

Aiken City Council MinutesWORK SESSION

April 30, 2019

Present: Mayor Osbon, Councilmembers Dewar, Girardeau, Gregory, Price, and Woltz.

Absent: Councilwoman Diggs

Others Present: Stuart Bedenbaugh, Sara Ridout, Kim Abney, Kym Wheat, Charles Barranco, Mike Przybylowicz, Tim O'Briant, Lex Kirkland, Jessica Campbell, and Tim Coakley.

CALL TO ORDER

Mayor Osbon called the work session of April 30, 2019, to order at 4:05 P.M. Mayor Osbon stated for Council discussion is a continuation of the FY 2019-20 budget. This will be Council's fifth budget work session.

BUDGETFY 2019-20Solid Waste Department

City Manager Stuart Bedenbaugh stated this will be the fifth meeting we have had about Solid Waste since last fall. Based on the meeting we had about a month ago, staff has put together a budget with a solid waste fee of \$17.00 which is the current rate. He felt the sense of Council at the last discussion was to compare a budget with a fee of \$17 with a budget with a rate to continue to fund our Solid Waste services in house. Council wanted an exact dollar amount for that cost and what that dollar amount entailed. He pointed out in the agenda packet there was a proposed budget detail and what that entailed. He noted that the Proposed Budget Detail for the Solid Waste Fund listed the proposed expenditures with a \$17 a month fee and proposed expenditures with a \$20.38 per month rate which would be an increase of \$3.38 per month per customer.

Mr. Bedenbaugh stated we have money in our Depreciation Account to replace equipment now. He said this is not a case where we would have to borrow to make the proposed equipment replacements. Since 2013 we have purchased one truck—the automated truck. This truck is used in the newer sections of town where there are underground power lines and not a lot of old growth trees. We still have the traditional rear loader garbage trucks as well. The proposed budget proposes to replace old equipment that is past its useful life. It allows us to add a couple of full time workers by replacing part-time workers. He pointed out that in 2016 we lost our inmate workers. That gave us a budget hole of over \$200,000 a year because those prisoners from the Lower Savannah Work Release Center on Wire Road were paid \$15 a day. Then we suddenly had to replace them with Temp workers that we had to pay about \$14 per hour.

Mr. Bedenbaugh stated in the Recycling Division we had cut back to every other week for pickup. Every other week recycling is still reflected in both versions of the budget. For Yard Waste the proposed budget would purchase some extra equipment and continue with the same operation of unlimited, unbagged yard waste. For the heavy duty piles we would look to make appropriate charges. One thing in the proposed budget is money for rollcart replacement. He pointed out the proposed \$20.38 fee has \$.78 designated for replacement of rollcarts, including garbage and recycling carts at \$.39 each per month. The carts that we buy have a useful life of 12 years. Some carts will last longer, based on the amount of use and where they are stored during the week. He said the average cost, including tax, shipping, etc. estimated over a 12 year life span to replace the rollcarts, would be \$.39 per month per cart. He said \$.78 is built in as part of the \$20.38 fee. Mr. Coakley stated presently staff is repurposing some of the rollcarts by painting them blue to use for recycling carts. It was pointed out that the purchase of new rollcarts would be spread out over a period of time. The proposed \$.78 per month fee would go in a designated account for the purchase of rollcarts.

Mr. Bedenbaugh stated he had reviewed the high level proposed budget for the Solid Waste Department. He said there are funds in the Depreciation Account to replace four trucks. He said staff is proposing to add a fifth truck. The rationale for that is we have been operating with four trucks since 2002 when we had about 9,000 accounts. Presently we have about 12,000 accounts, which is roughly a 33% increase. He said staff feels the proposed budget with a fee of \$20.38 per month will help run the Solid Waste portion of the operation more efficiently. He pointed out that for 17 years we have run the operation with four trucks. He pointed out that in reading previous Council minutes, we were having discussions about Solid Waste issues nine years ago about solid waste rates. At the time Council was hesitant to raise the rate. The Solid Waste at that time was part of the General Fund. Moving the department into an Enterprise Fund in 2015 has shown the cost of the operation.

Mr. Bedenbaugh stated with Recycling, staff would like to replace a truck and replace two part-time recycling workers with one full time worker and continue every other week recycling pickup.

