

Orangeburg City Council held a Special Meeting on Facebook Live via Zoom on Monday, August 17, 2020 at 10:00 AM with Mayor Michael C. Butler presiding.

**PRESENT IN PERSON:**

**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**

Mayor Butler began with a roll call to establish who was present.

A motion was made by Mayor Pro Tem Kalu, seconded by Councilmember Haire to approve the July 14, 2020 DPU Budget Workshop Session Meeting Minutes. The motion was unanimously approved by roll call vote.

A motion was made by Councilmember Keitt, seconded by Mayor Pro Tem Kalu to approve the August 6, 2020 City Council Minutes. The motion was unanimously approved by roll call vote.

A motion was made by Councilmember Stroman, seconded by Councilmember Knotts to approve the August 13, 2020 City Council Minutes. The motion was approved 6-0-1 by roll call vote. Councilmember Haire abstained as he was not present at the last meeting.

City Administrator Yow stated, "Mr. Adam Humphries, PE, SCDOT Program Manager is here via Zoom to speak to Council regarding the US301/Russell Street Intersection/Edisto River Bridge Project. A letter is in Council's packet concerning SCDOT asking the City Administrator to sign to proceed with the project and this letter states it is not a substantial impact in the Gardens. The property was surveyed and staked, and it does not shut down our operations. We will have to relocate the Welcome Sign. Trees will be removed. SCDOT will assist the City in costs relocating the signs and replanting trees. It does not impact our operations such as the Disc Golf Course, playground or test gardens."

Mr. Humphries stated, "I wanted to give you an update on this project. We are replacing the Edisto River Bridge over the North Edisto as well as the Swamp Bridge and adding an acceleration lane onto 301. We are going to require some Right of Way from the City near the Bridge and the Test Garden. As you can see on your screen, (map shown), we are requiring an additional 75 foot of Right of Way near the Bridge and an additional 45 foot of Right of Way near the Test Garden. We will provide funding to move the sign. The driveway into the Disc Golf Course will operate as a right in and right out after construction. As the letter shows, it will have a minimum impact to the City's operations. We are adding aesthetic elements to the bridge. We are adding palmetto trees that can be stamped into the end caps of the bridge as well as the red bricks on the face of the bridge. We know it is a landmark as you are going down the river and we are trying to maintain these elements as well as street lighting. We are also trying to tie in future connections of the boardwalk, we are adding an 8x10 clearance under the bridge for that. We do need to move forward with the project. The bridge is vital, and we are going to maintain four lanes of traffic and pedestrian traffic. It will be a construction site, but we will be able to maintain traffic."

Councilmember Keitt asked, "How long will it take to complete this project?"

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Mr. Humphries stated, "The right of way phase will take up to a year and then construction will start late next fall and construction will take two years. We are looking at the end of 2023."

A Motion was made by Councilmember Haire, seconded by Councilmember Keitt to give authorization for City Administrator Yow to sign the letter for SCDOT to start the project. The motion was unanimously approved by roll call vote.

A motion was made by Councilmember Haire, seconded by Mayor Pro Tem Kalu to approve the Second Reading of Ordinance repealing Section 2-10.5, titled "Cable Television Programming Commission", Sections 7-1.1, 7-1.2, 7-1.3, and 7-1.4 prohibiting Sunday sales, Section 7-1.10 prohibiting sale of goods produced in communist countries, Section 5-16, titled "Loitering" and Section 5-28, titled "Vagrancy" for the code of Ordinances of the City of Orangeburg. The motion was unanimously approved by roll call vote.

City Administrator Yow addressed Council concerning amending the FY 2019/2020 Budget. He stated, "I want to thank all of those involved, starting with City Council, Department Heads and the Budget Team. As Council knows, I am a firm believer that you revisit your current fiscal year budget and amend your numbers as you move into the year end and next year's budget. This gives you a more accurate, historic base line. There is a sheet in your packets as an overview for projections. We have the following:

General Fund

Revenues and Expenses totaling \$18,008,277 each which shows a balanced budget and it is adding \$164,768 to Cash Reserve or Fund Balance. This budget is sizably smaller than the one we adopted previously. As you know with the budget meetings, we have deferred some capital items until next year and we have had some issues with COVID 19. We are not showing a loss which is a positive.

Airport Fund

Revenues \$772,945

Expenses \$1,399,900

Difference \$-626,955 then if you take out depreciation of \$721,088, you then show a positive cash flow of \$94,133. I will tell you that fuel sales were impacted by COVID19. All in all, our Airport is operating as a cash flow basis on its own.

