

Aiken City Council Minutes

WORK SESSION

April 15, 2019

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

Others Present: Stuart Bedenbaugh, Gary Smith, Sara Ridout, Kim Abney, Lex Kirkland, Charles Barranco, Kymberley Wheat, Jessica Campbell, Pam Royal, Kim Coleman, Jeff Metz, Mike Przybylowicz, and Colin Demarest, of the Aiken Standard.

CALL TO ORDER

Mayor Osbon called the work session of April 15, 2019, to order at 4:38 P.M. Mayor Osbon stated for Council discussion is continuation of the FY 2019-20 budget.

BUDGET

FY 2019-20

Parks, Recreation & Tourism Department

Mr. Bedenbaugh stated Council had a budget work session on April 1 and got through the Public Safety Department. He asked if there were any questions about what had been covered so far. There being no questions, Mr. Bedenbaugh started review of the Parks, Recreation and Tourism Department in the General Fund.

Mr. Bedenbaugh stated the majority of the funding of the Parks, Recreation and Tourism Department does come from the General Fund. He noted, however, there is some funding from the Accommodations Tax Fund and Hospitality Tax. He noted that we are able to shift some of our operations and maintenance expenditures into the Hospitality Tax Fund. He noted that the expenditures included in the Hospitality Tax Fund have to be related to visitors or tourists which is defined as someone who does not live in the city.

Ms. Jessica Campbell, Parks, Recreation & Tourism Director, noted that some staff members were present from the various divisions of the PRT Department.

Mr. Bedenbaugh noted since last year some of the tennis fees have increased. We are opening the Aiken Senior and Youth Center and that rate schedule had been shared with Council. He reviewed the proposed expenditures for the Recreation Division of \$1,151,575. He noted that Hospitality Tax was used for expenditures in the Rye Patch-Hopelands Division, Tourism Division, and Parks Division amounting to about \$790,000.

There was a question as to whether we were properly funding what is needed in the Tourism Division. Ms. Campbell stated staff demands, as in every department, are a struggle. She noted that additional staff had been requested, but it is not always funded.

Council then discussed marketing of the city and wanted to be sure we are being marketed as a destination city. It was noted that the City does local marketing and also has a contract for marketing of the city, and the local marketing and the contract cost is \$153,000 which comes from Hospitality Tax funds. Councilwoman Price stated she had some information she would like to share regarding marketing. She noted that it appears that some of the greatest things that help attract people to a community are history, arts and culture. She wondered if we could do more justice to the city if we had staff in-house who knew what our history, arts and culture are about and who is here every day seeing this and had the marketing tools to know how to apply this. Ms. Campbell noted that the company currently doing the marketing was chosen because they have a global market.

Councilwoman Price noted that people are coming to this area from Fort Mead because of cyber and are moving to this area. She pointed out that publications are given to that market to attract people to the CSRA. She wondered if the current marketing firm was aware of what is going on with the work flow that is occurring around here.

Council continued to discuss the PRT Department and staffing. There was a question as to whether a position had been funded for the Senior and Youth Center. Mr. Bedenbaugh responded that a position had been funded for the Center in last year's budget and no additional positions were funded for the Center in next year's budget. Ms. Campbell noted that they feel they are sufficiently staffed there with a secretary, a coordinator, and a maintenance worker at the facility at this time. They will use shared personnel from other divisions when needed. She pointed out they have Paid Specials for personnel who work events after regular working hours at rental facilities. She pointed out that until the facility has been opened, and we see the demand for use of the facility, she felt they are adequately staffed at this time at the Senior and Youth Center. It was noted that staff had asked for an additional Coordinator, but that was not funded at this time. Mr. Bedenbaugh pointed out that some retirements will free up some salary money which can be used for a part-time person if needed at the Senior and Youth Center. Council continued the discussion of personnel and whether additional staff is needed. They pointed out that they depend upon the Department Heads to let Council know if additional personnel is needed to get the job done. Ms. Campbell pointed out that PRT's additional requests were for a secretary at the Visitors Center. Presently they rely on docents and one full time staff person. The other request was for a full time Coordinator for the Recreation Division. She pointed out that looking at time sheets, there is not a time sheet for hourly employees that does not have more than 80 hours regular time.

