

Aiken City Council Minutes

WORK SESSION

May 8, 2017

Present: Mayor Osbon, Councilmembers Dewar, Diggs, Ebner, Homoki, Merry, and Price.

Others Present: John Klimm, Stuart Bedenbaugh, Gary Smith, Tim O'Briant, John McMichael, Kim Abney, Charles Barranco, and Sara Ridout.

CALL TO ORDER

Mayor Osbon called the work session to order at 8:50 P.M. and stated staff would review the proposed budget for FY 2017-18, and after the work session Council will need to go back into executive session.

BUDGET REVIEW

2017-18

Mr. Klimm stated he and Ms. Abney wanted to review some information about the proposed budget for fiscal year 2017-18. He noted that they had already talked to Council about revenue and had talked about some of the major expenditure influences in previous meetings. He pointed out they want to review what they feel are the major changes. He pointed out that the budget is basically a maintenance budget. There are no major changes. We are not asking for a millage increase this year, but there are some issues they feel are challenges that they want to discuss with Council. He said they would review 8 or 10 issues that are changes in the budget package.

Ms. Abney, Finance Director, reviewed some changes in the proposed budget. She noted the state mandated Police Officers Retirement increase of 2% from 14.04% to 16.04%. She noted that this is something that has to be absorbed in the budget.

Mr. Klimm stated the proposed budget focuses on the Department of Public Safety in three major areas. One is that we plan to address the issue of their existing building not that it would reduce the crime rate, but there are working conditions that need to be addressed. The second area is resources. We have been plagued for the last couple of years with retirements and resignations in the Public Safety Department leaving openings and staff understaffed. He said we are taking the recommendations of the operational audit and addressing the issue that Councilmember Ebner raised at the last work session of how to more proactively address the staff openings in the Public Safety Department because of retirements and resignations. He said he is recommending two new Public Safety Officer positions and two temporary positions which will then go into openings caused by retirements.

Council then discussed the staffing in the Public Safety Department, retirements, and hiring of additional officers to be training to fill vacancies caused by retirements. Chief Barranco pointed out that in 2014-15 the Department had 90 sworn officers. That number dropped to 88 sworn officers in 2015-16, and in 2016-17 the number dropped to 86 sworn officers in the budget.

With the proposed 2 permanent positions and 2 temporary positions the number of sworn officers would be 90 in the budget. He pointed out because of the shortage in the department some services are not being provided such as community services. There are positions, but until the positions are filled for patrol, the officers in other divisions have been transferred to Patrol to be sure that patrol is covered. Once the positions in patrol are filled, the transferred officers will be transferred back to community services.

Mr. Klimm stated the third item that needs to be addressed is a classification system. He said we are currently working on a compensation plan for Public Safety. Then the plan

will follow for the rest of the departments in the city. He pointed out there are issues with turnover and morale and we need to reimplement a compensation plan. That is being proposed in the budget for 2017-18.

Mr. Klimm stated another issue is the crime rate. He said the job of Public Safety is to make the community as safe as possible and that is why he and Chief Barranco are committed to implementing more of a data-base management system that specifically addresses the issue of crime. He said such a system rewards our employees for bringing down the rate of crime.

Mr. Klimm stated he is proposing a 1 ½% cost of living adjustment for all employees; however, the cost of health insurance is going up 10%.

Ms. Abney pointed out that she had talked about health insurance at the last meeting. She pointed out that a 10% increase is proposed for employees and for the city for health insurance. The prescription plan will also change as the cost of prescriptions has increased. She pointed out for specialty drugs there will be a step process to be able to get those drugs. She pointed out that someone who has health insurance on their family, including the 1 ½% cost of living increase, the breakeven point is about \$28,000. Employees making less than \$28,000 will potentially take home less money with the health insurance increase.

Ms. Abney also pointed out the 2% increase mandated for the police officers retirement system by the state. For new officers they will have an increase out of their pay from 9.24% to 9.75% and those making less than about \$42,000 will see a decrease in their take home pay.

