

Aiken City Council MinutesWORK SESSION

March 11, 2019

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

Absent: Councilman Dewar

Others Present: Stuart Bedenbaugh, Gary Smith, Sara Ridout, Kim Abney, Mike Przybylowicz, John Poole, Ryan Bland, Lex Kirkland, Tim Coakley, Sarah Herring, Charles Barranco, Kymberley Wheat, Tim O'Briant, Haley Knight, Tom Lex, Franklin Buchanan, and Colin Demarest, of the Aiken Standard.

CALL TO ORDER

Mayor Osbon called the work session of March 11, 2019, to order at 4:35 P.M. Mayor Osbon stated for Council discussion is the Bicycle Pedestrian Plan, the potential public art on the Richland Avenue wall located across from Kalmia Plaza, FY 2019-20 budget anticipated revenues, and the Solid Waste Request for Proposals.

BICYCLE PEDESTRIAN PLANUpdateTom LexAiken County Bicycle Pedestrian Advisory Committee

Mr. Bedenbaugh stated Tom Lex, Chairman of the Aiken County Bicycle Pedestrian Advisory Committee, is present to give an update on the Bicycle Pedestrian Plan. He said Mr. Lex wanted to speak about some amendments to the Bicycle Plan. He pointed out that the city had recently approved sharrows on certain segments of our downtown streets. Once we work through some issues with SCDOT we will bring back, as part of the plan for resurfacing Hampton Avenue from York Street to Camellia, bike lanes incorporated as part of the plan.

Mr. Tom Lex, Chair of the Aiken County Bicycle Pedestrian Advisory Committee, stated the Committee was formed based on recommendations in the Aiken County Urbanized Area Bicycle Pedestrian Plan that was approved in 2012. The committee looks at various bicycle and pedestrian initiatives that can be implemented out of the plan that will help improve the safety of people riding bikes and pedestrians. They would like to recommend a concept of creating connectivity through use of designated bike routes. They know that they can't implement bike lanes and paths as there are a number of constraints. He noted the plan that was put together by consultants is on the Aiken County website. He pointed out, however, that a number of things that have been recommended, the Committee has found can't be implemented. He noted Hampton Avenue from Vaucluse to Laurens. The recommendation was to put sharrows on Hampton Avenue. He noted there are residents in that area that use bicycles as their primary mode of transportation. They wanted to do something to make that corridor more bicycle friendly. In working with SCDOT they found out that DOT's position is don't use sharrows, but put in bike lanes. The problem with bike lanes is that they would require property acquisition which would involve a lot of money. As a bike-pedestrian advisory committee they looked at what could they do to move Aiken forward to becoming a more bicycle friendly city. Their recommendation was to create connectivity with the idea of downtown Aiken being the hub. They want to get people who are willing to ride their bikes to come downtown, or to parks, or between neighborhoods, or different shopping areas. Since they are not able to connect with bike paths or bike lanes, they could use designated bike routes. They would use existing low density roadways that would have strict signage stating it is a designated bike route to get from point A to point B. There may be some major artery roads that need additional sharrows. An example of this would be traveling from Odell Weeks Center to Downtown Aiken. It could be done by signage from Odell Weeks Center going down Two Notch Road, Audubon, and when they approach Powderhouse Road, sharrows would be needed on

Powderhouse Road and a portion of South Boundary Avenue until they reach Colleton Avenue. Other than that, it would be bike route signage all the way into Downtown Aiken. He stated that using that same route, people could get connected to the Farmers' Market, and other recreation areas. The type of signage is a bike route sign. It would include wayfinding and destination signs along the route. It would not disrupt parking, but to implement this plan, would require a collaborative effort with the City Engineer, Parks, Recreation and Tourism, Public Safety, and DOT. He said he had put together a list of the type of places they would like to link. Some of these are Odell Weeks Center, Hopelands Gardens, Rye Patch, Citizens Park, the Farmers' Market, etc. He stated that some of the arteries that they would need to connect and some of the proposed routes that would require additional sharrows would be portions of Laurens Street, Richland Avenue, South Boundary Avenue, Banks Mill Road, and Powderhouse Road. He stated a sharrow designates to motor vehicles that there can be bicycles on the road, expect bicycles on the road and drive with caution.