Council then discussed Generations Park and how that is staffed and programs for the park. Ms. Campbell stated the kite festival was held at Generations Park, but they had not planned any new programs at Generations Park. She pointed out that staff maintains the park. She pointed out that until Generations Park is further developed, they do not have a program for the park. She pointed out there is a playground and a walking trail. Their outlook for the park is for it to become a soccer complex. She pointed out that with the fitness court, if they can get the money from the community to help install that component, then we have instructors and trainers interested in programming for that.

Councilwoman Price stated it depends on what priority we place on Generations Park. We can let it set another 10 years like it is, or we can get serious about some economic development on that side of town and invest and budget some money every year for the park. She said we need to have a plan from I-20 coming south into Aiken. She pointed out that we can try to identify a sponsor like the credit union that sponsored the ballpark in North Augusta. We need to identify a sponsor for things like the amphitheater and other facilities in the park. She felt that until Council budgets and focuses on the area it will stay as it is. Councilman Woltz felt that we need to do something with the park. He noted that we talked some time ago about having a committee of people to come up with ideas of what to do with Generations Park. It was noted that some Councilmembers had suggested an appointment to the committee, but not all of Council had submitted a person for the committee. Council discussed the park and felt that something needs to be done at the park. It was felt that Generations Park should be included in the planning for events. Ms. Campbell pointed out that there are four Program Coordinators who are responsible for all programs, activities, and special events for the department for all locations. Ms. Campbell noted there are 25 facilities, including parks and buildings. She pointed out that they need bodies, but with the bodies comes the budget. If we don't have the operating budget to support new programs, the bodies are no good. She pointed out that there is a master plan for Generations Park and that was made with community input. She said they know what we want, but we don't have a funding source to provide what we want.

Council continued to discuss the facilities and programming for the facilities. Council felt that we need to decide whether we are going to develop Generations Park. As far as present needs, staff felt a Program Coordinator for Hopelands and Rye Patch is needed to coordinate events. Mr. Bedenbaugh stated staff has a list of needs for the department. Council also discussed whether there was an alarm system at Generations Park. It was noted that people don't feel real safe at the park with no one at the facility. Ms. Campbell pointed out there is a camera pointed to the playground and shelter, but there is no alarm system. It was pointed out that the City has about \$5 million invested in Generations Park between acquisition of land and the first phase of the park. It was noted that we have to figure out a way to develop Generations Park. It was stated that work on the

walking trail should begin shortly and be completed by the time school is out. It was also noted that the Fitness Court would be a draw for Generations Park if we can get sponsors for the Fitness Court. It was noted that staff is talking to entities about sponsoring the Fitness Court. The City received a grant for the Fitness Court, but needs to get sponsors to provide funding to match the grant. It was pointed out that there is a plan, but it will take money and effort and getting other people involved. It was pointed out that is what Economic Development is for. Development of the plan is what we can do to make Generations Park make money for the community so it is a shared effort. As far as tournaments, it was pointed out that the City pays for the tournaments to come in. However, the tournaments bring people and families to the area to spend money here which helps our economy. It was also pointed out that tourism is more than tournaments and involves bringing people to the area for many other things. It was noted that there are about 30 festivals a year held in our downtown, between churches, ADDA, and others.

Mayor Osbon asked that staff look again at the one position for Program Coordinator for Hopelands and Rye Patch and see if it might be possible to fund the position. Mr. Bedenbaugh stated Council had been clear about adding Driver/Operators for Public Safety for Station 6, and the position in Recreation for a Program Coordinator. He pointed out the proposed budget is based on the current millage rate of 62 mills. He noted that in other discussions there had been a sense that perhaps Council would look at a General Fund millage increase. Council noted that was considered in order to meet the needs of the City to provide the quality of service that our citizens want and expect.