Mr. Bedenbaugh stated Yard Waste is the most expensive component of the Solid Waste Department budget. Staff is recommending adding two trucks, four trailers, two leaf wagons, and two equipment operators to drive those trucks. He said in talking to Council over the last few months, he did not sense that Council would like at this point to tackle the issue of how we collect solid waste, meaning continuing to collect it unbagged and unlimited.

Councilman Woltz stated he felt the City should tackle that and should enforce the regulations that are on the books regarding the size of the pile and the length of logs. He felt we should enforce the regulations and charge people if they have an abnormal amount. It was pointed out that regulations stipulate the size of the limbs—the length and diameter. He felt that staff should start tightening down, and felt that it would help get a grasp as to what the real problems are.

Mr. Bedenbaugh stated if that is the sense of Council that staff is ready to enforce regulations. It would require education, support from Council, and cooperation from our citizens. He said there would be a learning curve. He felt regulating the yard waste may be more difficult than the change to every other week recycling since the City has been doing unlimited yard waste for a long time. It took about two months to get people use to the recycling rules. This would be a much more drastic change. Mr. Bedenbaugh stated the change could be whatever Council wants to enforce. He said he felt that limiting pile size would help with our operations. He said staff would like some direction from Council as to what they would like the rate to be for the presentation of the budget for first reading on May 13, 2019.

Mayor Osbon stated he was comfortable with the number of \$20.38 per month that Mr. Bedenbaugh had presented for Council consideration. He said he felt we should enforce the regulations that we have for yard waste. He felt Council wants to continue to look at how we do the yard waste as that is our largest component that seems out of control. He felt we do need to talk about educating our citizens of the regulations currently on the books regarding yard waste.

Mr. Bedenbaugh noted that the regulations are in Section 32-3 for residential yard waste. The regulations state that limbs should be 6 feet or less in length. The regulations do not address diameter.

Councilman Dewar noted that in the past Council has not wanted to enforce the regulations. He pointed out that the portion of the ordinance he was talking about enforcing is that if a property owner contracts with a landscaper, the property owner is required to ensure the landscaper takes the yard waste with them and not leave it by the curb for the City to pick up.

Council continued to discuss the regulations for yard waste, enforcement of the regulations regarding size of limbs, and requiring landscapers to take the material away

when they do yard work for a resident. There were comments that it was impossible to require landscapers to take away the debris after they do yard work as it would be difficult to prove who did the work, a contractor or the property owner.

Mr. Bedenbaugh stated to address the yard waste issue one thing we could do is have an ordinance for consideration on May 13, 2019. Presently the regulations require that limbs be no longer than six feet long, but does not designate the diameter. In the past we have suggested no more than 6 feet in length and 4 inches in diameter for limbs to be hauled by the city. It was suggested that four feet long and four inches in diameter might be easier for people to remember.

Mr. Coakley pointed out that something important is that they need the equipment now. He noted that presently they are behind and can't keep up with the yard debris. He stated employees are working overtime trying to catch up. He said they need equipment now to address the problem. Then they could work on enforcement of the length and diameter of limbs which he feels is a long term goal for next year. He felt it would take a lot of education, and they have to find a way to enforce landscapers to haul their debris away.

Councilwoman Price asked if staff had checked on the number of municipalities our size that are still handling yard waste. Mr. Bedenbaugh stated that is still in progress. He noted that a lot of them limit the pile size. Aiken is in the minority in terms of unlimited yard waste.

Councilman Woltz asked if staff had checked on cities regarding whether they recycle or not. Mr. Bedenbaugh stated he did not have that information with him.

Mayor Osbon asked if it would help for Council to have a committee of Council working to come up with ideas for a solution regarding yard waste. Mr. Bedenbaugh stated that would help. He stated staff would hold off on a May 13, 2019, Solid Waste recommendation for yard waste. Councilmembers suggested that it might be good to have some community members on the committee. Mayor Osbon stated Council would put together a committee.

Mr. Bedenbaugh stated staff is recommending a rate of \$20.38 for the Solid Waste fee. He said that would be on the May 13, 2019, meeting for first reading with second reading before July 1, 2019.

