

City Council Minutes
July 27, 2020

2905

Orangeburg City Council held a special meeting on Facebook Live via Zoom on Monday, July 27, 2020 at 10:00 a.m., with Mayor Michael C. Butler presiding.

PRESENT:

Michael C. Butler, Mayor
Dr. Kalu Kalu

PRESENT BY TELEPHONE:

Bernard Haire
Jerry Hannah
L. Zimmerman Keitt
Sandra P. Knotts
Richard F. Stroman

ABSENT:

None

A motion was made by Councilmember Stroman and seconded by Mayor Pro Tem Kalu to approve the June 30, 2020 City Council minutes. The motion was unanimously approved.

City Administrator Yow addressed Council, he stated, "This Emergency Ordinance extends the two Emergency Ordinances 2020-03 and 2020-04 dated June 4, 2020 and June 30, 2020 which are currently in effect. One of the Ordinances establishes the Committee on Disaster Services and allows Council to continue virtual meetings. The other Ordinance is for face coverings. It is the recommendation of the Committee on Disaster Services that Council extend these two Ordinances by passage of the Emergency Ordinance in today's packet."

A motion was made by Councilmember Keitt and seconded by Mayor Pro Tem Kalu to approve the Emergency Ordinance Extending Emergency Ordinances Numbers 2020-03 and 2020-04 dated June 4, 2020 and June 30, 2020. The motion was unanimously approved.

City Administrator Yow addressed Council, he stated, "The next item is appointments to the Accommodations Tax Advisory Committee. We have three vacancies. This committee reviews funding requests for taxes that are received from accommodations in the City. Current members are Ms. Rachelle Jamerson-Holmes representing lodging, Ms. Shaniqua Simmons is the City's representative, Ms. Barbara Beach is a cultural representative affiliated with the Orangeburg County Fine Arts Center and our Chairman, Mr. Fred Broughton is At-Large. Provided in your packet is a statute outlining the requirements of persons serving on this committee and recommendations Ms. Simmons has made. The recommendations are Mr. James McQuilla, the new President of the Chamber of Commerce, Parimal Patel, with the Town Terrace Inn, and Rogers Ideozu, with Adrian's Ice Cream Shop. If Council makes these appointments today, all vacancies will be filled. The committee will need to meet soon as they have some funds to disburse. I will be happy to answer any questions you have."

A motion was made by Mayor Pro Tem Kalu and seconded by Councilmember Haire to appoint the three recommended persons to the Accommodations Tax Advisory Committee. The motion was unanimously approved.

Assistant City Administrator Singh addressed Council, "The next item is our annual Lease Purchase agreement to fund the equipment purchases during the year. Five financial institutions bid on the Lease Purchase for \$659,000 with ranges from 1.04% to 1.92%. It is staff's recommendation we go with US Bank's low bid of 1.04%. I will be glad to answer any questions you may have."

Mayor Pro Tem Kalu asked, "Mr. Singh, could you give a little more information regarding the vehicles listed like what departments they are for?"

Assistant City Administrator Singh responded, "The garbage truck is Public Works department, the three vehicles under 60/20 are patrol cars, the vehicles in 60/25 and 60/30 are also in Public Safety, 70/15 and 70/40 are Parks and Recreation department."

2906

Mayor Pro Tem Kalu, "Are the vehicles listed for Public Safety part of the incentives that Chief Adams talked about for retaining officers?"

Assistant City Administrator Singh responded, "This Lease Purchase was in the budget for this current fiscal year and these are the vehicles that we rotate out on a regular basis. We are going to discuss increasing the number of vehicles we are dealing with in next year's budget regarding the incentives you are talking about for retention."

City Administrator Yow stated, "The three vehicles in patrol could be used for that, but these were budgeted as normal replacement vehicles prior to that discussion."

Mayor Pro Tem Kalu, "The breakdown for the three years and five years on the lease agreement, why the difference?"