Councilwoman Gregory asked that Ms. Campbell think about three initiatives, whether they may be tournaments, tourism or festivals. She felt that we should tackle one of the initiatives.

Non-City Support

Mr. Bedenbaugh stated there had been discussion about Non-City Support items in the budget of \$112,000 most of which comes out of the General Fund. He pointed out that we fund Best Friend Express out of Hospitality Tax. We fund \$10,000 each year to the Economic Development Partnership which we have done for many years. The other entities include the Aiken County Library, Downtown Development Corporation, the Best Friend Express (COG), and the Council on Aging (Aiken Senior Life).

Mr. Gary Smith, City Attorney, stated that Councilmembers who are a member of any of the entities noted as being funded in the budget, should recuse themselves from the discussion and leave the room while the particular line item for the entity on which they are a member of the board is being discussed. He said that would be true for discussion in the work session and when voting on the budget document. He noted that is different from previous years. He said this is a matter that came to staff's attention recently when another jurisdiction was called on the matter by a citizen. He said Councilmembers will vote on the entire budget, less a particular line item for an entity of which they are a member.

Mr. Smith pointed out also that if a Councilmember's spouse is on the board of one of the entities mentioned, that the Councilmember should recuse themselves from voting on that particular line item. He pointed out that participating with one of the entities' activities is different from being a board member of one of the entities. He noted that being a member of the board of an entity anticipates an ownership type of interest in a public corporation. Being a board member of an entity, the entity would derive benefit from the city's contribution; therefore, a Councilmember should not be a part of that conversation or vote on the matter.

Mr. Bedenbaugh stated that the policy applies to entities receiving funds from the General Fund, not other funds like the Hospitality Tax or Victims' Services Fund where the state requires that a portion of the funds be given to entities that help victims such as the Cumbee Center and to the Child Advocacy Center.

Councilman Dewar asked if non-recused members of Council could discuss whether they want to continue to provide funds to any of the entities. Mr. Bedenbaugh stated that is

correct. He pointed out the funding to the entities are in the budget because they have been in the budget previously and the entity has asked for funding.

Mr. Smith pointed out that when Council gets to the budget ordinance, there will be two ordinances with one ordinance being the entire budget with the other being the line item budget for the various entities to be voted on by each line item. He said this will be cumbersome, but it may keep us out of court.

Engineering and Utilities Department

Mr. Bedenbaugh stated for Engineering and Utilities there are several funds to review. He pointed out that Council had already had some conversations about potential rate increases for consideration. He said Council had been clear about the sewer fund rate. He said the City is getting a sewer rate increase passed on to the City by the Aiken County Public Service Authority of 1.8%. He said to put that in average dollars and cents, the average residential user (800 cubic feet) would see their rate for sewer increase 32 cents per month.

Last year at budget time, Council discussed the Willdan water and sewer rate study that was presented to Council. If we follow the rate study, a water rate increase of 3% was recommended for this year. If we were to implement the 3% increase, the average residential customer would see their water rate increase 27 cents per month.

Mr. Bedenbaugh also pointed out that Council discussed an increase in the stormwater fee. We are in the process of billing properties in the city that do not have a water account tied to the parcels twice a year. They will get a bill twice a year for whatever the rate is. If it is not paid, the next bill will include penalty and interest. Then if it is not paid, the charge will show up on their tax bill as a separate line item and penalty and interest will accrue. With the charge on the tax bill, you have more leverage to collect the charge. Presently the average bill for the vacant lots will be \$5.42 per month unless they are very large parcels. Staff recommends that the stormwater increase be in effect on July 1, 2019.

Ms. Kim Abney, Assistant City Manager, stated the property owner, those not on water service, will receive a bill twice a year. However, staff may stagger the billing and bill a portion of the parcels every month, with each owner receiving a bill twice a year. She said they are trying to figure out what is best for use of the software and for the customer. It was noted that the City should have already been billing stormwater for these parcels without water service. It was pointed out that the system has to be set up to do the billing.