Mr. Lex stated another recommendation they may include is there may be some road segments where they will need to work with DOT to try to get changes in the speed limit to get more of a traffic calming effect. He stated he is not asking for money or recommending spending money, but to put the concept out there to see if City Council would be willing to move forward on a series of projects where they create some of the designated bike routes to connect the key points of interest in Aiken. The benefit would be that it will encourage people to get on bikes and build a sense of safety. It would bring people on their bikes downtown. Studies show that turning downtown into a destination area for people on bicycles has an overall positive economic benefit to the area. People on bicycles won't buy the same amount that a person driving a car would buy per trip. However, it has been shown that the number of trips per year increase, and therefore, the total dollars spent annually in the downtown area is higher than if you just have people getting there by vehicle. Another benefit is that it will help with parking. One parking space for a car, can hold 20 bikes. If we can start encouraging people because they feel safe on a bike and get them on the road, they will get a health benefit, environmental benefit, and an economic benefit. It will also give the citizens a better quality of life. He pointed out that in a number of towns in the upstate, you will see communities with bicycle infrastructure that Aiken does not have. He felt that Aiken could do something better here to make it more bicycle friendly and give our citizens a better quality of life. He stated that putting the bike routes into effect could also bring in a business that rents bikes to ride around town and therefore help with the economy.

As far as bike trails, they have been trying to get Aiken County to create the designated bike route connecting Aiken to the North Augusta Greenway. Federal dollars were obtained for that, but the route has been held up because Aiken County did not have the money for the matching share. Aiken County is now looking at how they might get the money for that designated bike route. He pointed out something for the future is the rail line that runs from Union Street to Reynolds Pond is currently active. However, beyond Reynolds Pond to Edgefield that line has been abandoned. That would be a perfect opportunity with some political effort to look at creating a rail to trail in Aiken County.

City Council and Mr. Lex discussed the plan at length and other opportunities such as connectivity between USCAiken and downtown Aiken. Mr. Lex pointed out that Trolley Line and Hampton Avenue both fall in the same situation--the speed limit is 35 mph. That is the criteria for using sharrows, a speed limit of 35 mph or less. He said sharrows could be placed on those roads. However, SCDOT's position is that they will not approve sharrows on a roadway that is a candidate for a road widening project where bike lanes could be installed. Even if they tried to do anything on Trolley Line Road, it would be the same issue as Hampton Avenue. They would have to go through the right-of-way procurement process and road widening project. Then the project would cost in the millions of dollars. He pointed out they had received an estimate for the bike lanes on Hampton between York and Camellia which were originally going to be paid for out of federal dollars. Then they came back and said if there is a railroad crossing, you also have to upgrade the railroad crossing and that cost was \$200,000. That is why that matter will come back to City Council asking for funding from CPST II to finish the bike lanes on Hampton Avenue for a cost of \$15,000. He said he would also like to ask if the City

in the future, could consider using some Hospitality Tax funds for some of the bicycle infrastructure projects.

Mr. Lex pointed out that the Bike-Ped Advisory Committee has been involved with any road improvement projects in terms of looking at what is proposed and trying to lobby for more bicycle and pedestrian infrastructure. He said when the Whiskey Road Corridor improvement moves forward, it already has provisions for sidewalks and shared path on one side for bicycles and pedestrians. He stated the Whiskey Road Corridor Relief Project which includes the roadways on south Aiken, would include bike lanes and sidewalks. He pointed out that on road improvement projects the Bike-Ped Advisory Committee is actively involved. He noted that Hitchcock Parkway is another one where they are actively involved so that between Silver Bluff and Huntsman there will be a multi-use path.

City Council thanked Mr. Lex for the information.

PUBLIC WALL ART

Richland Avenue
Kalmia Plaza
Franklin Buchanan

Mr. Bedenbaugh stated Aiken resident Franklin Buchanan approached us recently about the possibility of some appropriate, Aiken-specific art for the large cement retaining wall located on Richland Avenue West, across from Kalmia Plaza. He pointed out that the City had approached SCDOT for permission to pressure wash the wall, and it looks better. Mr. Buchanan has some intriguing thoughts that he would like to share with us involving public input, raising funds to pay for the art and the type of art for this wall.

Mayor Osbon stated Mr. Buchanan grew up in this community and is back in town. He has a passion for public art. They had some informal discussions regarding things he had been involved with in Columbia. Mayor Osbon and Mr. Bedenbaugh thought it merited a conversation with City Council and if it is something Council would like to pursue further, Mr. Buchanan and the Art Commission could get together with a formal recommendation.

Mr. Buchanan showed a before and after picture of the project that gave him the idea. He stated he grew up in Kalmia Hill. He lives very close to the wall he is talking about and said it is ugly. He appreciates the City pressure washing the wall, but it's still ugly. He said he started thinking about what could be done to make the wall pretty. Richland Avenue is a gateway to Aiken. It leads to Augusta and to go to the Masters, one has to drive by that wall. He stated the project he is talking about is right outside the men's golf facility in Columbia. When he was in Columbia, he worked at an economic development agency, and they managed the non-profit/public/private partnerships for the City of Columbia and Richland County. In Columbia, they have an event called Ignite. At Ignite, three ideas present themselves for funding. The winner of his first Ignite was "Public Works of Heart." His plan was to transform the hideously ugly water tower outside the former men's golf facility and turn it into a very attractive mural. While doing that, it was not just a public beautification project, but \$60,000 was raised for Harvest Hope Food Bank. He said you combine public beautification with nonprofit funding and create a lot of community engagement. He felt this would be perfect for the Richland Avenue wall.