Assistant City Administrator Singh responded, "This question ties into our Budget meeting. Normally, our lease purchases are around \$600,000 with a three-year lease purchase. When we look at larger expenses, such as the platform truck and the fire truck, we look at a five-year term. We had discussed in our budget for this year purchasing those two trucks, and we bid for financing, but we were not prepared to move forward. So, we have deferred that into this upcoming 20-21 budget. We will be looking at doing a five-year lease purchase for those two vehicles."

Mayor Pro Tem Kalu, "Have you looked at the trash trucks that have a hand by itself that picks up the container?"

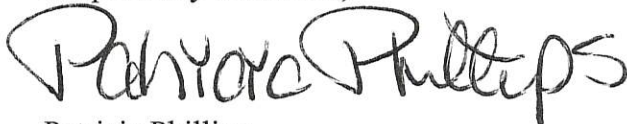
Assistant City Administrator Singh responded, "Our Public Works department is beginning to discuss that now. Within five years you will probably begin to see a one-person truck picking up garbage cans. This is something that many municipalities and private carriers are now doing."

City Administrator Yow stated, "Dr. Kalu, one of the reasons the fire trucks are five-year terms is looking at the age of the vehicles for replacing, fire trucks have a the life expectancy of twenty years and some of the patrol cars are only four to five years due to the mileage."

A motion was made by Councilmember Haire and seconded by Mayor Pro Tem Kalu to approve the Resolution authorizing the execution and delivery of a Lease Agreement with attached Payment Schedule and Project Fund Agreement. The motion was unanimously approved.

A motion was made by Councilmember Haire and seconded by Councilmember Keitt to adjourn the Special City Council Meeting. The motion was unanimously approved.

Respectfully submitted,



Patricia Phillips
Interim Assistant City Clerk

/lhh





A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT WITH ATTACHED PAYMENT SCHEDULE, PROJECT FUND AGREEMENT AND RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

BE IT RESOLVED by the governing body of the City of Orangeburg (the "Lessee"), at a duly called meeting of the governing body held on the 27th day of July 2020, the following resolution was introduced and adopted:

RESOLVED, whereas the governing body of Lessee has determined that a true and very real need exists for the acquisition of equipment as described in the Request for Proposal and Exhibit "A" attached hereto, in the amount of **\$659,000.00** at an annual interest rate of 1.040% for three (3) years, by entering into a Lease Agreement with US Bancorp as Lessor and the City of Orangeburg as Lessee (the "Agreement") according to the terms set forth in the Bid Proposal from US Bancorp (Exhibit "B"). The equipment will be used by the Lessee for the following purpose: to provide new and cost-efficient equipment for the operation of City government.

RESOLVED, whereas the governing body of Lessee will take the necessary steps, including any legal bidding requirements, under applicable law to arrange for the acquisition of such equipment.

RESOLVED, whereas the governing body hereby directs its legal counsel to review the Agreement and negotiate appropriate modifications to said Agreement so as to assure compliance with state law and local statutory law prior to execution of the Agreement by those persons so authorized by the governing body for such purpose.

BE IT RESOLVED, by the governing body of the Lessee that the terms of said Agreement are in the best interests of Lessee for the acquisition of such equipment and the governing body of Lessee designates and confirms the following person(s) to execute and deliver, and to attest, respectively, the Agreement and any related documents necessary to the consummation of the transactions contemplated by the Agreement.

Name and Title of Person(s) to Execute and Attest Agreement:

John H. Yow, City Administrator and Carrie W. Johnson, Finance Director

RESOLVED, the Lessee covenants that it will perform all acts within its power which are or may be necessary to ensure that the interest portion of the rental payments coming due under the Agreement will at all times remain exempt from federal income taxation under the laws and regulations of the United States of America as presently enacted and construed or as hereafter amended. The Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it shall not issue or effect the issuance of more than ten million dollars (10,000,000.00) of tax-exempt obligations during the calendar year, and hereby designates the Agreement as a "qualified tax exempt obligation", as defined by Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Passed by the City Council of the City of Orangeburg, South Carolina this 27th day of July 2020.