Accommodations Tax

Mr. Bedenbaugh stated included in the agenda packet is the budget recommendations for the Accommodations Tax and the Hospitality Tax. He noted that for the Local Accommodations Tax we expect revenue of about \$623,000. He said this money is collected from hoteliers. He pointed there had been questions about short term rentals and Airbnb and VRBO. He pointed out that the Business Licensing staff had been doing a lot of research online and have been sending letters to property owners of record of these short term rentals for business license purposes and Accommodations Tax collection. Presently a lot is done by the municipal level. He noted that it had not gotten to how it was several years ago when the State filed a class action lawsuit, of which we were a party, and sued all the online booking, including the Travelocity, hotel.com, etc. With that suit we collected a fair amount of Accommodations Tax in a lump sum judgment. Now if you book an Aiken hotel through Travelocity or hotels.com the Accommodations Tax does get charged. He felt we were heading down that road with the short term rentals.

Mayor Osbon stated he brought up that matter at the MASC board meeting. He felt we need to attack it from a state-wide perspective. He felt there was strong enough interest that MASC staff will look at pursuing that. He pointed out that the Department of Revenue is getting sales tax off of Airbnbs but they won't share that information with municipalities. He felt the matter needed to be approached by the MASC with all municipalities involved. It was felt that there are 700 to 800 short term rentals involved. It was noted that possibly the time of the Master's Tournament could be exempt from the short term rental for Accommodations Tax. It was noted that the short term rentals

should have a business license, and the city should get Accommodations Tax revenue from the rentals.

Mr. Bedenbaugh pointed out that many of the expenditures in the Accommodations Tax are recurring. We use it for streetscaping, maintenance of parkways, irrigation, tournament bidding, and some of the various state and regional tournaments we host for baseball, softball, and tennis. Also, we use Accommodations Tax funds to pay some of our salaries in the Tourism Division. That frees up money that the General Fund would have been used for. He pointed out that for Accommodations Tax and Hospitality Tax you can only spend a certain percentage on your operations. The Accommodations Tax funds can also be used for maintenance and utilities at the parks. There are no proposed major capital projects. In the past we have funded some capital expenditures out of Accommodations Tax funds. We have funded bollards in the downtown area from Accommodations Tax funds and will be replacing the old bollards in the downtown.

There was a question regarding NonCity funding. It was pointed out that the city had an agreement for funding \$10,000 for many years to the Aiken Center for the Arts for the center providing public men's and women's restrooms. That funding has been moved to the Hospitality Tax Fund. It was also pointed out that the Polo Field Pavilion was an agreement made in 2015 for three years. They paid for the pavilion at the Whitney Polo field and the City paid them back in three \$40,000 increments. No money is allocated for that this year.

Hospitality Tax

Mr. Bedenbaugh stated for Hospitality Tax we are estimating about \$1,530,000 for revenue. The expenditures include removing the vines and painting the arbors on Newberry Street. He pointed out that flexi pave had been put around the trees in The Alley. We plan to expand that to most of the trees in the downtown. He felt that the flexi pave will be a tremendous cosmetic enhancement and help with the health of the trees. We have five downtown fountains, and they are in various levels of repair for either the fountains or the stone work around them. This work is beyond our in-house capacity, and we want someone to come in and recommend and then we contract out the work to make the cosmetic repairs to the fountains. It was noted that the fountains are in SCDOT right of way and in the center of traffic.

Mayor Osbon asked the status of the request for Park Avenue to become a city maintained street. Mr. Bedenbaugh stated he had talked to someone at SCDOT about a month ago. DOT received 91 applications from cities for streets to be maintained by the cities, and they only have \$10 million for the project. They are trying to review and prioritize the requests.

Councilmembers noted the parkway improvements on Park Avenue in front of the Municipal Building. They pointed out there had been a lot of photos taken in the park on Park Avenue by wedding parties and prom photos. Councilwoman Price stated she would like to see more attention given to the cleanliness of the park, especially at certain times of the year. Councilman Girardeau asked about the work on the other parks along Park Avenue. Mr. Bedenbaugh stated bids had been sent out, and they will be opened on May 1. The work will involve the parkway project. Money was allocated last year. As part of the stormwater improvements in the parkways, we will reduce the size of the ditches and swales and make the parks more active parks similar to what we did in front of the Municipal Building. Possibly that bid can come to Council on May 13. The work will involve filling in some of the swales where we can. There was a question as to whether the improvement will include lighting. It was noted that will be done in conjunction with SCE&G. That is part of the plan. This covers all the parkways down to the Depot and then the cross parkways at Newberry, Chesterfield, and York. The design has already been done.