Mr. Buchanan stated the first step is to secure the funding. He stated that Will Bryant, with the Public Works of Heart, measured the wall, and estimated it would cost about \$30,000 to do the painting. He stated it is a perfect project for a public/private project. You secure the \$30,000 up front. The City would contribute half and corporate sponsors contribute the other half. The community engagement piece is next. He stated there are many ways to do it, but the way they funded the water tower at USC, outside of the grant they won at Ignite, was to sell squares of the wall, and at the same time, nonprofits submit two minute You Tube videos. You would narrow it down to the top three and get a community committee of businesses and residents of Kalmia Hill and Highland Park, and vote on the best idea and people pay for a square for a vote, so the non-profits are

mobilizing their donors, and whoever gets the most votes gets the money raised. He stated that was his idea for the wall. It combines community engagement and beautification. He feels this could spur action in the Richland Avenue W area.

He was asked the size of the squares. He stated he did not know. The wall will have to be measured and then the number of squares calculated. Since the estimate is \$30,000, that is what needs to be raised. You then cut it up to make the squares equal the amount you need to raise.

The project would take a couple of months. Mr. Buchanan stated that Mr. Bryant needs \$5,000 to commission him to create a couple of designs. He stated he thought Mr. Bryant would provide two designs and then you begin selling squares by letting citizens vote on the design. It can be posted on the City Facebook page stating they have two weeks, and it is \$25 per vote. If you like one, you can pay \$100 for the votes you want to place.

Mayor Osbon stated this is a topic that has come up before. USC-Aiken's Art Department has an interest in this as well. He stated this is not like just going out and painting something. It is a very specific type of art and probably the students could shadow the project to learn.

Mayor Osbon stated he would like to take the next step and pursue this and see where it takes us. He feels this could be a good partnership with the Art Commission who is taking an interest in public art.

Mr. Bedenbaugh stated he will arrange to have the Art Commission look into this proposed idea and meet with Mr. Buchanan and work on ultimately bringing a recommendation to City Council at another work session and then for Council approval.

BUDGET FY 2019-20

Revenues

Solid Waste Request for Proposals

Mr. Bedenbaugh stated there had been several work sessions with Council late last year. The direction staff received from Council was to distribute an RFP to solicit proposals from firms to potentially privatize our Solid Waste service. The direction received from Council was to try to solicit proposals from firms that would match the current service provided by the City of Aiken which is weekly garbage pickup, every other week recycling pickup and yard debris collection unlimited, non-bagged, on a weekly basis. Staff did release the RFP in late January. We received three proposals on February 22, 2019, plus one firm submitted just a document saying that in the future they would like to be on the list to be notified of a RFP. Proposals were received from three firms: Waste Management, Ryland Environmental, and Meridian Waste.

Mr. Bedenbaugh pointed out that typically staff knows in advance as part of our budget process that we will request proposals for submittal, so we have a good sense of what the objectives are and what the criteria are. Staff internally reviews the proposals and makes a choice. This was different since it was Council requesting submittal of proposals as part of the budget process, not as a result of the budget process. He said staff had put together a matrix which was included in the agenda packet and indicates various categories with footnotes. He pointed out that none of the proposals fully met the criteria for the RFP. He pointed out that if this had been a process that staff was running entirely without bringing it back to Council, staff would have thrown them all out for non-compliance because a lot of the items that were asked for feedback were not addressed. He asked that Council keep that in mind as we move forward in looking at the proposals. He said a goal for a true comparison of the city's service compared to the proposed service in the RFP's was not achieved.

Mr. Bedenbaugh noted that presently the city charges \$17 per month for city service. The proposals ranged from a charge of \$17.92 to \$20.97 for service. He pointed out that the proposals are not entirely the same type of service that the city provides. He said where there were exceptions or deviations from what we asked for, staff tried to footnote

and note by page number where the various firms deviated from what was listed in the RFP.

Mr. Bedenbaugh stated the goal for staff at this meeting, is to decide where we go from here. He pointed out there are a couple of options. If Council would like to pursue talking to private firms, we will need to move forward. He said a change probably would not take place on July 1, but we would need to start the process to institute a transition. Or, if Council would like to keep the service in-house, we have currently prepared a budget that accounts for the existing rate of \$17 per month. He said as part of the overall budget discussion, Council could keep the service rate at \$17 per month, but would need to take a critical look at the services the city provides and determine if we need to reduce the services, change those services, or look to make a rate adjustment if we want to continue the current service. He said that is the objectives we have for this part of the discussion regarding the budget as it pertains to the Solid Waste RFP.