Pro Shop

Revenues \$63,635

Expenses \$63,635

We transfer the profit to the Golf Course which is estimated as \$34,356.

Golf Course

Revenues \$253,673

Expenses \$656,607

Difference -402,934, then you take out depreciation of \$46,700 and you have a negative cash flow of \$356,233. This is after the transfer from Pro Shop also. The Golf Course continues to operate at a loss. We were closed over a month due to COVID 19. We hope those numbers will get better. We really need to look at those numbers harder and make decisions to cut losses at Hillcrest Golf Course.

2% Fund – Hospitality

This fund is used to help fund capital items such as the Gardens, Recreational Complex and other items related to Tourism.

Revenues \$1,400,000

Expenses \$1,650,000

Fund Balance – we can use \$233,000 in Fund Balance. I do not anticipate using all of this. Our current aggregate fund balance is over 1.5 million. Our largest expense last year was the rebuilding of the Edisto River Boardwalk and we did get a reimbursement from FEMA, over \$420,000.

Councilmember Keitt "Is the Hospitality where people can get a grant?"

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City Administrator Yow stated, "This is not the Accommodations Tax but sometimes Council earmarks money from this fund for projects such as the Pavilion or Arts Center."

Councilmember Keitt, "On the Golf Course, hopefully we would be able to change those numbers in 2021."

A motion was made by Councilmember Keitt, seconded by Councilmember Knotts to approve the First Reading of an Ordinance amending the Budget for City of Orangeburg, SC for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020. The motion was unanimously approved by roll call vote.

Assistant City Administrator Singh addressed Council concerning the 2020-2021 Budget. Mr. Singh stated,

General Fund

Revenues	\$22,154,484
Expenses	\$22,154,484
Cash Reserves \$	94,174

Airport Fund

Revenues	\$ 2,228,144
Expenses	\$ 2,911,454
Difference	\$ -683,310
Depreciation	\$ 721,088
Total	\$ 37,778

Pro Shop Fund

Revenues	\$ 76,923
Expenses	\$ 6,923

Golf Course Fund

Revenues	\$ 284,378
Expenses	\$ 642,727
Difference	\$ -358,348
Depreciation	\$ 46,700
Total	\$ -311,648

Hospitality 2% Fund

Revenues	\$ 1,290,500
Expenses	\$ 1,443,723
Balance Used	\$ 153,223

There is no property tax increase, our current millage is 100. One Mill = approximately \$43,000

There are no business license increases. Insurance Business Licenses continue to grow. I do want to remind Council that the Municipal Association and the General Assembly are looking at standardizing all business licenses in the State where there will be a portal where businesses can transact business through the portal. With standardization there are winners and losers where some businesses will have lower rates, and some will have higher rates. That is something to keep in mind and we are doing everything we can to make it revenue neutral.

Our cash reserve amount needed to balance the budget is between \$42,705 to \$1,142,705 for the FY 2020-21 budget. Keep that in your mind as we talk further.

There are no proposed increases in DPU transfers. Our fire revenue is by contract and we are taking in about \$800,000 and we are spending much more than that. We are estimating \$200,000 in our Forensic Lab Revenue. There is a possibility of CARES Act funding, we are currently working on that now. There are no increases in residential or commercial sanitation. We are

looking at raises rental fees at Parks & Recreation. There are increases in Stevenson Auditorium, Hillcrest Golf Course or Building Permits. There are no changes in Franchise Fees. That is not a large revenue factor. Fines continue to go down. Estimates for North Road Complex is a moving target due to COVID. This is something we will have to work through the FY 2020-21 budget.

There were a few expenses moved in FY 2020-21 to include two fire trucks for about \$2,300,000. With our patrol cars and other vehicles, we are looking at a Fleet Program to get fourteen (14) cars versus the Lease Purchase Program we have used in the past. We have a new camera system for our police vehicles. We recently acquired AXSON body cams and we are proposing to go to AXSON in car cameras which will allow us a much more seamless operation and a better system. The Finance Software continues moving from an AS400 system to a web-based system and it is an ongoing process. In the long haul, this will pay off in collections and making it much easier to view financial transactions. We are looking at replacing our phone systems in the City. We have two systems currently. We are proposing a lease program for this system for one for the entire City Departments. This will allow expansion and the current system is at the end of life. The Garage has a lift included in this budget. It is used for our heavy equipment.

We will be looking at a traditional lease purchase for \$2,300,000 for the fire trucks for five years. We are looking at several other financing options for other items for the Camera System and the cars. The budget includes a 1% Cost of Living Increase which is \$134,000. Small Capital is \$6,200. COVID related expenses is going up a little.