ATTEST:

Deborah Phillips
City Clerk

Michael C. Butler
Michael C. Butler
Mayor

John H. Yow
Carrie W. Johnson
John H. Yow
Bernard Haire
Robert F. Storn
L. Zimmerman
Members of Council

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Budget Workshop Minutes
July 27, 2020

2907

Orangeburg City Council continued into the Budget Workshop Meeting via Zoom on Tuesday, July 27, 2020, following the City Council Special Meeting in the City Council Chamber Building.

PRESENT:

Michael C. Butler, Mayor
Dr. Kalu Kalu
John H. Yow, City Administrator
John D. Singh, Assistant City Administrator
Patricia Phillips, Finance Coordinator

PRESENT BY TELEPHONE:

Bernard Haire
Jerry Hannah
L. Zimmerman Keitt
Sandra P. Knotts
Richard F. Stroman

ABSENT:

None

A motion was made by Mayor Pro Tem Kalu and seconded by Councilmember Keitt to open the Budget Workshop Meeting. The motion was unanimously approved.

City Administrator Yow opened the budget meeting by thanking Council, Assistant City Administrator Singh, Carrie Johnson and Patricia Phillips for their work in putting this budget plan together. He also thanked the department heads for their input and work.

City Administrator Yow addressed Council, "It is my belief before you start a new budget you look at the existing budget to make year-end projections based on the actual 10 months that you are at. This gives you better insight in formulating next fiscal year's numbers.

At this time last year, we presented a budget for Council's adoption of \$21,600,000, but as you can see from the projections for this fiscal year, we are estimating \$18,173,000 in revenues and a little over \$18 million in expenses. The difference in these numbers are primarily due to deferral on two large capital purchases, which are the aerial platform truck and the pumper truck. Also, we have had to make some adjustments due to the COVID-19 effects on our budgets. If you look at those numbers again, you will see we are budgeting \$18,173,000 in revenue and \$18,008,000 in expenses, which means we do project bringing this budget in a positive manner and adding some funds to cash reserve which I will talk to you about later in our budget discussions. This would give us a year end projection of \$164,767 to the positive.

On the General Fund Summary page, you will see the Expenses and Revenues with the Fund Balance Used we just discussed. There is still two months left in the fiscal year and that is based on projections on some revenues we anticipate getting. The primary reason that number is lower than the budget number is we deferred some capital expenses to this coming year, primarily two fire trucks and we have some revenue shortfalls related to the COVID-19 virus.

The Airport is operating as we talked about in the planning sessions at breakeven when you take out depreciation, but the golf course continues to operate at a deficit. When we go into next year's budget numbers, we will go over more closely. So, the next step in the budget process is we will present two Ordinances to Council. One will be an amendment to the current budget year and a budget Ordinance for the next fiscal year. Are there any questions?"

Mayor Pro Tem Kalu stated, "On the projections of \$1.9 million (\$1,900,000) in revenue, there is a statement about getting money from the County, please explain."

2908
City Administrator Yow stated, "Yes, we will go into that during the budget process. We will give you five different scenarios that you can choose from. Now as we go into the FY2020-21 Budget, I will ask Mr. Singh, Assistant City Administrator, to go over the Executive Summary. This is organized the same way we do it every year. We will go through the highlights and will certainly be happy to answer any questions Council may have."

Assistant City Administrator Singh began reviewing the FY2020-21 Budget.

REVENUE HIGHLIGHTS

Revenues are \$22,154,484.24 with expenditures of the same \$22,154,484.24. This includes all general fund operations and capital expenditures. It does not include the 1% County CPST or hospitality tax.

The Airport revenues of \$2,228,143.51 and expenditures of \$2,911,453.66. The depreciation expense is factored in during the audit to show the depreciation at the airport.

Hillcrest Pro Shop shows \$76,923.20 in revenue and \$76,923.20 in expenses. Revenue totals for the golf course \$284,378.35 and expenditures \$642,726.84. We have some depreciation, but the golf course ends up operating at a deficit of \$311,648.49.

Hospitality 2% Fund revenues are \$1,290,500 with expenditures of \$1,443,723 and the fund balance budgeted is \$153,223 to balance

There is no projected property tax increase with our current millage being at 100 mills. 1 mill equals approximately \$43,000.