In response to a question Mr. Bedenbaugh gave Council an update on the status of Gyles Park which is the parkway next to the Depot. He pointed that city staff had been talking with Norfolk Southern and with Aiken Railway regarding the leasing of Gyles Park. He said he felt we are very close to bringing an agreement to City Council for approval. The

issue has been liability insurance. Norfolk Southern still owns Gyles Park and Aiken Railway leases it from Norfolk Southern. Previously the city had a 99 year lease for Gyles Park which expired in 2012. Norfolk Southern is willing for Aiken Railway to sublease Gyles Park to the City. We feel that we have a solution for the liability insurance. We received a draft lease today from Aiken Railway. Staff will review the lease. Mr. Bedenbaugh stated previously the rent for the park was \$100 per year. The rent would increase to \$1,200 per year. He pointed out that in 1956 the City signed an amended lease with Norfolk Southern and agreed to erect a fence at Gyles Park on the western and southern sides of Gyles Park. Money has been placed in the 2019-20 budget for a substantial fence at Gyles Park. The wrought iron fence would be 5 feet tall. We have budgeted \$45,000 for the fence. We would have to consult with Aiken Railway as to where the pedestrian crossings in the fence would be. There was a question as to whether Norfolk Southern would consider selling Gyles Park to the City. Mr. Bedenbaugh responded staff had talked to Norfolk Southern Railway about purchase of the property, but they are not willing to sell the property. There was a question as to whether they would allow the city to build anything on the park. Mr. Bedenbaugh responded there are some restrictions. He stated the city can put an amusement ride on the park, but it can't be on rails. The reason for that is because of the train accident in Spartanburg a few years ago. There can be a simulated train, but it cannot be on rails. He noted that is another reason a lease for the property has taken so long as they have been very adamant about not allowing an amusement ride with rails.

Councilwoman Price pointed out that it would be so wonderful if we had a rail inside the fence so there could be a ride around the perimeter of the property. She felt this could be a revenue generator for the city.

Mr. Bedenbaugh then reviewed proposed expenditures for the Hospitality Tax Fund. He pointed out that Rob Johnston, a citizen, had put \$300,000 aside for tree nourishment along Colleton-South Boundary corridor. We have budgeted \$100,000 to match the tree nourishment project. He pointed out that the tree nourishment will start after the summer and after the undergrounding is done. He pointed out that all of the large boring for undergrounding the power lines on South Boundary is complete. The undergrounding project for South Boundary is from Whiskey Road to Charleston Street.

Mr. Bedenbaugh stated the Hospitality Tax has been a big help as more and more items come into the General Fund. This fund allows us to put money towards recurring expenses that meet the definition of an allowable expense for the Hospitality Tax.

General Fund

Mr. Bedenbaugh stated presently we have a proposed budget with 62 mills for taxes. That has been the millage rate since 2012. The last time there was a reassessment we did not lower the millage rate, but kept it at 62 mills. With some of the things that staff and Council have talked about, he felt there needs to be a conversation about the millage rate. He pointed out there are two ordinances to adopt a budget. One is adopting a budget, and the second is an ordinance to set the millage rate. We estimated the value of a mill this year to be \$176,400 which is slightly higher than last year. He noted there were several things Council was talking about for consideration for a potential upward adjustment to the millage rate. For 1.45 mills the tax increase would be about \$9.57 on a house valued at \$165,000 which is the average sale price of a house in the city in 2018. If the millage rate were increased 1 mill the tax would go up \$4 on a \$100,000 home. To properly staff Station 6, which is the old Public Safety Headquarters on Laurens Street with three Driver/Operators and allow for operation of the facility, their benefits and gear, utilities, maintenance contracts for public safety in the building, we are looking at \$220,000. The other matter is School Resource Officers. We are short \$35,000 on funding for the additional School Resource Officer. The School District wants to add a Resource Officer at the Aiken Intermediate school. We have \$47,700 budgeted based on what the School District will reimburse the city. We need about \$35,000 to fully outfit and pay for the School Resource Officer.