Councilmember Hannah asked, "We concentrated a considerable amount of our funds in technology and machinery and it is a 1% Cost of Living. Is there anything in this budget to have more humans?"

Assistant City Administrator Singh replied, "There is not anything in there at this time. We would be happy to look at whatever Council wished us to look at. As we talk about technology, we keep adding more to technology and that is how business runs now and more efficiently."

Councilmember Hannah asked, "When we talk to DPS, we need more officers, but the cameras work well. We need more manpower in DPS."

City Administrator Yow replied, "There are some items involved in manpower such as the renewed Health Clinic for employees. We also hope to offer no increases in medical insurance to all employees not just Public Safety. We have also a vehicle take home policy in the works for the staff at DPS that can help recruit and retain officers."

Assistant City Administrator Singh stated, "One of the reasons we are looking at the Fleet Program from a retention program is having equipment that is appealing to officers to use. A DPS officer's office is the vehicle and if it is older, they are in pretty tough shape. The cameras and cars make us competitive if someone is looking to come to work with us. Also, state retirement costs are going up 1%, State will be going to 16.56% and DPS Officers will go up to 19.24% which is an approximate cost for both the State and PORS is \$91,000."

Mayor Pro Tem Kalu asked, "How much were the Cost of Living increases the prior years.?"

City Administrator Yow replied, "In FY 2018-19 and FY 2019-20 were 1% and FY 2017-18 was 2%."

Mayor Pro Tem Kalu asked about increasing the Cost of Living and COVID costs.

City Administrator Singh replied, "If we did increase the Cost of Living that would cut into our fund balance. We have looked at our revenue streams and we feel comfortable with those streams for FY 2020-21. With COVID, we do not know what will transpire."

Mayor Pro Tem Kalu asked, "What areas are in need for manpower?"

Assistant City Administrator Singh replied, "DPS is always short in manpower. We are constantly recruiting. We have a lot of grass cutting to do, we run very lean. We could increase staff or contract some of that out. If we ask our Departments, we always need more staff. We have grounds areas that need more manpower and we sometimes supplement it with summer help."

Code Enforcement has \$60,000 for demolition

We have moved some requests from the General Fund to other Funds within the City which totals \$255,500.

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### **Budget Scenarios:**

Assistant City Administrator Singh stated, "I have given you many scenarios and spreadsheets. We have five scenarios. We are recommended Scenario 5 which is making a significant change in how we purchase equipment. This will provide a savings and bring our equipment up. Updated vehicles are a positive thing among employees. We are proposing a Fleet Program.

Scenario 1 – keeps everything the same as we have done before. We buy our equipment and have \$800,000 in fire contract revenue. This will pull more of our fund balance.

Scenario 2 – Does not include the fire trucks. We have to have the trucks due to aging hydraulics in the platform truck. Every year the fire trucks have to be certified.

In Scenarios 3-5 – we have discussed in the past that we serve the fire district which is a 5-mile radius outside the City Limits. We are proposing a fire tax district that we basically cover with a tax for 17-19 mills. The current revenue stream is by fire contract. You pay a fire contract in the district. Over the years, this collection has gone down. If we see this revenue source next year, we will be looking at collecting more money in the range of 1.2 – 1.9 million or maybe more.

Scenario 3 – includes the fire trucks, the body cameras and the Fire Tax District

Scenario 4 – includes all in Scenario 3 and the vehicles on the traditional lease purchase. We would do what we do now and we buy the vehicles and then try to sell them at auction.

Scenario 5 – This would be a Fleet Program where the cars will come equipped with all DPS needed equipment and at the end of its term we would have a residual value when we turn the vehicle back in. We are looking at vehicles that come in ready to go. We are then on a program somewhat like a treadmill and the first year is a little more and then the number goes down as we increase our fleet. Overall, our current fleet is over 8-15 years old and Enterprise took all of our data and the Fleet program is based on actual data.

Mayor Butler asked, "In Scenario 5, that includes everything?"

Assistant City Administrator Singh stated, "It includes what is proposed in the Budget. If Council chooses that Scenario 5 is not what you want to do, we would have to go back and make some minor changes. This Fleet Program will level out our expenses in the long haul."

Mayor Pro Tem Kalu asked, "How much do we collect in Fire Contracts and then if the Fire Tax District is passed, what would that be?"

Assistant City Administrator Singh stated, "IF we do not have the Fire Tax District in place, you are going to be looking at fund balance to balance the budget. We have got to actively get that ball rolling now. In the Scenarios, it shows how much fund balance will be used."

