

Aiken City Council Minutes

April 29, 2008

WORK SESSION

Present: Mayor Cavanaugh, Councilmembers Clyburn, Dewar, Price, Smith, Vaughters, and Wells.

Others Present: Roger LeDuc, Glenn Parker, Richard Pearce, Anita Lilly, and Sara Ridout.

Mayor Cavanaugh called the meeting to order at 3:10 P.M. and stated the purpose of the meeting was to discuss the proposed budget for fiscal year 2008-09.

BUDGET 2008-09

Mr. LeDuc stated the proposed budget follows the goals that Council set at the Horizons meeting on January 25, 2008. No tax increase is proposed in the General Fund budget. He then reviewed the rate increases that he was proposing.

Mr. LeDuc stated over the last several years our commercial and residential garbage rates have not come close to paying for the services rendered. To achieve the full cost recovery, we recommended last year to spread the cost for commercial over a three year period, or an increase of approximately 33% each year. Last year Council approved the necessary increase, and we are now recommending the second of the three part increase this year. As you may recall last year we changed our billing format to a trip charge and a tipping fee, which is the cost we pay to deliver and landfill garbage at the Three Rivers Landfill. Previously the fee had been based on the size of garbage container rather than the number of trips to empty the container. This year we are recommending an increase of \$1.76 per trip for a total increase in revenue of approximately \$65,000. Although fuel prices continue to increase next year, we should achieve full cost recovery for commercial garbage. He pointed out a listing which shows the rates for all our customers based on these new rates. He stated at the May 12, meeting there would be an ordinance to increase the commercial garbage rates.

Last year we raised our residential garbage rates by \$1.50 per month and at that time talked about increases over a three year period until revenue matches expenditures. In November Council asked us to try not to increase our residential garbage rates for one to two years until the economy stabilizes. Therefore, although we are not achieving full cost recovery through our residential rates, we are not recommending an increase this year. A listing of the rates of several private and public garbage services in Aiken County was given to Council. Most of these are \$3 or higher than what the City currently charges.

Mr. LeDuc pointed out in November Council changed the millage rate from 71 mills to 66 mills because of reassessment.

Since 1997 our water and sewer expenses have increased an average of 5.7%, while our revenues have increase at only a 2.7% rate. The cost of gas, chemicals, and utilities have all increased, causing our costs for operation to increase. This imbalance has led to a shortage in manpower, thus causing a delay on some of our infrastructure improvements. When comparing the City of Aiken's water and sewer rates with other major cities in the state and those cities within our area, Aiken's rates are 49% below the state average and the second lowest in the state. Over the last few years there has been a major increase of over 10% for electricity and 15% for chemicals. The Aiken County Public Service Authority, which treats the city's sewage, has also increased their rate by over 15% this past year and over 30% over the last four years. For this reason staff is recommending a 5% increase in water and sewer rates with other possible rate increases over the next few years. This would add \$1.65 per month to the average customer's monthly bill, still leaving us with the second lowest water and sewer rates in South Carolina. He pointed out the state is still in a moderate drought condition, and we will be trying to get people

to understand that they don't have to water their yards every day. It was pointed out that we need to educate our citizens to conserve in a lot of ways. It was stated that perhaps Aiken could become a "sustainable" or energy efficient community.

Mr. LeDuc stated the major new expenses within this year's budget include funding for a Northside Transportation Study, 20 more Public Safety vehicle computers, development of a traffic model for the City of Aiken, a new playground at Governor Aiken Park, historic survey of homes in our original grid, and a new dog park. There was some discussion on a possible location of the dog park—Citizens Park or at the new SPCA on Beaufort Street. The Rye Patch work will continue with the renovation of the upstairs. Also, we will continue with plans for the expansion of the Municipal Building, funding of the façade grant program, the spay/neuter program, support of the library, Best Friend, ADDA, Character Education, Northside revitalization, the Senior Citizens Tax Write Off Program, post-retiree health benefits, Succession Management Program, and completion of the PRT Master Plan.

In the General Fund budget we are recommending 7 new employees, 5 of which are Public Safety employees, with 3 being at the new station being construction at Citadel Drive, and 4 part-time employees, plus 1 part-time employee becoming full time. Of the other two officers 1 will be a School Resource Officer working in the middle schools and with in-school suspension. It was suggested by Council that a fitness center be on the northside of town, perhaps Smith-Hazel or another location on the northside. Some of our major expenditures include over \$300,000 in planning and traffic studies, \$5 million in insurance and in benefits, and \$270,000 for Public Safety computers. This is our last year to help fund the African-American Cultural Arts Center and Railroad Depot from the local Accommodations Tax Funds. He said we had used a portion of the funds for brick and mortar and the other half for programs for our citizens and things that would bring visitors to Aiken. He pointed out some of the funds had been used for the renovations for Rye Patch as well as some of the Alcohol Taxes. He said some funds may be available for some new projects in the future. Council suggested that possibly some funds could be available in the future for the Free Medical Center. This would be something that would help improve the quality of life for citizens and go along with the wellness program. They also talked about expanding the public transportation and providing a means for citizens to get around such as the Best Friend Express. They reviewed the Senior Tax Write Off Program and other programs that benefit the citizens, such as the Aiken County Library, and ADDA.

From the 1 Cent Sales Tax, the City will be constructing the new Public Safety Substation No. 5 and will fund fire trucks, the construction of a new Public Safety Training Building, storm drainage work in Hitchcock Woods, the Pawnee/Neilson connector, a new Citizens Park walking trail, and street resurfacing. These projects will help develop and energize Aiken with several activities supporting our quality of life. Council then discussed the projects including the turn lanes for Dougherty Road, the Pawnee/Neilson connector, the turn lanes for Silver Bluff at Dougherty, and the many studies that have been done for the Hitchcock Woods drainage problems.

Mr. LeDuc reviewed the work the city is trying to do with street sweeping and sweeping the streets in neighborhoods. Part of the stormwater requirements is to keep the streets swept.

Our Utilities Budget includes funding for a new well, 1 million gallon storage tank, and \$310,000 in waste water improvements. We are increasing our contributions to the Public Service Authority this year by \$300,000. We intend to move forward with several water and sewer rehabilitation projects, including water main replacements on Whiskey Road and Marlboro Street and sewer main replacements in Hitchcock Woods, Crosland Park and on Pendleton.

Based on this year's tax assessment we adjusted our millage rate to 66 mills and current taxes, including personal, merchant, vehicle, TIF, and homestead exemption make up approximately 30% of the General Fund budget.

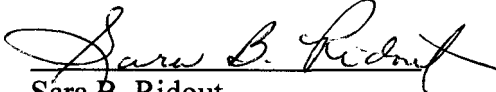
Mr. LeDuc summarized the budget, stating the two increases being recommended by staff are an increase in commercial garbage rates and an increase in water and sewer rates.

Council then discussed various items, including the condition of Crosland Park, renting versus homeownership, possible incentives to encourage people to keep their lots clean, Section 8 housing, neighborhood associations to help encourage pride in neighborhoods, and the rental registration program.

Mr. LeDuc stated Keith Shaver of the Community Development Committee is working to try to make a difference in Crosland Park. The association has been reorganized with block captains on most streets. Youth is being organized and programs and events scheduled for the youth. He pointed out a summer worker is being hired in the Recreation Department to work with youth in Crosland Park. Section 8 housing and inspection of the housing was discussed.

ADJOURNMENT

The meeting adjourned at 5:15 P.M.


Sara B. Ridout
City Clerk