Councilwoman Price stated she had read through all the proposals. A question she had was if Council were to go with one of the firms would the city still be tied to trying to answer questions or would it be their responsibility to respond to questions for the service. Mr. Bedenbaugh stated the RFP asks that the firm respond to all the customer service issues. He said in theory the city should not be bothered with customer service issues, but he felt that customers would be calling the city if there was a problem with service.

Councilman Woltz stated there was an article about trash in Charleston's paper on Sunday. He noted that from what he had read most of the problems come from recycling. He pointed out in one article a city that had had a recycling program for 22 years, had recently suspended recycling service after Waste Management told the town that prices would be increased by 63%. He pointed out that many places do not offer recycling, but have convenience stations where one can take their recyclable articles. He pointed out that Charleston charges a flat \$99 per year per house on the tax bill for recycling, but they don't do curbside pickup. He pointed out that no one wants to talk about ending recycling, but there is no value in the recycled goods. It was pointed out that if the materials are contaminated, the firms cannot use the recycled goods. Mr. Bedenbaugh pointed out that the commodities market value for some of the recycled materials has declined to a point where it is not profitable. He noted that some cities have stopped collecting, for example glass, because there is no market in the commodity area for glass. He pointed out that the City of Aiken is currently accepting glass and a limited number of plastics. He pointed out that China is a large importer of America's recyclable materials. They now scrutinize the condition of the recyclables and are more choosy because contaminated materials are coming through. He said these matters are challenges or issues that have come up.

It was noted that some of the material that people recycle is not recyclable, for example pizza boxes, the plastic bags from the grocery stores, etc. Councilman Woltz suggested that we keep our rate the same, but have some convenience stations for recycling materials that would save a truck riding around.

Mr. Bedenbaugh stated if the goal is to keep the solid waste fee the same rate it is now, we could explore recycling convenience stations for drop off of recyclable materials. Mr. Coakley stated there are already County drop off stations in the county for recycling materials. City residents could use those drop off centers as they are already paying taxes for support of the centers. It was noted that there are no recycling centers adjacent to the city limits.

In response to a question regarding how long the price for which the RFPs would be good, Mr. Bedenbaugh stated staff asked for a 5 year price with no increase, but none of the RFP's guaranteed their price for 5 years. Mr. Bedenbaugh stated the city has had one rate increase since 2007.

Councilwoman Gregory noted that we think about the city not getting wrapped up in this and moving into privatizing, but we have to keep in mind that the companies are for profit. The way the city functions is not for profit and would ideally be a wash. She

pointed out that the RFP's have limited services and the prices are higher than the city's rate now. She pointed out that if the city gets out of the solid waste service, she felt we would never be able to get back in the service as the cost would be astronomical. She said she was looking at the rates from the RFPs. She pointed out in looking at the city's rates that a \$1.53 increase could set the city's operation at a very good point. There would be no loss of money, the service would stay where it is, and we would be able to move forward in a successful manner. She pointed out that if we also streamline ourselves and educate the community in yard debris, etc., it would go a long way. She felt we should reconsider that because in five years we could pretty much keep the rate at a standstill because we would also streamline. However, these companies will bump up the rate, and it happens across the country. Their increases are not 3% or 5% increases, but are major increases. She felt this is something to consider. She pointed out we don't have a bad operation, but she felt we could do a lot to improve it. She said in looking at the proposed rates in the RFPs, the services, and their not guaranteeing the rate for five years, she is concerned. She felt Council should revisit the matter.

Councilwoman Gregory said she would like to see a side by side comparison with the city's current numbers. Mr. Bedenbaugh stated staff could do that. He did not do that because he only wanted to talk about the results of the RFPs at this time. When we discuss this again at our next meeting, we can include the city's service and break it down similar to the RFP breakdown. He pointed out that many of the additional requirements and conditions are what the city already offers.

Councilwoman Gregory stated she does not know what the solution is, but she felt that we really need to look at all of the components. She said she did not want to wait until the next meeting to get the side by side comparison with city services.

Mr. Bedenbaugh stated one reason he felt we need to make a decision soon and during this budget season as to whether or not the Solid Waste services will stay in-house is because we will need to replace some equipment if the services stay in-house. Money is set aside to pay for some of the equipment. If a rate increase is offered that would help as well. However, if it is decided not to stay in-house, then we will go down the road to privatize. He pointed out that our newest garbage truck was purchased in 2013.

Councilwoman Price pointed out that in looking at the proposals, you see that one will provide a 2019 truck to provide the service. She pointed out that the city needs to give our employees some decent equipment and the technology to work with to do their job. She pointed out that we want to keep our price at a minimum, however, you pay now or you pay later and later will cost more. She pointed out that if we can continue the solid waste services in-house and contain the cost that may be the best thing for our money.

Councilwoman Gregory stated she felt they should not fear a rate increase. She pointed out that if the city were to privatize, it would be an automatic rate increase with less service.