City Administrator Yow stated, "Dr. Kalu asked about what we needed to get this Fire Tax District in place. Currently \$860,000 for Fire Contracts, approximately \$1,900,000 for Fire Tax District. We need to do this soon to get it on the tax bills. The City/County needs to work on building future substations also."

Councilmember Haire stated, "We may need to talk about the percentages of calls handled inside versus outside the City. Most of our calls are outside the City and our equipment is used outside the City."

City Administrator Yow stated, "Our calls are much greater outside the City. Some of the growth has been outside the City also. We will have DPS bring updated numbers to the next meeting."

A motion was made by Mayor Pro Tem Kalu, seconded by Councilmember Keitt to approve the First Reading of an Ordinance to Adopt a Budget for the City of Orangeburg, SC for the Fiscal Year beginning October 1, 2020 and ending September 30, 2021.

City Administrator Yow addressed Council, he stated, "We have four vacancies on our City Employee Grievance Committee, which consists of employees from various departments. If a grievance is brought by an employee, it goes to that committee for a hearing and recommendation, and then to City Council for findings and final decision. We have some terms that have expired. These are three-year terms. The nominees for the four expired terms are: Latoya Walker (alternate) reappointment- Public Works, Albert Black (alternate) reappointment- DPS, Jennifer Lisby - new appointment- Finance and Bobby Evans - new appointment - Hillcrest. This is Staff's recommendation to Council, but we are happy to answer any questions you have."

Councilmember Hannah stated, "I do not have an issue with the appointments at all. I have an issue with the demographics of the committee when the committee is all appointed by their Directors and no outsiders on that committee."

Mayor Butler responded, "The committee is not set up to have outsiders. It is set up to be full time employees from each department within the City."

Councilmember Haire, "What does Mr. Hannah mean by outsiders?"

Councilmember Hannah responded, "There is no one from the Council represented. We do not get an appointment."

City Attorney Walsh stated, "The Grievance Committee makes a finding and recommendation to City Council and then the final decision is made by City Council on all grievances."

City Administrator stated, "Mr. Hannah, correct me if I am wrong, but maybe what I heard you ask is that City Council does not make appointments itself. These are nominations from the Staff for City Council to approve. City Council can make separate nominations if you like. "

Councilmember Hannah responded, "You stated it exactly right, but I will end it right there."

Mayor Butler asked if there were any more questions.

A motion was made by Councilmember Keitt, seconded by Councilmember Knotts to approve the nominations of reappointments Latoya Walker (alternate) - Public Works and Albert Black (alternate) - DPS, and new appointments Jennifer Lisby - Finance and Bobby Evans - Hillcrest to the City Grievance Committee. The motion was unanimously approved by roll call vote.

DPU Manager Harley addressed Council concerning DPU's budget. He stated, "I would like to point out that item #9 should not be a separate item it should be a part of item #11. I will start with item #10. We have endeavored to do an amendment of our current year budget, so we are more in line with what is happening with respect to our funding and expenses. So, item #10 is the first reading of an ordinance to amend the budget for the Department of Public Utilities for the fiscal year October 1, 2019 through September 30, 2020. Where revenues exceed expenses of \$15,177,500."

Mayor Butler asked if there are any discussions with Mr. Harley concerning the FY 2019-2020 budget for DPU.

A motion was made by Councilmember Haire, seconded by Mayor Pro Tem Kalu to approve the First Reading of an Ordinance to Amend the Budget of the Department of Public Utilities for the Fiscal Year October 1, 2019 through September 30, 2020. The motion was unanimously approved by roll call vote.

DPU Manager Harley stated, "I want to thank City Council for their continued support and diligence to make the DPU the best they can be. Their efforts are very much appreciated. I also want to thank staff for their hard work in meeting customer's needs. We will begin with a general overview of the entire budget for next year."

Revenues - \$98,789,400

Operating Revenues - projected to be down about 9%

Bad Debt - a slight increase of \$150,000 from the prior year

At this point, we are not projecting a rate increase in this current budget.

Total Expenses - \$85,000,000 – projected to be down about 7.9%  
Purchased Power Costs – projected to be down

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We are preparing to pass on to all our customers a rate reduction related to the reduction in costs on energy purchased from Dominion Energy.

Also, included in our Budget, we are doing succession planning for several areas. We are preparing for employees leaving and adding assistants to areas that are lacking. There will be seven positions added at a cost of \$374,000. Three of those will be in Wastewater. The bulk of these are to help with succession planning where employees are planning to retire soon. We also have one position in Water, one position in Electric, and one position in Gas.