Councilman Dewar asked if the School District is paying what they should pay. Chief Barranco stated there was an increase this year to \$47,700 per officer. Councilman

Dewar asked how much the City pays that officer per year. Chief Barranco stated each officer is different, but it comes to about 60% of the officer and benefits. The average is about 75%, because during the summer, the officers are not in the schools. During the summer the SROs fill in for other officers and in other capacities. He pointed out that when they have a School Resource Officer in the schools it does not take another officer off the street. It was pointed out that the School Resource Officer job is not an easy job. Councilman Dewar stated he feels the school should pay for the full use of the Resource Officer for the school. He recognizes it's not twelve months. Councilman Woltz stated he thought Council had talked about sending the School District a letter and asking them to go to 75% reimbursement. Mr. Bedenbaugh stated a letter has been drafted but has not been mailed. He stated he had spoken with Dr. Sean Alford and he is aware of Council's feelings. Council and staff discussed this at length.

Councilman Dewar asked if three Driver/Operators would be able to cover 24/7 Station 6. Chief Barranco stated they would. There would be one person there all the time so three would cover a 24 hour period.

Councilwoman Gregory asked if the millage increase would include manning Station 6. Mr. Bedenbaugh stated that was correct. It will also cover the shortfall from the officer. He stated that would be 1.45 mills. He stated he had heard a two whole mill increase being discussed. That leaves roughly \$97,800. He stated with that money we could continue the sidewalk and brick paver repair program. There have been over 400 spot repairs in City parks and downtown. Councilwoman Gregory stated to have a millage increase, we need to make sure it is going to something that is very sound and very community focused. She feels that pavers and sidewalks are not. She feels Station 6 is. She stated Council needs to discuss the options, and if Council were to consider a millage increase we need to make sure that it is something sound. Councilman Woltz asked if someone had tripped on the sidewalk. Mr. Bedenbaugh stated that they did and about two weeks ago the City was served with a lawsuit. Councilman Woltz stated the sidewalks need to be fixed as there is a liability issue. Mr. Bedenbaugh stated a two mill increase is \$352,800. Of that, \$255,000 would go to Public Safety and leave the balance of \$97,800. Other items that were discussed were adding positions and depreciation of fire trucks. Ms. Abney stated if we don't fund depreciation, it is compounded by the fact that now a fire truck costs more to replace than when we bought the fire truck some years ago. Mr. Bedenbaugh stated the City has not heard from the grant for the fire truck yet. The City could potentially be in line to get a grant for a fire truck. It would need to be matched with \$125,000, which has already been approved for CPST IV money. Councilman Woltz asked what other equipment accounts are not depreciated. Ms. Abney stated that is basically the only ones the City still owns. In 2008 or 2009, a lot of the pickup trucks and items that were almost depreciated, the City Manager made the decision to stop depreciating them, but most of them have been replaced since then. The fire trucks have a very long life. The question was asked if all items are depreciated now. Mr. Bedenbaugh stated there is no money in building depreciation for the 214 Park Avenue SW or 135 Laurens Street SW buildings this year since the plan is to vacate the buildings in the next 18 months.

Mr. Bedenbaugh stated he gets the impression that Council wants to raise the millage to 64 mills, with the two extra mills devoted to depreciation, catch up depreciation for the fire trucks, and for the Station 6 and related expenditures thereof. There was a question as to how much was in the budget for wage increases for the Comp Plan. Mr. Bedenbaugh stated about \$260,000 is in the budget for the Comp Plan. He noted there is a 1% cost of living increase included in the budget.

Councilwoman Price asked how much was in the budget for economic development. Mr. Bedenbaugh stated \$250,000. He stated it is in Fund 002, which is where it has been placed in the past. A lot of the economic development will be infrastructure related. He stated Mr. Tim O'Briant is talking to an entity that wants to come into the City, but they need sewer. It will cost around \$60,000 to get sewer in that area, but that would open up other unincorporated property. Money is allocated in the Water and Sewer Fund for these sort of projects. Councilwoman Price stated she feels that is not enough. Councilman Woltz agreed. Mr. Bedenbaugh stated the remaining millage money that was going to be used for fire truck depreciation could go towards economic development.

