

Aiken City Council MinutesWORK SESSION

May 30, 2017

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

Absent: Councilmember Ebner

Others Present: John Klimm, Stuart Bedenbaugh, Tim O'Briant, Kim Abney, Charles Barranco, Nola Grant, Ryan Bland, Michelle Jones, Jessica Campbell, Mike Jordan, Angela Hales, Sara Ridout, Lloyd Copenhagen, Jeffrey Jordan, and Michael Smith, of the Aiken Standard.

CALL TO ORDER

Mayor Osbon called the work session to order at 8:03 A.M. and stated staff would review the proposed budget for FY 2017-18.

BUDGET REVIEW2017-18

Mr. Klimm stated the purpose of the meeting was to go through the budget and answer any questions and listen to concerns that Council may have. He offered any Councilmember the opportunity thereafter to sit down and go through any additional questions they might have. The goal is to have Council ready for considering the budget on second reading on June 12, 2017. He noted that Ms. Abney, Finance Director, would make a presentation and then he would make some comments.

Ms. Abney reviewed the Summary of Expenditures by Fund pointing out the Operating Budget and the Capital Budget. She noted that the Operating Budget was slightly less than last year with \$46,448,283 for 2016-17 and proposed \$46,334,230 for 2017-18. She pointed out, however, the Capital Budget for 2016-17 was \$9,681,611 and for 2017-18 is proposed to be \$27,597,830. The concentration for the proposed budget is the Capital Budget which has been discussed several times with Council. Ms. Abney pointed out she had reviewed the major changes in the proposed Operating Budget on May 8. She pointed out for the Capital Projects in the proposed budget, that most of the projects had been discussed in the past several months, such as the infrastructure, the needs in the Water and Sewer Fund, the Storm Water improvements proposed, and the Transportation & Public Safety Improvements which is the Public Safety Headquarters building.

Ms. Abney then reviewed for Council the capital items proposed to be included in the 2017-18 budget amounting to \$27,597,830.

Councilman Dewar asked about the \$750,000 included for a parking garage. Mr. Klimm responded that \$750,000 is the amount proposed to be allocated from the Hospitality Tax towards the cost of a parking garage. He pointed out that the parking garage nor the Public Safety Headquarters projects nor any of the items had been approved by Council yet, but were included in the proposed budget. Councilman Dewar noted then if Council approves the budget, the items listed would be approved. Mr. Klimm stated if it was the desire of Council to pull items, then they could be pulled out. He noted that the presentation was for discussion and to get Council's opinion. Ms. Abney pointed out that the items highlighted in yellow are also reflected in the First Tryon Advisors information. Those are the items for which the city anticipates to borrow money for the projects. It was noted that those figures are not final costs, but the projects will need to be engineered and bid so the cost could change for the projects. Ms. Abney pointed out that many of the capital items are proposed to be funded with Depreciation Funds that have been set aside for the items.

Councilman Dewar asked if the city was continuing to put money in Depreciation for existing vehicles that are not being replaced. Ms. Abney stated if a vehicle is at the end of its life, but it is not being replaced at this time, the City does not continue to put money in the Depreciation Fund for that vehicle. Councilman Dewar expressed concern about not putting funds in the Depreciation account for fire trucks as they have to be replaced at some point and when that time comes there is no money in Depreciation to replace the vehicle and we have to borrow money to buy a fire truck. He pointed out that the last fire truck was purchased with CPST II funds and the decision was made to not depreciate the fire truck. Mr. Klimm pointed out the matter of depreciation for a fire truck was a different issue, and he felt the matter should be discussed by Council at some point to see how they feel about the existing depreciation policy for vehicles, including fire trucks.

Ms. Abney pointed out that the Wayfinding signage project for the downtown signage is proposed to be paid from Hospitality Tax funds, not the General Fund. Ms. Abney pointed out that Public Safety had asked for surveillance equipment for the downtown and Recreation had requested additional cameras and it is proposed that would be funded from the Transportation and Public Safety Fund. Councilman Dewar expressed concern about surveillance equipment and thought that might create some local controversy. He recommended that Council approve the concept for surveillance equipment before going to bid for equipment.