Mr. Bedenbaugh stated his understanding from the County Treasurer is that the balance owed on the tax bill has to be paid to be considered paid in full. Otherwise, the property can be sold for non-payment of taxes and fees.

Councilman Woltz asked what the amount would be to increase the water service and the sewer service for an average user. Mr. Bedenbaugh stated the average increase for a residential consumer would be 59 cents per month. Councilman Woltz wondered if that would just break us even. Mr. Bedenbaugh stated for sewer, staff is proposing to pass the cost on to the consumer for the amount the Aiken County Public Service Authority is increasing the cost to the City of Aiken because of improvements made to the treatment facility. He pointed out that the increase would basically hold us steady versus last year.

Mr. Bedenbaugh stated the proposed water rate increase is part of the rate schedule study done last year. The rate analysis suggested that if we are to follow the model, a 3% rate increase would be necessary for fiscal year 2019-20. It was pointed out that money is needed to improve the infrastructure. Infrastructure improvements needed were identified last year in the CPST IV for \$240 million for repair needs. We are funding \$30 million of infrastructure through CPST.

Councilman Woltz stated his question was do we just go up enough to break even or do we go up enough to start putting some money in to fix some of the problems. Council then discussed the proposed rate increases. Mr. Bedenbaugh pointed out something else

to look at as part of the rate increase is that a base meter rate for non-residential meters would increase as well. It was pointed out this would be the second year in the five year rate increase cycle. He pointed out that Council chose last year to increase the sewer rates 11%, so we got ahead in the rate study portion of the sewer rate. He said on sewer other than passing on the rate increase from Aiken County PSA, we are in good stead. For water Council made the decision to just implement the modest 3% rate increase so the proposed increase would be the second phase of the rate study.

Mr. Bedenbaugh stated he could demonstrate on a chart what the rate increase would be, the base meter charges with the various percentages, and also the water rate increase based on volume consumption what various amounts would be. Then Council could look at it and give staff some direction. He suggested that Council could go ahead and have first reading of an ordinance for a rate increase at the next regular meeting which is April 22, 2019. That will help staff as we move forward with our budget as to what we can budget. He said if we have a sense of what the water rates will be, we will devote a lot of the money for repair projects and system depreciation which is what we did last year.

Mr. Bedenbaugh stated the Stormwater Fund is balanced at the rate of \$5.42 per month. A stormwater rate increase will help us do more projects. Presently we don't have a lot of money set aside for projects because of the cost for the projects. He pointed out that we have had one rate increase since 2003. It was pointed out that we don't have the money we need to move forward.

Mr. Bedenbaugh stated he felt staff would recommend the passing on of the 1.8% rate increase from the Aiken County Public Service Authority for improvements to the treatment plant for the sewer service. He said he could show Council some examples of some additional rate increases for water. Staff could show the 3% increase that the consultant firm recommended similar to what was done last year, or we could have a 6% or 9% increase as well as the base meter charge increase.

Councilman Woltz stated he felt Council needed to look at it all, including the sewer service so Council can see what makes the best fiscal decision.

Mr. Bedenbaugh stated he could provide that information for Council for the next meeting as well as for stormwater. He said staff had described how we will bill the properties that don't have water service. If everyone pays, that should bring in about \$100,000. With the rate increase, we have several options. We can phase that in. He pointed out that the consultant suggested to properly account for the ERU if it is done in one increase, the average homeowner's stormwater rate would go up from \$5.42 per month to \$7.90 per month which would be \$2.48 per month. That could be phased in over several years. Staff could show the increase phased in over three years and how that could help versus the whole \$2.48 per month increase at one time.