He said they could put \$100,000 in the economic development fund. That could be part of the millage component. Mr. Bedenbaugh stated he wanted to be sure how Council wants to spend a millage increase. He noted that the millage rate has not increased in 30 years and an increase will be big news.

Councilwoman Gregory stated money needs to be found for economic development, but she wants the millage increase to be applied to something that is crucial and capital assets for the community. She stated there is no plan for economic development. Mr. Bedenbaugh stated there is a plan. Some of it is haphazard because entities come to the City and point out large tracts they are interested in. The City is trying to stay ahead of it. He said we are engaging a firm to scope out areas that are right for development near the interstate at exits 18 and 22, and how to set the soil conditions for improving the infrastructure out there. He stated that is the first step and then the \$250,000 for water and sewer will help. Also, every year there is money that can be carried forward from unspent funds to the next year's budget. Those funds are reallocated. He believes that is an opportunity to allocate money to economic development. Ms. Abney stated the Brownsfield grant is helping the downtown area as well. Mayor Osbon asked when the City can apply for the follow-up to that. Mr. Bedenbaugh stated it is late this fiscal year.

Councilwoman Price stated economic development is serious. People are flooding this area, and it is a huge opportunity for the City. People want to come to the CSRA. She stated the City is doing some great things and a lot of brainstorming is happening that Council does not know about until there is something to share. The City needs to get some things in place so we can be ready. It takes money to do economic development. She stated the City has activities for the young kids, but there is nothing for millennials. She stated in Augusta they are getting ready to turn everything over to millennials. The millennials are going to Augusta and Columbia County, and Aiken is not focusing on that. She stated the entire downtown of Augusta is in the opportunity zone. Councilman Woltz stated we need to get this town going, and we are way behind. Councilman Girardeau agreed with Councilwoman Price. Mr. O'Briant stated the plan is that if something is funded then the City will operate it. The curb and gutter plan provides a benefit to developers who bring in subdivisions. A lot of the funding would be concentrated on that kind of thing. Also, as Mr. Bedenbaugh stated, the individual businesses that the City is working with to annex their property, if they come in they would face an onerous amount of money to run the City's lines themselves. The City needs to be able to make grants and work with those people so that they can make that a doable thing.

Councilman Dewar asked how much should the city expect to pay for development of the hospital property. Mr. Bedenbaugh stated once the apartment study is done, we will have a better sense. This is why the multi-county park type agreements are so important.

Stormwater

Mr. Bedenbaugh stated the last item is stormwater rates. He said he got the sense from Council that incremental increases are not the way it should be approached. He stated the budget is balanced at \$5.42, which is the current stormwater rate. He asked if Council would be willing to increase the fee to the full \$7.90, which is a \$2.48 per month increase. This is about a 46% increase. The last increase in 2015 was 68%. He said \$300,000 would be devoted to stormwater projects, with the remaining \$240,000 going to system depreciation, which is very critical. Those coffers are down to about \$60,000, which is used for emergency stormwater repairs. He said the rate increase would be in the form of an ordinance at the next Council meeting.

Mr. Bedenbaugh stated at the next Council meeting there will be second reading of the water and sewer rates, first reading of a solid waste fee, first reading of stormwater fees, first reading of millage increase, and first reading of budget.

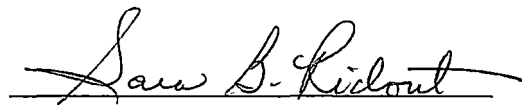
Mayor Osbon stated he feels that this Council wants to fund the accounts in a responsible manner. He pointed out that staff had done a good job in presenting the needs to Council. He noted that the needs are operational costs. He said he also commends Council as he thinks they are seeing the issues and want to be responsible and make sure the quality of

service the citizens are getting is what they expect. Councilwoman Price stated the key is that the City has not adequately funded the programs in a long time and things go neglected.

Councilwoman Gregory stated the City needs to get with some marketing firms and AECOM to create a plan for economic development for Aiken. The City is not doing enough in marketing our area.

Mr. Bedenbaugh stated he felt Council was making a good step forward with giving staff the direction of their commitment.

The work session adjourned at 5:45 p.m.


Sara B. Ridout
City Clerk