Ms. Abney pointed out the HVAC Replacement for the Weeks Center and noted no funding was included. She pointed out that staff had been looking at an energy performance contract with a vendor that could show us how we could save money. The HVAC would be replaced with funds from the energy savings. Councilman Merry noted that a contractor with SCE&G had come to his office and offered to change out the fluorescent bulbs and ballasts in his office which would dramatically reduce the electricity cost. SCE&G funded a great portion of the changeout, and it reduced their office energy cost. Councilwoman Price noted a change out in their office also reduced their energy cost. It was noted a change out of bulbs in the Public Services building was done several years ago.

Ms. Abney pointed out that Christmas displays for \$10,400 for Hopelands Gardens are to be funded through the Local Accommodations Tax. She pointed out also that the Recreation Department was able to secure a grant for the Shade Structure project so the city will only have to provide matching funds and that will be through the Local Accommodations Tax fund as well.

Councilwoman Price then discussed the surveillance equipment downtown. She pointed out that in many cities you see many cameras at an intersection. She wondered how these cities fund the cameras. She felt the cameras help fight crime.

Ms. Abney pointed out that the Citizens Park Playground & Sprayground Renovations is not funded in the proposed budget, but we are talking about how we are going to address the sewer there. If this project is done, it will have to be done through a loan.

Ms. Abney pointed out the Carriage Museum Renovations for \$85,000 is a project in which the Friends of Hopelands would participate. The city's funding would come from Local Accommodations Tax funds.

Ms. Abney noted the Playhouse Lighting Software upgrades. She pointed out that some Accommodations Tax Funds would be used as well as some Playhouse Funds along with other entities' funding to upgrade the lighting at the Playhouse.

Ms. Abney reviewed the Public Works capital projects items. She pointed out that we have funding in the Transportation and Public Safety Improvement Fund, the Road Maintenance Fund, and also Capital Projects Sales Tax that will address the capital items. She noted that for the Transportation and Public Safety Improvement Fund and the Road Maintenance Fund we are getting revenue. She pointed out the list includes some of the projects that were requested. There will be revenue to fund some of the projects, but no specific projects are listed in the budget. She pointed out for Street Resurfacing there

will be money in the Road Maintenance Fund, and we have money in the CPST fund for street paving. She noted that the Public Works Department will recommend what streets to be paved. There was a question regarding the dollar amount for a sidewalk on Hampton Avenue. It was noted that the cost was generated based on the cost for another sidewalk.

Mr. Klimm stated it is the intent to put the sidewalk along Hampton from Vacluse to Greenville Street. He pointed out there is a policy question for Council to consider. He noted that some of the area is not in the city, but if we wait for the County for help, it will probably be a long wait. He pointed out that the question is that it is a public safety issue so we would argue that we should forego the possibility of collaborating with the County unless something changes. From reading the paper, it seems the County is facing huge hurdles just to keep ahead of the existing budget. He felt to think the County will have money to fund new sidewalk projects is probably slim. He pointed out it is felt there is a public safety issue and we have waited many years to get it completed and that the city should just consider doing the sidewalk. He said that would be a public policy question for City Council.

There was a question as to whether the city is pursuing SIB funding. Mr. Klimm stated staff is working with consultants and with the County on a major Whiskey Road package. Councilman Dewar stated he was thinking about Centennial Drive, and the road parallel to Whiskey, Dougherty Road, and others. Mr. Klimm stated we need organizational structure to take on these road projects, but we don't have a road division in Public Works. Councilman Dewar pointed out that the city only has 85 miles of city owned roads. He stated if the city starts working on County roads with city money that would not be right and not fair to the city residents. Mr. Klimm pointed out that the city residents are spending \$500,000 a year to fund County roads while there are only two miles of County roads in the whole city. Council continued to discuss the issue of sidewalks and paving and maintenance of streets in the City of Aiken. It was noted that the city has about six really major road projects that need to be done to improve traffic flow in the City of Aiken. It was felt that a package needs to be put together and submitted to the State Infrastructure Bank for road projects.

Ms. Abney continued to review the listing of capital projects for Council's information, noting the projects which include CPST money for funding. She also noted projects which would be potential bond projects. Council also discussed the proposal to purchase a vacuum truck versus rental of the vehicle. There was discussion on how depreciation is determined for the various vehicles. Ms. Abney pointed out that when equipment is purchased the depreciation is based on the life of the equipment and a dollar amount is determined for each year for the depreciation.