Mr. Bedenbaugh noted the recycling angle that Councilmember Woltz mentioned and asked if Council might be interested in staff running an analysis on that. He noted that one option might be use of the County drop-off centers or having our own convenience centers and estimate the cost for that. He felt it would not be Council's intent to just set up drop-off centers that are not policed.

Councilwoman Gregory stated based on conversations about the topic, she felt that is a staff research investigation. She noted that any less recycling that we pick up will be added to the garbage pickup. She pointed out that it had been her understanding that recycling may be a little bit expensive and not always convenient. She pointed out that for a for-profit company recycling makes no sense. She pointed out that the city is not for-profit so she felt the research and investigation and recommendation needs to come from staff. She pointed out that we are not the experts in recycling. She felt those numbers need to be crunched and presented to Council with the breakeven point for recycling so it does not affect our day to day operations.

Mr. Bedenbaugh stated if recycling materials are thrown away and go to the landfill, the landfill space will not run out tomorrow, but at some point it will hasten the lack of availability of the landfill. Mr. Coakley stated it is difficult for staff to know how many people would take recyclables to the drop off center or how many would just put it in the garbage can. It was pointed out that if we don't have a recycling program, probably a majority of the residents will not go to the trouble to take recyclables to a drop-off center.

Councilman Woltz pointed out that the more you read, the more you will find out that cities are getting away from collecting recyclables as there is not a market for the recyclables. Many of the cities that are collecting recyclables are just taking them to the landfill and dumping them. Mr. Bedenbaugh pointed out that the market is for cardboard. Councilman Woltz noted that if you take the proposals and take off their profit, their cost would be less than what the City is charging. Mr. Coakley pointed out, however, the companies had exceptions and did not provide what the city provides. Councilman Woltz noted that maybe the city should make some of the exceptions to control cost. He provided a newspaper article for one city listing the things that residents can and cannot do. He noted that such a listing should be put in our paper telling people what they can and cannot do for the placement of their garbage and yard debris. It was also noted that some cities are putting their solid waste fee on their tax bill.

Councilman Girardeau noted that recycling is one issue, and Council needs to decide whether they want to recycle or not. He wondered if anyone got complaints on the garbage pickup service. He felt that service was working fine. It is picked up on time each week. However, the issue is yard debris. He felt that is the issue for us. He said, however, presently that is not a problem, but it will be in a few weeks. He pointed out that some of the problem is the equipment and whether that equipment and the method is the most efficient way. He said he would rather see a side by side comparison of yard debris and come up with something new. He pointed out there are 100 acres at a landfill that we can't use. Most of it is not a landfill but is trees. He pointed out that in one of the RFPs the vendor said they would not pick up limbs and trees. He felt that vendor should be removed from the list. He said he felt the issue is can we keep the solid waste services in-house. He felt we can, but we need to come up with better ways to pick up yard debris, especially when we get behind in the yard clean up season. He wondered what we can do to get the yard debris in line so we can keep up.

Mr. Bedenbaugh pointed out that by fall in line, if your designated garbage pickup day is Monday, that is the day when yard debris should be picked up, unless there are extraordinary circumstances.

Councilwoman Gregory pointed out that all of the RFPs set limitations and parameters for yard debris and the rate would go up and that does not include future potential increases which are pretty significant. She wondered why the City could not set parameters and limitations. It was pointed out that the City could set limitations and parameters for yard debris. It was also pointed out that the limitations we have are not enforced. It was noted that the for-profit companies would set limitations and enforce the parameters.

Council then discussed yard debris, the amount of debris, the method of picking up yard debris, and equipment used to pick up yard debris. There was a question as to whether solid waste services could be separated and the pickup of yard debris contracted out. It was pointed out that the RFPs for yard debris pick up had a lot of limitations and parameters and most are not interested in that service. It was pointed out contracting out yard debris could cause problems if there is an ice storm or other major storms, and we might not be able to contract out the pickup of the debris. It was felt if there are major storms, we need to have equipment to take care of the issues.

Mr. Coakley stated he felt the city has the most efficient equipment for the pickup of debris. He said they had seen a lot of equipment and what other cities do.

Mr. Bedenbaugh pointed out that at one time Council had talked about bagging debris and bundling of limbs, etc. It was suggested that bagging could be a solution. We could limit the number of bags to 3 to 4 bags for regular pick up and bill the resident extra for

over 4 bags. It was noted that if the residents bagged their yard debris, that would help a great deal and be more efficient.

Council then discussed bagging pros and cons. It was noted that residents would have to buy bags. Councilman Girardeau pointed out that with bushes, it would take one bag for each bush. He felt bagging would be awful. It was pointed out that bagging is used in a lot of cities and works well. It was noted that people would have to learn to use the bags. It was pointed out that bagging is used in Augusta and a lot of other jurisdictions require bagging.