There are no business license rate increases proposed this year. The City has not had a business license rate increase in about thirty years which is good for our City and our businesses. Insurance Business Licenses continue to grow. I want to mention the standardized business licenses that have been discussed in the State Legislature and as our Finance Director indicated there will be some winners and losers. That will adjust some of our numbers and rates for some businesses and some will realize savings. Just keep in mind this fiscal year, we may have some changes in this regard.

Cash Reserve amounts needed to balance budget range from \$42,705 to \$1,142,705 and that depends on which scenario Council adopts which we will discuss later. We have five scenarios for Council to review.

There is no proposed increase from DPU for transfer depending on which scenario Council adopts.

Fire District Revenue ranges from \$800,000 in collection of fire contracts staying with current contract system to \$1,900,000 with Tax District which would cover the area that our fire service coverage in the County. The estimate we have is \$1,900,000, but the number does have a range to it.

We are anticipating the Forensics Lab will go online this upcoming budget year and hope to see a revenue of \$200,000. This is part of a grant that comes from the state and a menu of charges far outside agencies using our services.

Currently, we are not seeing an increase in Local Government Fund. There is still some possibility to receive CARES Act Funds through State.

There is no proposed increase in residential sanitation or commercial fees for this year.

We are proposing an increase in the rental fees for Parks & Recreation."

Councilmember Hannah stated, "Going back to sanitation, do you see any increases in sanitation in 2020 due to having additional things that were not required in 2019?"

Assistant City Administrator Singh replied, "We are not proposing any rate increases on residential or commercial. The fee rate would be the same in 2021 as it is now."

Assistant City Administrator Singh continued with the FY2020-21 Budget.

Most other fees i.e. current recreation fees and Stevenson fees remain the same. Hillcrest Golf Course revenues versus expenditures need to be reviewed, but right now we are proposing to keep those in place. 2909

Airport revenues are down FY 2019-20, but we do not propose raising rentals this fiscal year.”

Councilmember Haire asked, “When was the last time fees were raised at the airport?”

City Administrator Yow replied, “I can go back and look at that for you, but we have not raised the rental on the hangars in five years at least. Some of the larger hangars have lease agreements that are in place for long periods so those would not be affected. The hangars that are rented month-to-month could be raised, but we try to keep the hangars full and realize most of our revenues through fuel sales.”

Assistant City Administrator Singh continued with the FY2020-21 Budget.

Building permit fees are relatively stable currently.

There is no change in franchise fees, but as we point out every year those fees are not going up, they are pretty much leveled out.

Currently, there are no storm water fees. We bring this up every year, but we are not recommending looking at it this year. This has to do with our designation of how storm water is dealt with. It is up to Council if they want to charge a storm water fee.

Fines collected continue to go down. Over a period of years, traffic and criminal fines have gone down. With COVID, they are continuing to go down even more.

Due to COVID, estimates are low on North Road Recreation revenue. We are taking a wait-and-see approach depending on when we can startup.

EXPENDITURE HIGHLIGHTS

Aerial Platform	\$1,700,000	Approved 2019-20
Pumper Firetruck	600,000	Approved 2019-20
Vehicle Fleet Program DPS		
Savings over 5 years	\$70,617	
First year	\$22,000	

With the vehicle fleet program at DPS, we are looking at a savings over 5 years of \$70,617 with first year expenses at \$22,000.”

Councilmember Haire asked, “As it relates to that category, you think the expenses will be \$22,000?”

Assistant City Administrator Singh responded, “Normally, those type of expenses with the traditional lease purchase, we purchase a vehicle at \$42,000 and it depreciates. We are recommending leasing the patrol cars through Enterprise Rental where we cycle cars out instead of keeping cars until end of life. This is regarding retention. Instead of looking at changing out three or four cars we are talking about replacing 12 cars in this budget year which will quickly bring our fleet more current. We are recommending continuing to look at this Enterprise concept of doing a lease on the cars where we cycle them out. The cars and equipping them are provided through the lease with Enterprise. So basically, we will have twelve cars delivered to us fully equipped. We are also looking at is going with the Dodge Durango and the Ford Explorer Interceptor. One reason is we have had some problems with repairs of the Dodge Chargers. Another issue is each public safety officer needs room for their gear. The SUVs have more space for the fire equipment they must carry with them. We will go into more detail when we get to the lease program.”