Ms. Abney then reviewed information on proposed bonds to provide funds for projects. She noted that First Tryon Advisors had met with Council twice and talked about the model. She pointed out that the information had been updated. She pointed out that the figures for the projects listed are estimates for budgetary purposes until engineering or bids are done for the projects. She noted that sources for funding for projects include the Capital Projects Sales Tax, Hospitality Tax, Franchise Fee Revenue or Transportation & Public Safety Improvement Fund, General Fund Revenue, Water and Sewer, and Storm Water revenue. Ms. Abney stated staff will continue to work with First Tryon as items change.

Council noted that there are a number of projects proposed and all projects cannot be done at the same time. It was pointed out that it will be a challenge for staff to manage all the projects.

Mr. Klimm stated he would like to talk about some initiatives. He pointed out the largest initiative is some major changes in the area of Public Safety. This has been categorized into three specific areas. The first deals with the ongoing issue of personnel and staffing. The challenge is that the Department is faced with retirements and unexpected personnel leaving. It was suggested by Council that we not only consider adding new staff, but also adding additional staff on a temporary basis to be funded from savings that are caused

because of retirements. The proposed budget has the addition of two new Public Safety positions which are restored positions and were in the budget several years ago. Originally the Department had this staffing in it, but the positions were eliminated some time ago. It is proposed that two new Public Safety Officers be added permanently. In addition we are suggesting that we add two temporary positions which funding does not appear to be in the budget, but are because of known retirements. In addition we are following the recommendations of the Operation Audit of the Public Safety Department and adding one more Dispatcher.

Mr. Klimm stated we have undertaken a comprehensive review of the compensation plan for the City of Aiken. He noted that we had a compensation plan, but it was terminated some 6 or 8 years ago because of some financial challenges that we faced. He pointed out there is no compensation plan that shows how much an employee would get this year and how much they can expect to get next year. It is that uncertainty that has repeatedly come up in our conversations with employees who have left city service. He pointed out that we are finishing a compensation plan for Public Safety and will continue to do one for each department and bring them to Council for review. He said we will have a professionally completed compensation plan that gives our more senior employees some expectation that if they continue to commit to stay with the city, that there will be expectation, if they receive a satisfactory job evaluation, for a step increase. He said if we don't put into place a compensation plan for every department, we can expect to continue to see the turnover that we presently have. Mr. Klimm pointed out that for employees who have been with the city for 15 or more years, they are seeing almost an annual additional cost for their health insurance. For Public Safety employees they have seen an additional cost to participate in the pension plan. Even if we give a Cost of Living increase this year, it will be totally lost due to increases in pension obligations and health insurance, especially for Public Safety personnel.

Mr. Klimm stated the third item deals with crime and how we can more effectively and more directly address the issue of crime by going where the crime happens with more effective strategies. He noted that we have read about what other cities have done in this regard. Another recommendation is to follow the recommendation of the Operational Audit and address the issue of our Public Safety building. He said he felt we have come up with a very creative and efficient way to address that issue as well.

Mr. Klimm noted that Chief Barranco is present to answer any questions Council may have regarding the Public Safety Department.

Councilman Dewar noted that he had asked for some details and statistics on the turnover in Public Safety. He felt that our staff turnover is high. He wondered if we are getting real valuable exit interviews. He said he was hearing that people leave as soon as they can. He noted that we need to adjust the wages for employees, not only in Public Safety, but throughout the city. He was concerned about waiting a year to continue the compensation plan for other departments. Mr. Klimm responded that it is not the plan to wait a year to install a compensation plan for the other departments of the city. He pointed out the reason for doing Public Safety first was that the department is a much more structured organization and their job descriptions were much better than other departments. Also, they are one of the biggest departments. It is the plan to have all the compensation plans before Council by December. He pointed out funding for the Public Safety Department is included in the proposed budget, but not the other departments. It is proposed that funding for the other departments be funded from cost savings. He noted that all the departments are important. Regarding the turnover rate, Mr. Klimm stated staff is doing a report and will have that information to Council in a few days.

There was a question as to whether the city does regular employee satisfaction surveys to get a general idea as to how satisfied the employees are. Ms. Grant, HR Director, reviewed some of the issues that she sees for the turnover of employees. Councilman Dewar asked who does the exit interviews, and he noted that he felt if they were done within the department he was not sure they were that valid.

Mr. Klimm pointed out that the HR structure broke down and the value in presenting to Council the compensation plan is a result of input from the employees. The employees not only complained about their salary, but another comment deals with fairness of the system.