Councilwoman Gregory stated we can move in a direction where we actually honor our ordinances and enforcement and still do the rate increase so nobody is losing any money with it being affordable for the city, a doable operation, and we keep up the service standard that we offer. She said she was disappointed with the RFPs.

There was a question as to whether the city had equipment to grind limbs. Mr. Coakley stated the city did not have equipment to grind the limbs. The equipment would cost about \$350,000. He noted that it is very dangerous to run big grinders.

Councilman Girardeau stated regarding his comment about using our landfill which is huge and just sitting there doing nothing; if we take yard debris and we bought a chipper and hired someone, we could turn that into a positive and make mulch out of it. The City could use the mulch for landscaping, citizens could use it, and we could charge a nominal fee for the professionals who may want to use the mulch. He felt we could make money; it would be faster, and save us a lot of time. Mr. Bedenbaugh stated that is something to look at. It would require a good education program. He felt it was worth taking a look at. He thought the barrier with residents is the contamination issue where something else may be thrown in. It was pointed out that there could be a glass jar ground up. There was a concern about product liability.

Mr. Coakley pointed out there was a list of reductions in yard debris service that staff had prepared. He noted that it had been included in a previous packet. Mr. Bedenbaugh stated those items could be included in options when doing the side by side comparison. He said the list is options for Council consideration that we could gradually phase in.

Mr. Coakley noted that he felt there needs to be a rate increase, but anything that could be streamlined could be done to help contain cost.

Mayor Osbon stated if solid waste services stay in house, he felt that every year during the budget process, Council needs to evaluate what the fee needs to be to cover the services. He said if the fee does not cover the services that need to be addressed in the budget. He said what we don't need to do is continue the process of not raising the fee for another seven years if the fee does not cover the service. He said possibly we could lower the fee if we streamline the services. He felt there needs to be an annual evaluation of what the fee needs to be to cover the cost of the operation of the Enterprise Fund as opposed to maintaining the fee.

Councilwoman Gregory stated she wants to see a side by side comparison of the three RFPs and the City of Aiken with services. She said let's look, as Mayor Osbon said, at every aspect of the operation and when there is an issue let's address it. Let's look at where we need to be to keep Solid Waste services in-house. She said she had received the information in bits and pieces, but she was asking for the whole packet together. She said if we don't streamline, we may need to do something drastic. She said, however, in her personal opinion getting out of the Solid Waste services can really come back and hurt us in the next 5 to 10 years. She said we need to put all the facts at hand, and she had not been able to do that. She said we need to look at each line item as to where we are; where we are losing money, and get the enterprise fund balanced. She said that would help her personally to make a decision.

Mr. Bedenbaugh stated we are at a decision point where equipment does need to be replaced. Money is there to replace some, but not fully fund what we need. He said that needs to be part of the decision making. We have the numbers at hand with the various

options. He said he feels that if yard waste was not unlimited, we probably would not be spending this time and having other work sessions on the issue.

Councilman Girardeau stated he would much rather keep the Solid Waste services in-house for the reasons Councilmember Gregory expressed. He said he did not mind raising the fee, but let's correct what we can correct and not be late on the pickup of yard debris to the point where people get so annoyed.

Mr. Bedenbaugh stated he felt it was good that Solid Waste is an enterprise fund now. He said like water and sewer, Council has historically said that we need to pass charges on to the customers after we examine the fund and exhaust all efficiencies. He felt it is appropriate to do that with the Solid Waste Fund as well.

Councilman Woltz asked that a survey of cities the size of Aiken be taken to see what they charge for solid waste services they offer.

Mayor Osbon asked if we need to have professional help to come in and look at the issues from a new set of eyes. They could determine if we need a transfer station, whether the old landfill could be used for something, and some way we can be more efficient. He pointed out that our employees spend four hours a day riding back and forth to the landfill.

Mr. Coakley stated a consultant came in a couple of years ago and reviewed the operation. They were impressed as to how efficient they were and how many houses they pick up per day. They had no operational suggestions. At the time it was felt that a transfer station would not be cost effective. Mr. Bedenbaugh was asked to provide the consultant report to Council for their information.

Mr. Coakley stated he felt it was time to look at the equipment and the service and make it balance. Councilman Woltz stated it would not be an easy thing to do. He said we will probably get complaints about it, but we will have to enforce it. Otherwise, everybody will have to pay more money.

Councilwoman Gregory stated she wanted a side by side comparison, the consultant report for Solid Waste, and the numbers needed to get the enterprise fund exactly where we need to have it by next year.

Mr. Bedenbaugh stated Council had given a very clear, good direction on where we need to go with regard to Solid Waste.

Budget 2019-20

Mr. Bedenbaugh stated on February 22, City departments turned in their draft budget requests, which we continue to review as we begin to have work sessions with City Council on March 25 to discuss the budget in terms of where we would like to go with all funds.