2910
 We are proposing financing the Car Camera System through Axion, which is the company that makes our body cameras. The \$436,000 would be replacing the current in-car cameras. The current cameras are by Mobile-Vision. There have been some changes in this company and the support is not very good and it does not integrate with the body cameras. We are proposing having the body cameras and in-car cameras sync together with no changes in layers. Also, our current body cameras are in a cloud-based system with Axion, which is great for better storage. It also helps with chain of custody. It is housed with Axion and goes straight from Axion to Court when needed so there is no way for us to doctor any footage. From our standpoint, it is a large expense, but we feel that our body cameras and in-car cameras need to be as well put together as possible due to our interaction with the public.

Finance Software	280,000	Over 3 years
Phone System Citywide	48,000	

We are proposing replacing the phone system citywide. Our phones are basically at their end of life. It is getting increasingly difficult to repair when we have issues. The new phone system we are proposing would be a lease allowing us to expand the phones if needed. We currently have three different phone systems. With the new system, our entire City would be on cloud-based system and it would eliminate some land lines also.

Councilmember Hannah asked, "How would this work with Public Safety?"

Assistant City Administrator Singh replied, "The Cisco system we are proposing would put us all on the same system."

City Administrator Yow stated, "Mr. Hannah, related to your Public Safety question, Mr. Singh said there would be elimination of some land lines. We have to make sure that we have redundancy for 911 and fire calls to meet our ISO and our CJIS. Some land lines will remain, just not as many."

Lift at Garage	46,000
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\$2,300,000 Firetrucks financed 5 years
 Other equipment financed 3 years – depends on scenario

1% COLA \$134,000
 Small Capital \$6,200

COVID related expenses continue, currently at \$58,580

No new positions in FY 2020-21 Budget
 CO's requested by DPS removed

We are not proposing any new positions in FY 2020-21 Budget and we removed the two dispatcher positions requested by DPS."

Mayor Butler asked, "If we do not add these two positions, how will the 911 calls be managed?"

City Administrator Yow responded, "We looked at the call volume requested. Finance completed a comparison of overtime dollars used to cover the positions with the cost of the new positions. The overtime dollars were much lower than what would be required for the two new positions."

Mayor Butler asked, "What was the justification for asking for two new positions?"

City Administrator Yow responded, "It was a good justification because DPS does have some hectic times as Chief Adams stated. Our approach is if we get into the middle of the year and it is necessary to fill the position, we will take one of the vacant patrol positions and reallocate the resources."

Mayor Butler asked, "What is the current level of City crime?"

City Administrator Yow responded, "At our recent staff meeting, Chief Adams said we had a recent uptick in property crimes."

Mayor Butler stated, "I am just thinking about all the rioting going on around the country and I want DPS to be able to handle it if we get a large volume of calls."

2911

City Administrator Yow responded, "If we get to the end of the budget and Council decides they would like to go back and add those positions, we can do that."

Assistant City Administrator Singh continued, "1% increase in State retirement costs to employers. The retirement system will increase to 16.56% and police retirement will increase to 19.24%. The net effect to the budget is \$91,000.

\$24.85 per employee for medical clinic continuation that includes dependents on the insurance. We have found that the medical clinic is doing well for us.

\$60,000 has been set aside to continue code enforcement building demolitions this year.

Most operational line items have held steady. The SCIRF rates are going up again. This has been an issue in the last couple of years. We are going to look at the open market and at SMURF, which is the Municipal Association's insurance program.

\$255,500 in General Fund Requests were moved to other appropriate funds such as Narcotics Seizure Fund, Hospitality, or 099 CPST. Some of the items, like the drones, equipment for North Road and some other things were moved into other funds. You will see those are not in the General Fund budget, but they are being funded.

We will really need to look at Hillcrest as it has a deficit that continues to increase.

The Airport is operating at breakeven.

We talked about updating our zoning. Our recommendation is to defer the \$65,000 for zoning into the next year and not include it in this budget.