Mr. Klimm noted that the City Attorney who has worked for the city for over 20 years has requested an increase in pay of \$1,000 for the monthly retainer which is currently \$3,000 for 30 hours of legal services. Currently hours over 30 hours per month are billed at a rate of \$110 per hour. These rates have been in place since 2002. The firm's private rate is \$400 per hour. The request would increase the monthly retainer from \$3,000 to \$4,000 per month with hours over 30 hours increasing to \$150 per hour. The impact of the increase would be about \$30,000 per year.

Mr. Klimm also pointed out that the Public Safety Department has requested an additional Dispatcher per the recommendation of the operational audit. Chief Barranco stated the recommendation of the operational audit is that there be more than one Dispatcher on duty at the time. He noted there are times when there is only one Dispatcher on duty for some period of time and that is a concern.

Mr. Klimm pointed out that staff is reviewing the present arrangement for the videoing of city meetings and programs and this is getting more and more expensive. It is felt that we need to put the service up for bid or possibly doing the videoing in-house as we are getting up to \$60,000 per year for this service. He pointed out the city is already funding the videoing, but the question is if we do more and more video work and social media the cost will increase. He felt we have just begun on this kind of service.

Mr. Klimm stated we have a Human Resources Department that is one person. It is proposed to rework the Human Resources operation and add a staff person.

Mr. Klimm pointed out that something needs to be included for Eustis Park staffing, depending on when the building is completed. It is felt that the building should be completed by about July with moving in possibly in August or September, 2018. Depending on when the building will be completed someone needs to be hired to staff the building and needs to be hired and trained before the building is opened for service. Mr. Klimm stated he is also recommending reorganization of the Parks, Recreation & Tourism Department. He said he feels that tourism is not recreation. Recreation is a component of tourism. He said he would be recommending that the Tourism Division be under the City Manager's Office because of economic development. He said he had talked to staff about the proposed change. Mr. Klimm stated he would be recommending to Council that changes be made to the Pension system for new employees at some point.

He said this is a national trend. He noted that almost all in the private sector and more and more in the public sector are going to a combined contribution plan. He pointed out that the City of Aiken is not in trouble with its Pension Plan as are many other cities. He pointed out presently we are spending \$1.3 million per year in pension contributions. He felt Council needs to consider whether it is reasonable to think we can continue with our benefit plan as opposed to a divide contribution plan. The plan he will propose would impact new employees, but would not impact Public Safety as they are in the State Retirement System. He said he feels that we contract with existing employees and the proposal would not impact existing employees. It would not save a lot of money next year, but in 20, 30 or 40 years it would save the city a lot of money. He said basically when the last employee who is presently employed by the city retires, the city will be out of the pension system program. In response to a question, Mr. Klimm stated he felt the implementation date could be January 1, 2018. Council briefly discussed the present pension plan and a proposed pension plan such as a 401K plan.

Mr. Klimm stated he had talked about reform of the Public Safety Department. He said we are adding additional costs predominately in the area of Public Safety. He said the question is how can we pay for it. He said staff has come up with a recommendation for Council's consideration as to how we could pay for it. He pointed out no tax millage increase is proposed. It is proposed to consider increasing the fire protection fee which has not increased since 2003. That increase would only impact out of the city customers. If we address the issue of the Public Safety Building the source of funding would be primarily the franchise fee. The only persons who pay the franchise fee are city residents and yet non-residents within the fire district would benefit. It is felt that an increase in the fire fee is a way to ask non-residents who receive fire service from our Public Safety Department to contribute not only for new staff, but also the building.