Mr. Bedenbaugh stated he would like to get some direction from Council on some items.

The FY 2019-20 budget revenues are fairly stable when compared to the FY 2018-19. We expect our General Fund revenues to grow very slightly while our Water revenues are slightly off from projections, and sewer revenues are where they were projected to be.

Council may recall that as part of our water and sewer rate evaluations, we need to consider a 3% increase for our water rates this year to account for inflation and system depreciation.

Council chose to combine multiple years' worth of recommended rate increases in the FY 2018-19 budget for our sewer rate. The sewer rate increase was tied to two primary things:

1. Pay our share of debt associated with upgrades to our joint use Horse Creek Treatment Plant, run by the Aiken County Public Service Authority [PSA];
2. Adequately fund system depreciation.

We have been informed by the Aiken County PSA that they will pass on to us a 1.8% Operation and Maintenance rate increase. In past years we have absorbed these small increases, however we would like to discuss whether we need to pass this on to our customers as Council has suggested in prior discussions with staff.

Mr. Bedenbaugh stated back in 2014-2015 the Aiken County Public Service Authority which treats our sewer increased their charge to the city by 1% for administrative costs. The city absorbed the cost internally and did not pass it on to the customers. During subsequent budget discussions, Council asked that staff not do that and inform Council of any charges. The PSA has informed the city that they are increasing their Operations and Maintenance billing to us by 1.8%. The city will be billed the extra charge. He said staff could run the numbers. He asked Council if they would like to consider a sewer increase to cover the additional charge from the PSA. He pointed out that the sewer rate was increased last year which has helped in terms of getting additional depreciation for the system. He pointed out this portion of the sewer rate increase would be passing on the costs by the Public Service Authority to the customers. He asked Council if they would like to consider absorbing the rate increase. Mr. Bedenbaugh stated staff would do a chart and show the effects of the increase by the PSA. He said it seems to be the sense of Council to look at the increase and strongly consider whether it is passed on to the end user.

Councilman Woltz asked how much money we are talking about for the cost to the city for adding 1.8% for the O&M cost. He pointed out that the city had already absorbed an increase in 2015. Ms. Abney stated the cost to the city for the 1.8% increase would be from \$40,000 to \$50,000 per year. To pass the cost on to the customer would be about a \$5 per year increase. He said staff could show the numbers for an increase at the next work session.

Ms. Abney pointed out that the \$50,000 increase for O&M costs for the Public Service Authority would amount to about a \$5 increase per year for the average residential sewer customer. She pointed out that increase would be for the 1.8% increase to the PSA. She noted that the biggest portion of the rate increase last year was that the PSA had a \$50 million improvement at the plant. She said the city had been informed for several years that the city would have to contribute to the debt serve on our share of \$800,000 per year. That was a big part of the sewer rate increase last year. She pointed out that when we don't make budget and don't get the revenue anticipated, we don't have the money to repair our infrastructure. She pointed out that Council has expressed the feeling that they would like the city to have more reserves for our system depreciation.

Mr. Bedenbaugh stated that is the same issue we face with Stormwater. With Stormwater we are attacking it with several tracks. One is the unbilled parcels. We are getting the software programmed so we will be billing the owners of record through the property tax digest. If there is no service there, the owner will be billed twice a year. If the bills are ignored, the charge will go on their property tax bill. We are working to get the system programmed to do that. The average lot would be billed what an average residential property pays in the city which is currently \$5.42 per month. On the other end we are looking at modifying the way the ERU is calculated. We will refresh Council of what was shown two meetings ago regarding how that would work. There are two phases. One phase would be how we calculate the rates for the larger areas that have a lot of non-permeable surface. Nonprofits, including schools and churches, receive a break versus a commercial entity, like a shopping center versus a school or church. Council could give staff some direction there. He pointed out that if we calculate the ERU for schools and churches the same way we calculate a shopping center, they could see some significant increases in their monthly stormwater bill. In some cases the bill would go from several hundred dollars per month to \$1,000+ a month. He said he would like to have a deeper discussion with Council on this matter. He pointed out that Council as well as staff would probably get telephone calls. The problem is the issue of equality.

Mr. Bedenbaugh stated that the rate study analysis addressed water and sewer rates. The sewer rates were increased 10% last year to cover multiple years. That was not done with the water rates, and a 3% water rate increase will be proposed for Council's consideration.

Councilmembers have also asked to review our recycling program. Options include:

1. Continue with once every two weeks pick up.
2. Return to every week recycling.
3. Transition to a voluntary recycling program with recycling being taken to centralized locations around the City similar to the convenience centers used in Aiken County.

We received proposals from three vendors regarding our solid waste program. At City Council's request, we asked for bids submitted to be based on our existing services. None of the bids submitted specifically matched in total our services. However, their recommended services were similar but reduced, primarily in the area of yard waste. All firms quoted prices above our current rate of \$17 per month.

