \$52.5 million dollars. We are looking at hiring additional seven fire fighters, and then purchasing additional equipment needed to outfit those fire fighters. The budget for Parks and Recreation Administration \$285,000 to \$344,000 includes increase of cost-of-living, retirement, with a new position of a Deputy Director. Recreation is increasing from \$749,000 to \$790,000 which is cost-of-living. I want to point out, we will receive some State funds as well for North Road complex in preparation for the World Series around \$500,000 for improvements of the North Road and marketing. We want to make sure that the facilities and the areas look as good as possible. The Gardens at \$871,000 to \$909,000 increases again that is the 3% COLA and same thing with the cemeteries. The Recreational Complex \$473,000 lowered to \$470,000 due to less needed for utilities."

City Administrator Evering continued, "Hillcrest, two new positions were created, Assistant Superintendent and grounds keeper, \$683,000 to \$754,000. The new golf carts are in and look great and should last four or five years. Public Works, David Epting is currently interim, and we anticipate getting additional hires, COLA, we are looking at \$291,000 to \$301,000. The same thing with Building Inspections. Commercial sanitation we are advising that we raise the hourly starting salary to \$20 per hour for CDL drivers. CDL drivers currently starting at \$16 an hour. We paused our recycling because we did not have enough CDL drivers. The goal is to recruit at least two additional CDL drivers and restart the recycling program. We suggest we raise commercial sanitation rates as we are below market. Sanitation, looking at hiring two CDL, new capital purchases, new recycling bins and the \$20 an hour pay for CDL drivers starting salaries. Streets and maintenance increase from \$30,000 to \$44,000; include a new tractor. The Garage to hire two employees: going from \$440,000 to \$579,000. Municipal buildings, anticipation of the new City Hall and, add two maintenance employees. At this time next year, I probably will be coming to you to restructure to have a standalone maintenance department. We have a lot of maintenance

needs falling through the cracks that we need a department that can address those needs consistently.”

City Administrator Evering stated, “Service we are looking at going from \$647,000 to \$770,000. They could be affected by the CDL driving increase as well.”

Marc Wood stated, “You can see the revenue graph of the budget is year to date, and then what the projected new budget for revenue would be if you flip to the next page. This gets back to our discussion we had in June on the millage. To pay for some of these expenses of the increase CDL drivers to \$20, police officers up to \$47,000 plus the other costs that have increased due to inflation, trying to increase our revenues to pay for these and trying to limit how much we come out of fund balance. One of the ways is to increase millage. You can increase your millage a total of 15 mils. Currently a \$100,000 house, would pay \$400 in property tax. If you go to 15 mils it is \$460. The City needs to increase at least 10 to 12 mils to try to pay for auto lease loans. If you did 10 mils, it will be a \$40 increase on \$100,000 house and 12 mils would be \$48.”

Mayor Butler asked, “Will that be enough to meet all our needs including DPS?”

Marc Wood stated, “That will be enough to meet some of the needs. It will certainly help with the COLA adjustment and the 1% retirement increase. It will help some of the issue with police as well. It is up to Council as to how much you are willing to increase the millage but know that we are increasing the budget from this year to next year. I think it is \$1.5 million, which is a substantial increase. We are trying to meet the needs of the City through increased salaries and increasing the fire department. You are adding seven new employees in the fire and the fire alone is \$2.5 million budget. To be able to provide the services that you would like to provide to your citizens comes at a cost. To do that, you must be able to have the revenue to provide that service. If not, then you get to a point where you will not be able to provide all the services and you must start eliminating some services.”

Mayor Butler stated, “We have not increased millage in a while.”

Marc Wood stated, “You have not raised millage in four or five years.”

Councilmember Stroman asked, “What do you recommend?”

Marc Wood stated, “I recommend at least 10, but I would do it as high as Council feels comfortable as each mil only generates about \$44,000.”