We project that our income before transfers will be \$ 13.2 million, which is a 5% return on equity. We have budgeted our projected transfer to the City of \$5.6 million. There is no new debt planned in FY 2020-21. The budget plans to draw down cash reserves \$11.2 million. As we mentioned in our budget workshop, that is related to the process of projects moving over into the next year's budget, particularly our operation center. That is the bulk of the \$11.2 million that we will draw down.

We are asking Council to allow us to establish an Economic Development Reserve Fund. This will allow us to set aside funds to address economic development issues in a more rapid-fire manner. Council would still maintain control of what funds and how they release them. We ask that you allow us to set aside \$1.6 million that we received back from the GKN Project. We would like to bring back to Council criteria for us to be able to manage this fund and to be able to guide Council in any allocation of funding from this. We want to be sure that we are in compliance with state law and all the requirements with our covenants. We will have to consult with Mr. Walsh as well. At the very least, we want to have these funds set aside so we move forward strategically with respect to our goals for economic development.

We are planning several capital projects which we already covered in the budget workshop so I will not go into details. Total estimated costs for our Capital Improvement Plan for the FY 2020-21 budget cycle is \$25.5 million. As always, the goal is to enhance safety, improve our system, installing upgrades to be able to innovative and efficient. We endeavor to put things in our budget to serve our customers and employees. We are always trying to find ways to grow our system and grow our community. We are going into our strategic planning process where we will ultimately bring Council into the process for your input as to what goes along with your vision for this community. I will take this opportunity to answer any questions you might have at this time."

Councilmember Stroman asked, "There is no rate increase, correct?"

DPU Manager Harley responded, "That is correct. We will be passing on a rate reduction due to a reduction in fuel costs paid to Dominion Energy."

Councilmember Stroman asked, "There is no increase in supply charge on the electric bills?"

DPU Manager Harley responded, "No Sir. No increase."

Councilmember Stroman asked, "Is there any increase if a customer comes in to apply for a water, wastewater, or gas tap?"

DPU Manager Harley responded, "No Sir. No fee increases."

Councilmember Hannah stated, "As it relates to seven new employees, I know some are technical, did you say you were going to bring them in and train them?"

DPU Manager Harley responded, "There are three that are related directly to succession planning. That is the process of bringing in the employee so they can be in line to replace an employee who is retiring or leaving."



Councilmember Hannah asked, "So what about the existing employees? They do not get a chance to upgrade or apply for those positions?"

DPU Manager Harley responded, "Anybody can apply for the positions. We have had employees who have successfully moved from one division to another. It is a possibility." 2931

Councilmember Hannah stated, "When you said train, I thought you were bringing someone straight from technical school versus someone who is already there and only needs 10 % training."

DPU Manager Harley responded, "As we talked about in our budget planning session, Mr. Hannah, if you recall the discussion on employees, we are a small, thin organization. There are a lot of jobs only one or two people do so we do not have a lot of people waiting in the wings. Even if it is an internal transfer, more than likely, there is a 95% chance that the employee would have to go through training for that position, so I did mean training. Whether they are coming from internally or externally, nine times out of ten they will need training."

Councilmember Hannah responded, "Thank you for the update."

Councilmember Keitt stated, "I would love to see those people who are inside already go through training. It would take less time to train them unless those outside people have had some experience in that particular field."

DPU Manager Harley responded, "Ms. Keitt, I want you all to know we do allow inter-departmental transfers. Some of the challenges to that is skill set because some employees in one division may not know what they need to know for the new position. Sometimes, employees would need to take a step down to go into the other job so it does not always correlate because you are a current employee you have the skill set to do the job, but if they do, certainly. If they apply, we will facilitate that process. We do have some stipulations on transfers so that we can be sure the entire operation is stable and that we do not put a disadvantage on one department to another."

A motion was made by Councilmember Haire, seconded by Councilmember Hannah to approve the First Reading of an Ordinance to Adopt the Budget of the Department of Public Utilities for the Fiscal Year October 1, 2020 through September 30, 2021. The motion was unanimously approved by roll call vote.

A motion was made by Councilmember Keitt and seconded by Mayor Pro Tem Kalu to go into Executive Session to discuss a Legal and Personnel Matter, A: Settlement of legal claims - Director and Command Staff, Department of Public Safety. The motion was unanimously approved by roll call vote.

Council did not return to open session.

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Carrie Johnson  
City Clerk



/lrm