As we move forward to present Council a draft budget, I would like to have a discussion with Council to get your sense of whether we look to review and possibly adjust the solid waste rate for FY 2019-20 with our existing service or begin making arrangements to transition to a private vendor.

Mr. Bedenbaugh stated those are some of the issues that will be discussed with Council over the next several months.

Mr. Bedenbaugh stated the final matter is about funding nonprofits. He pointed out that Councilmember Diggs is the city representative on the ADDA board. Councilwoman Gregory is on the Senior Life Services board, and Councilwoman Price is on the Lower Savannah Council of Governments board. He said they should recuse themselves based on advice from the City Attorney when these matters are discussed in the budget.

City Attorney Gary Smith stated they had talked about funding for agencies such as ADDA, Lower Savannah Council of Governments, and Senior Life Services. Then it occurred to him that if a Councilmember is serving on the board of one of the nonprofit agencies and the Councilmember is coming to Council saying the agency is great and the city needs to give the agency money, the board is benefiting from the Councilmember soliciting City Council, and that is a clear violation of the State Ethics Act. He said he talked with Kelly Zier, City Attorney of North Augusta, and he said the matter was recently brought to their attention. Their solution was that they created a line item budget and they have a separate line item for each of the nonprofits. As each line item came up for discussion the Councilmember on the board for that organization would leave the room while the organization on which they serve is discussed. That would leave six Councilmembers in the room. He pointed out when a Councilmember recuses himself because there is a potential conflict of interest that means they recuse themselves from all of the discussions on that item. He asked that Councilmembers be careful when the items come up in private discussions.

Councilmembers Diggs, Gregory and Price left the room.

Mr. Bedenbaugh then discussed funding in previous budgets for the Aiken Downtown Development Corporation, Aiken County Library, Best Friend Express (LSCOG), and Council on Aging. He pointed out funding for the library goes back a number of years. They use the funding to purchase materials for the library. Last year the City funded The Best Friend Express (LSCOG) an extra \$6,000 for a total of \$21,000. They are doing a transportation study in addition to the funding of the Best Friend Express which is a bus service. For a number of years the Council on Aging was in our budget. They quit asking for funding in 2009 and funding was not included in the budget. Last year they requested funding and have requested funding for the 2019-20 budget. He pointed out that the ADDA has been funded since its inception. Going back to the mid-1990s they have been funded \$60,000. Other than ADDA the other three entities are funded soon after the beginning of the fiscal year in one lump sum. ADDA has been funded \$15,000

quarterly. He said this is provided as information for Council and asked if Council had any questions or comments.

Councilman Woltz asked what control the city had over the use of the monies provided to the entities. Mr. Bedenbaugh stated the city does not have any restrictions on the funding. The funds go to the agencies' budgets for their use. Spending of the funds is not audited.

Ms. Knight, of ADDA, stated the funding from the city is a major portion of their revenue and helps them to be able to stabilize everything within their office. She noted that their budget is open to anyone who may want to review it. She said the funding does help with the day in and day out activities. She pointed out that revenue received from their events goes back into the Downtown for projects. She pointed out that they are funding some events for Masters Week.

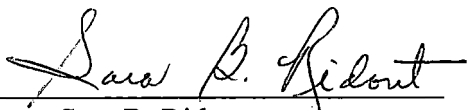
Councilman Woltz stated he felt ADDA does a good job, but he felt that the city is providing a lot of money for ADDA that the city has no control over. He felt the downtown business members should be providing the money for ADDA operation for what they are receiving. He pointed out that the \$60,000 provided from the City is collected from people all over the city, and they are not benefiting directly from the donation, but indirectly they are. He felt this is something that Council needs to look at in the budget this year.

Mr. Bedenbaugh stated Council could have that discussion. He pointed out that with the entities all are line items in the budget with the dollar amount. In response to a question regarding whether ADDA asks for the amount or the city just puts it in the budget, Mr. Bedenbaugh stated with ADDA that number has been set going back a number of years. Requests are received from the other three entities for funding each year. He pointed out that the funding request for the Best Friend Express (LSCOG) last year was \$21,000 because \$6,000 was for a transportation study that the City of Aiken, City of North Augusta, and Aiken County and other entities helped fund. He noted that Dr. Molnar will be coming to Council in a few weeks to talk to Council about the results of the transportation study.

Mayor Osbon stated he anticipates having multiple budget work sessions this year. Mr. Bedenbaugh stated budget work sessions will begin on March 25. He pointed out that he anticipates having a budget work session most Mondays until first reading of the budget.

For information Mr. Bedenbaugh stated the new car take home policy went into effect today at 6 a.m. for Public Safety.

There being no further business, the work session ended at 6:45 p.m.


Sara B. Ridout
City Clerk