Because of what is involved in setting up the software, staff time, and postage, it was suggested that the stormwater fee for vacant properties be put on the tax bill as there would be a better chance of collecting the fee. It was noted to do that the ordinance would need to be changed. It was felt that we would save money by putting the fee on the tax bills and the collection rate would be better. It was pointed out that being on the tax bill would mean the fee would be charged to the property owner. Council suggested that staff reevaluate the ordinance.

Councilwoman Price pointed out in looking at the proposed budget and the needs, we should face the fact that we need to increase the tax millage rate to provide funding for the needs of the departments. She pointed out that we cannot do the things that would make our city advance if we continue this discussion for another 10 years. She pointed out that it is for the long term benefit of our city that Council make some tough decisions.

Mr. Bedenbaugh stated that he had looked at the numbers. If we increased the millage rate 2 mills, increased the water rate 3%, the stormwater rate 83 cents, increased the sewer rate to pass on the 1.8% increase from the County, and increased the solid waste fee to \$20.09, the average homeowner in the city with a taxable value of \$165,000, would pay an extra \$89 a year, including the increase for water, stormwater, sewer, solid waste,

April 15, 2019

and a 2 mill tax increase. A 2 mill increase would add \$8 to every \$100,000 value of a home.

Councilwoman Price asked if Council were to increase all the fees mentioned by Mr. Bedenbaugh, would that mean that next year you would not ask for another increase in those fees. She wondered if we could give the citizens a break for a period. Mr. Bedenbaugh stated that increase would not mean that an increase would not be needed next year. He pointed out that for the stormwater fee increase, he did not increase the fee the full fee needed. It was also pointed out that it has been recommended that the water rates be increased 3% per year for five years. Mr. Bedenbaugh stated staff could have all the scenarios for Council to look at. He pointed out the increases would be for depreciation and projects.

Councilman Dewar noted that every year there are projects that need to be done for water, sewer, and stormwater. He said we are getting some grants that help with some of the cost of these projects. It was also noted that we have borrowed money for some projects, and some of the revenue from the rate increases is being used to pay back the loan.

Councilman Girardeau asked about the fees for residents who do not live within the city limits. Mr. Bedenbaugh pointed out that the city charges double city rates for water and sewer service outside the city. We also charge outside city fire fees on the water bills. It was noted that the water and sewer rates could be quadrupled. Several jurisdictions in South Carolina charge triple water and sewer rates outside the city, but none charge quadruple water and sewer rates outside the city. There was a question as to how much money would be brought in if we tripled the water and sewer rates to outside city residents. Mr. Bedenbaugh stated it would increase the revenue by \$1.6 million. Mr. Bedenbaugh stated \$352,800 would be brought in by raising the millage rate 2 mills. It was pointed out that increasing the outside city rates would encourage annexation to the city.

Mayor Osbon suggested this would be a good place to stop on the budget discussion.

Mr. Bedenbaugh stated we need to have first reading of the budget ordinance on May 13, 2019, with second reading at a meeting in June in time for a July 1, 2019, implementation. He pointed out there would be another budget work session on Monday, April 22, 2019. We will see where we need to go after that.

EXECUTIVE SESSION

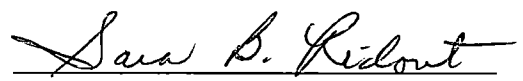
Mayor Osbon stated that City Council needs to go into Executive Session pursuant to Section 30-4-70(a)(2) to discuss negotiations incident to a proposed contractual arrangement and proposed sale or purchase of property. Specifically, City Council needs to go into executive session to discuss a proposed contractual arrangement with the owners of real estate regarding the possible purchase and/or acquisition of land in the City of Aiken.

Councilman Dewar moved, seconded by Councilman Girardeau, that Council go into executive session for the reason stated by Mayor Osbon. The motion was unanimously approved.

Council went into Executive Session at 6:10 p.m.

After discussion, Councilman Dewar moved, seconded by Councilman Woltz, that Council come out of Executive Session. The motion was unanimously approved.

Council came out of Executive Session at 6:35 p.m.


Sara B. Ridout
City Clerk