Mr. Jeffery Jordan made a comment from a private business standpoint regarding employees. He noted that there is turnover in private businesses as well. He noted that it is difficult for Public Safety to compete with the security firm at Savannah River Site, and he was not sure the city could ever pay what the firm at SRS pays their security employees. He noted that the conversation regarding turnover is something that private businesses have also.

There was a question as to whether other Public Safety Departments had charged for response to alarm activations after two or three responses in a year. Chief Barranco stated there is some proposed legislation in the state house for three free responses, and then the Department would charge for responses.

In response to a question as to what the proposed Compensation Plan would cost for the Public Safety Department, Mr. Klimm stated the amount in the budget is a little less than \$100,000, but the plan is not completed yet, so he cannot say how much the cost will be. He noted that the proposed Compensation Plan would affect all employees as it would put them into a compensation plan. Some may be at the salary level where they should be and may not get an increase, but next year if they get a satisfactory evaluation, they will get a step increase. It was noted that the proposed compensation plan is very similar to the military scale. It was pointed out that the Public Safety Department career master plan would be continued in the new compensation plan.

Mr. Klimm stated the plan was to address the issues we heard from the employees, which included getting the level of staff up. The compensation plan was the fairness issue. The third issue was the inadequacy of the Public Safety building.

Mr. Klimm stated he wanted to make sure that Council understood that there is a proposed 1.5% cost of living increase for all city employees in the proposed budget which is separate from the compensation plan.

Council continued to discuss various issues of the Public Safety Department.

Mr. Klimm stated he wanted to mention a couple more initiatives. He noted that Council had talked about infrastructure. He pointed out that the Operating Budget had gone down slightly. The major change is that we are committing to undertaking a rehabilitation of our infrastructure. He also pointed out that the proposed budget proposes that we address pension reform. He pointed out that pension reform is a huge issue nationally. He noted that the City of Aiken's pension plan is much better than a lot of cities who have only partially funded their pension plan. The City of Aiken has funded its pension plan. He pointed out, however, that in looking at the cost of pensions and the overall cost of government, the pension plan cost is a significant cost. Many years ago the private sector started addressing this matter by moving away from defined benefit plans to defined contribution plans. He said a defined contribution plan is being proposed in the 2017-18 budget. He pointed out the change would affect new employees, but would not impact Public Safety Officers in the State Retirement Plan. Public Safety Officers have been contributing to their pension plan for years. The city's present pension plan is a very generous system. It is a defined benefit plan that does not require our employees to contribute at all to the plan. He said the recommendation is that Council consider moving to a defined contribution plan that mandates an employee contribution. The proposed plan is only for new employees. He pointed out that present employees would not be affected. He pointed out that the significance of the change is long term. He noted that when the last employee presently employed by the City of Aiken passes away, then the city will be out of the pension business. He pointed out that it will be many years before the city is out of the pension business. He pointed out that the savings of changing the plan and requiring an employee to contribute to the pension plan over decades is huge.

He said the actuary is calculating the potential savings. He said this change will impact the city 20 years from now.

There was a question as to what the city match may be. The actuary has been asked to calculate that. Many times the employer will match the employee contribution. There was a question as to what the city is paying to the pension plan now. Ms. Abney pointed out that the calculation of the cost is a portion of the salaries. The contribution is not based on individual salaries, but based on the entirety of the population. The current budget amount for the General Fund is just over \$7 million, and \$400,000 for the Water & Sewer Fund. Ms. Abney noted the city puts money into the plan, then the plan pays the retirees. This plan does not include the Public Safety Officers. It was noted that the average cost for the city for the pension plan is 16% of one's salary. Ms. Abney pointed out that for the defined contribution plan, the contributions would not start until a year from the implementation. If the plan is implemented January 1, 2018, then it would be January 1 of the next year that the city would start contributing. There would be a waiting period so we would not start contributing and then have someone leave in a few months and we have to return their money. There was a question as to whether the return on the pension fund is 7.75%. It was noted that it is an average over a number of years.

Mr. Klimm pointed out that in last year's budget a Purchasing Division was created. Previously we had a very decentralized system where many of our employees had credit cards and individuals were purchasing. Ms. Abney stated the Purchasing Division includes one employee who was hired on January 23, 2017. She pointed out there had been two week long trainings on the paperless software. The purchase requisitions will flow through the approval level paperlessly. She noted that 86 employees had been trained on the software. The go live date is July 10, 2017.