Ms. Abney reviewed the proposed increase in the fire service fee. In 2003 we increased the \$1,000 per value rate. She pointed out people who are on the city's water service but are outside the city pay a minimum of \$10 per month. The minimum has not increased since 1995. They have a maximum of \$36 per month which has not increased since 1995. In 2003 we increased the per value rate. The first \$10 covers \$20,000 of the appraised value on their building. Then the fee is \$.25 per \$1,000 value. A \$150,000 building is \$36, and it is capped. She suggested that Council consider increasing the fee 15%. The proposed rates for customers with water service and fire fee would be to increase the \$10 minimum fee to \$11.50 per month plus change the \$.25 to \$.30 per thousand dollars of appraised value per month with a maximum cap presently of \$36 to \$41 per month. If we used the CPI inflation calculator the increase would be a 34% increase. Ms. Abney stated the other fire fee customers are the ones who are in our fire district, but do not have city water service. Those people are billed quarterly. She noted that it is difficult to collect those fees. It is proposed to increase those fees from \$100 to \$115 annually (\$28.75 per quarter).

Mr. Klimm pointed out that the items mentioned are the major changes in the proposed budget for 2017-18. He noted there are a few issues that we have not come to a conclusion about yet. One is code enforcement, and we need to decide if we will add to staff for code enforcement. The other is abandoned buildings which ruin neighborhoods. He said he was not sure how to approach those issues and asked if Council had any thoughts or suggestions.

Mr. Klimm also pointed out that fees for the Aiken County Public Service Authority will increase as they have made improvements to the sewer system. He noted at some point we will have to buy more roll carts for garbage and recycling. At one point we talked about a \$.50 per month fee increase to help pay for the roll carts. It was pointed out that it is proposed to purchase a robotic truck for one pilot program route for garbage pickup and 4,000 carts to accommodate the pilot program route.

Councilman Dewar expressed concern about being sure we are setting aside depreciation for buildings and equipment, especially for Public Safety, as it is expensive to replace fire trucks.

Councilwoman Price expressed concern about abandoned and dilapidated housing in neighborhoods. She felt we need more staff to work with abandoned and dilapidated housing. Council then discussed abandoned and dilapidated housing and how other cities are handling this issue. It was pointed out that Greenville and Charleston have some procedures to deal with this issue. Councilwoman Price stated she wanted on the next agenda an item to talk about abandoned property and what can be done. Council discussed the issue. Mr. Klimm stated he felt that the building code enforcement officer should have the right to condemn property that is uninhabitable. However, the question is if the property is condemned where do we get the \$20,000 to demolish the building. He said the matter is a resource issue. Councilwoman Diggs stated she felt we need at least one person to enforce the issue of junk cars on property. It was pointed out that abandoned, uninhabitable housing and junk cars on lots impact the economic value of property. She pointed out that the area from downtown to almost I-20 can't grow because of problems with abandoned buildings and junk cars.

Mr. Klimm stated he would like to have a special meeting to consider first reading of the proposed budget, millage rate, and increase in fire service fees next week. Council discussed a date for the special meeting to consider the proposed budget on first reading. After discussion the date for the special meeting was set for Wednesday, May 17, 2017, at 5 p.m.

ADJOURNMENT

The work session adjourned at 9:46 P.M.

EXECUTIVE SESSION

Mayor Osbon stated that City Council needs to go into Executive Session pursuant to Section 30-4-70(a)(2) to discuss negotiations incident to a proposed contractual arrangement and proposed sale or purchase of property and to receive legal advice where the legal advice relates to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege. Specifically, City Council will discuss the possible purchase or lease of real estate in the City of Aiken. He called for a motion to go into executive session.

Councilman Ebner moved, seconded by Councilman Dewar, that Council go into executive session to discuss matters regarding the possible purchase or lease of real estate in the City of Aiken. The motion was unanimously approved.

Council went into executive session at 9:47 P.M.

After discussion Council returned to the Council Chambers at 10:07 P.M. Councilman Merry moved, seconded by Councilman Dewar that Council come out of Executive Session.

Council came out of Executive Session at 10:08 P.M.

ADJOURNMENT

The executive session adjourned at 10:08 P.M.


Sara B. Ridout
City Clerk