We will go through the capital items. The North Road Complex needs a zero-turn mower at the ball fields and to finish some fencing.

For the Council Chambers we are adding some additional cameras for the Courtyard, Stevenson, and the parking lot.

Information Technology has quite a few items, infrastructure for Parks & Recreation, public internet connection, and Smart VMS Trailer. We are also starting repairs of some of our fountains and the steps in the back of the gardens near the pond. The repair of the steps will tie in with the Highway 301/Russell Street intersection project. In Small Capital items we will be updating Jay Hiers' office at the gardens.

In Special Operations, we will be purchasing body armor and fire gear.

Under Cybersecurity, we will be doing updates and threat testing. In addition to the software that is active daily, this also does random testing, for example, sending out phishing emails, etcetera. We use an outside company in conjunction with our personnel for this to further enhance our security based on recommendations by our auditors.

For Special Operations and Public Safety, we are purchasing items pertaining to training and surveillance along with updating the security cameras for the Forensic Lab.

In Stevenson Auditorium, we are continuing to expand our access control system with electronic doors and beginning to replace the HVAC units.

We will be replacing the copier at Municipal Court.

We are replacing the Finance Department's current car, a 2004 Impala, through the leasing program with Enterprise.

We have already discussed the replacement of the telephone system.

Not too long ago, we updated the fuel island at the airport, but the QT Pod Model M4000 for self-serving is reaching its end of life and needs to be replaced.

While we have talked about Hillcrest Golf Course operating at a deficit. Three reels for the John Deere Tri-Plex Mower is needed as with a golf course the grass must be kept up.

We have already discussed the lift system for the garage and the electronic doors for Stevenson, and the Public Safety vehicles that will be on the lease purchase.

We recommend that we fund the mower requested by the Service Department.

The last item is an icemaker with bin for Crew Quarters and Tournaments at the North Road Recreation Complex.

We looked at different scenarios for the overall budget. If you will look at the General Fund Summary page, they are outlined for you showing the General Fund Revenues, Fire District Revenues, and the Variances with a legend at the bottom showing what each scenario includes. Scenarios 1 and 2 reflect the current funding for fire contracts. Scenarios 3 through 5 include the fire tax district based on the new assessments from the County. We are recommending to Council Scenario 5, which includes the fire trucks, the body cameras, and recommends going with the Enterprise vehicle lease program for Public Safety. There will be a small amount to go into the reserves or could be used on other options. We have depleted the fire equipment fund and the insurance fund. We prefer to keep a balance in these funds."

Councilmember Hannah asked, "What is the basic difference between Scenario 3 and 4?"

Finance Coordinator Patricia Phillips responded, "The difference is how we finance the body cameras."

City Administrator Yow stated, "One is through Axion and one is through a lease purchase."

Finance Coordinator Patricia Phillips added, "And the patrol cars are included in 3,4, and 5, but in Scenario 5 they are done through the Enterprise lease program instead of the lease purchase."

Councilmember Hannah asked, "So is Scenario 5 a savings for the City?"

City Administrator Yow responded, "Over a period of years it is a savings. You are looking at a leasing program over several years instead of a one-time lease purchase."

Assistant City Administrator Singh stated, "With Enterprise, the cars will have a higher value at the end of its lease than if we purchased the cars due to depreciation."

Councilmember Hannah asked, "What is the first and second recommendation?"

Assistant City Administrator Singh responded, "My first recommendation would be Scenario 5 with the second recommendation being Scenario 3."

Councilmember Haire asked, "Does the Enterprise deal tie us in for a number of years?"

Assistant City Administrator Singh responded, "Yes. It does tie us to a lease program where we will update and add cars so our expenses are more controlled in some ways, but it would be a continuing program. We can get out of the scenario at the end by purchasing the vehicle if we choose."

City Administrator Yow stated, "If you ended that arrangement, you would probably come back to the way we currently do it through lease purchase."

Councilmember Stroman asked, "Is there a mileage limit on the leasing program?"