City Administrator Evering stated, “You have not increased mils in a good while and everything has gone up. This is about Public Safety being competitive so that we can hire officers and fire fighters. The money is going for good purposes and cost of living adjustment for our employees. I understand that raising taxes is never popular. but it is a necessity if you are going to add the level of services that our constituents expect. There is a point where we could end up you either raise taxes or you cut services. I just want to make sure you all have that context and understand so when you go to your constituents ask or when you see it in the newspaper, you know this increase is going toward increasing starting salaries for police, hiring fire fighters, giving an employee cost of living adjustments, and hopefully the return of recycling, as well.”

Councilmember Stroman stated, “Citizens have County taxes increase, City taxes increase and increase in the light bill.”

Mayor Butler stated, “But we have to figure out a way for employee increases.”

Marc Wood stated, “I agree it is not popular. You are going to get to a point in time where you either continue to increase your revenue or you will need to start cutting services.”

Councilwoman Keitt stated, “I think people pay for service as they want good service. We have not raised taxes at least five years.”

Councilmember Hannah stated, “I understand everything has gone up. We cannot add to the quality of life if we stagnant ourselves. We have not raised taxes, and now we are paying the cost. We want to modernize downtown, clean up the streets, improve the baseball park and build the skateboard park. Most of this will go towards quality of life and retaining our employees.”

Councilmember Knotts asked. “What was that total revenue for 115 millage?”

Marc Wood stated, "\$700,000 to \$800,000 in revenue."

Marc Wood stated, "Next is sanitation rates. Here is a comparison between our rates and the private sector for Waste Management, South Carolina Waste, and Republic. For Residential they are almost \$32 a month and we are at \$17. We are asking to raise another \$3 this year to \$20 a month that will generate an additional \$200,000 to \$300,000. We are looking at sanitation to try to help offset the cost of raising the CDL drivers to \$20 an hour. The bigger area of concern are commercial rates. A Four-yard Waste Management \$169, South Carolina Waste \$115, and Republic \$189. We are at \$16. This is just considering that the trash gets picked up one time a week. We know we have customers that we pick up multiple times a week. At just one time a week you are looking at an annual revenue of around \$625,000. Currently, commercial side is roughly about \$400,000. You are looking at another \$200,000 increase. We are proposing we start communicating with our customers. We must do billing changes and things in the system from DPU. We will roll this new rate out effective January 1 even though our fiscal year starts October 1. We would basically give them three months to get acclimated. Between this and the residential side, you are looking at about a \$400,000 to \$500,000 increase that would basically cover getting the starting salaries for the CDL drivers up to \$20 an hour. Since South Carolina Waste is the cheapest, I have tried to keep us under their rates."

City Administrator Evering stated, "About the millage increase, what millage does Council feel we need to be? Again, Marc gave you a chart that lays out what it would be based upon the appraised value of a house."

Councilmember Keitt stated, "My recommendation is 115."

Councilmember Stroman asked, "How long has it been since tax increase?"

Marc Wood stated, "It has been at least five years and the increase was only 2 mil increase. This would be 15 mil. It would be a 15% increase. You are at 100 mils now, so it will go to 115."

City Administrator Evering stated "We are now down seven firefighters."

Councilmember Stroman stated, "How many police officers?"

HR Director Williams stated, "Probably around 7 or 8 entry level officers."

Councilmember Stroman asked, "Why do we only have three officers working at night?"

City Administrator Evering stated, "We do not have enough officers."

Councilmember Knotts stated, "Working continuously like that is dangerous for law enforcement and in the climate in which we live in."

Marc Wood stated, "The increase for CDL drivers plus the fringe is about \$250,000 to \$300,000 dollars."

Councilmember Stroman asked, "If you have problems getting drivers, have you talked to outside agencies to get a contract with them?"

Mayor Butler stated, "I do not want to contract."

City Administrator Evering stated, "If you go private it will cost even more as their rates are double."

City Administrator Evering stated, "This is why economic development and increasing the tax base is impounded because the larger the tax base, the less impact when you do have an increase. We are talking about annexation and to bring in new business. In summary, 15 mil increase, the \$3 residential sanitation increase from \$17 to \$20 and the commercial sanitation increase."

Mayor Butler stated, "Thanks to all. It was a great presentation."

Respectfully submitted,

*Linda McDaniel*  
Linda McDaniel  
City Clerk