Assistant City Administrator Singh responded, "We have given them the data on all our vehicles, and they have factored that information into the lease documents. There is no penalty regarding mileage." 2913

City Administrator Yow stated, "One difference with our cars is they have some residual value we might receive from selling the cars whereas in the leasing program that value would go to Enterprise."

Assistant City Administrator Singh stated, "Scenario 5 really is the best to quickly get our vehicles up to speed."

The next item is the 2% Hospitality 095 Fund.

Balance Forward (10/1/2019)	\$ 571,170.07
+Monies collected through 6/30/20	\$ 839,562.00
+Transfer to State Investment Pool	\$ 0.00
-Actual Expenses through 6/30/20	<u>\$1,176,290.00</u>
Checkbook balance to date	\$ 234,442.07
+Monies July-September	\$ 316,000.00
+Grant Revenue (State)-Boardwalk Monies	\$ 260,000.00
+Private Donation	\$ 0.00
+Interest Income	\$ 15,000.00
-Expenses to Complete Projects FY 19-20	<u>\$ 400,000.00</u>
+State Investment Pool 2% Fund Balance	<u>\$ 1,105,644.00</u>
<u>Cash Reserve brought forward for FY 19-20</u>	<u>\$ 1,531,086.07</u>

City Administrator Yow stated, "The 2% Fund is a tax on prepared foods and accommodations. We normally take in \$1.3 million on that, but it is down a little this year due to restaurants being closed. These are items that can pay for things that are tourist facility related. We try to keep some fund balance for requests that come to Council, such as when DORA asked for money for the open-air market. The list of items is on the next two pages and includes things like Christmas lights, Gardens' renovations, and North Road Complex. The largest number is your debt service number, which is about \$285,000 for next year. Debt service is when we borrow money to do a large project and then finance it."

Councilmember Haire stated, "There is a lot to digest as it relates to this budget. Could we get the budget earlier, so we have more time to go through it in detail?"

City Administrator Yow responded, "Yes. We try to make the numbers as current as we can. We adjust some of the numbers as late as last week or end of June. We will certainly try to improve that. When we come back for the first and second readings, we will look at revenues and adjust them again. If Council has decided by then, the first reading would be August 17th, the second reading would be August 31st, and the third and final reading would be September 14th. Of course, that is at Council's discretion, we can move dates around, but we do need to publish those if they meet Council's agreement. I would like Council to look at August 4th, 5th, or 6th for a Special City Council meeting for a few pending business items. We would need feedback from Council on which scenario you would like us to bring back to you in the Budget Ordinance."

Mayor Butler stated, "We are asking Council to study the scenarios and then let him Mr. Yow know which scenario you want to bring back."

Councilmember Haire asked, "You need to have this input by when?"

City Administrator Yow responded, "The first reading is August 17th so by August 10th. We want to give you an opportunity to review it and discuss it among yourselves and then let us know which scenario to present to Council."

Mayor Butler stated, "Please give much consideration to Scenarios 3, 4, and 5."

2914
Councilmember Haire asked, "In Scenario 5, we are basing that on our budget, right? We need to know where to go to cement the budget."

City Administrator Yow responded, "We had this in last year's budget, but were not able to work it out. We deferred some capital costs and some equipment in order to balance the budget. If it is not worked out, we would make some mid-year adjustments. It is becoming more imperative each year to replace that equipment."

Councilmember Haire asked, "Doesn't that become harder if we are already in a leasing agreement with Enterprise?"

City Administrator Yow responded, "In order to make this Scenario 5 work, you would have to get the Fire district in place prior to this calendar year so that it would be reflected on the taxes that go out. We would not enter any agreement on those large capital items until we know that is in place."

Councilmember Haire stated, "If we cannot meet due to the virus, how will we be able to do it?"

City Administrator Yow responded, "I think the Mayor and Administrators will have to meet with the County Chairman and Administrators to come up with some framework to bring back to their respective Councils. There is no issue with the two Councils talking on the phone and one on one. I do not think it has to be a situation where we have twenty people in a room"

There being no further business the meeting was adjourned.

Respectfully submitted,



Patricia Phillips
Interim Assistant City Clerk

/lhh