Mr. Klimm stated another initiative deals with trees which is something very special, unique and historic about Aiken. A citizen has provided the funding for us to create an inventory of the major trees in the City of Aiken. A management plan will be established for the trees so in the future we take care of and maintain the trees and be more effective in planting additional trees.

Mr. Klimm stated an allotment of funds is proposed to be used to match funds from SCE&G for undergrounding wiring, and it is hoped we can go forward on a pilot project on South Boundary. It is hoped that we can initiate a program that provides the match every year. Every year that we don't match the money from SCE&G we lose it. SCE&G is putting about \$250,000 aside each year, and if we don't use it and match the funds, on the fifth year we lose a year's funding. We are hoping to provide money within the budget every year so we can match the funding. This needs to be a long term program.

Mr. Klimm stated if Council would like, staff can take questions about individual budgets now or take questions later by email. Mayor Osbon noted that the department heads are present so Council could ask questions now. He also noted that Council could hold a work session before the Council meeting on June 12, 2017.

Council then asked questions regarding the Planning Department. Mr. Bland, Planning Director, pointed out that a new Planner will start in June which will reinstate their second Planner. He also noted that they have hired another part-time Zoning Official for zoning enforcement which gives them two part-time employees for the position.

Mr. Klimm pointed out that our staff will be meeting with representatives from Rock Hill, Clemson and Greenville in a work session dealing with enforcement of taking down boarded up buildings and dealing with nuisance type issues that we have. These cities have been recognized nationally and state-wide in terms of effectively dealing with rundown housing and nuisance issues. He noted that the question is whether our challenges are because our ordinances or staffing or both are inadequate. He said we are trying to find out what has worked effectively in other communities. He said we are looking at the issue from an ordinance and manpower standpoint.

Councilwoman Price pointed out that we have been dealing with the issue for years. We have one person to enforce code and a question is whether that is adequate. The other matter is there are citizens who are very concerned about dilapidated housing. They maintain their property, but their property values have declined because we have allowed adjacent properties to continue to have dilapidated housing. Mr. Klimm pointed out that dilapidated housing in an area does ruin neighborhoods. He noted that the city had had a program called Demo 200 which had been used in the past, but we have not had a regular funding source for the program. He pointed out that it takes several thousand dollars to take a house down and many times asbestos is involved. He said since it seems to be a growing problem, he wondered whether we should commit our CDBG money for a period of years to demolishing dilapidated housing. He pointed out the CDBG funds are about \$150,000 a year which would be money we could use to make an impact. The key is to concentrate in an area and clean up housing in an area so we could see a difference in a neighborhood. He said the question is whether we should redirect present funding if this is a priority of Council. It was also mentioned by Councilmembers that there are a lot of junk cars that need to be removed from properties, especially on the northside.

Mr. Klimm pointed out that another issue that will come up again is the city versus county. He noted that in a lot of these areas there are two houses in the city and eight houses in the county. He said we talk about solving the problem, but when you talk to citizens they don't want to hear that we can't do anything because the problem property is in the county.

Councilman Dewar pointed out the annexation policy that he had been trying to push. He felt we need to ask people to annex and point out that in terms of dollars it does not cost much more or sometimes less to live inside the city versus being in the county and the benefits received from being inside the city.

Mayor Osbon pointed out that the city ordinance has steps that must be followed to deal with dilapidated housing. He noted that Council has to have the will to go forward with the program.

Council continued to talk with each department regarding their staffing and the projects in progress. Ms. Gillespie noted that she works with the Engineering staff and consultants when needed for projects under the Capital Projects Sales Tax.

Council also discussed whether a person is needed for grant writing.

Council asked Ms. Hales regarding staffing for the Information Technology Department. Ms. Hales noted IT has a staff of 5 full time employees. Three employees primarily work with desktops and network. She noted they could always use another person. She felt long term they need to split the network and security side. She stated they have not had a staff increase in 13 years. Mr. Klimm pointed out there had been a request for a staff person and they are needed, but it was decided not to hire additional staff this year.

In response to Council's question regarding staff for the Recreation Department, Ms. Campbell, Recreation Director, stated they will be needing additional staff for the Eustis Park Center and the Northside Recreation Park projects.

For the Human Resources Department, it was noted that there is an additional staff person included in the proposed budget.

There was a question as to whether there might be some additional programs needed in the Recreation Department to provide services for all ages and needs. Mr. Klimm pointed out that he had noted there is no structured senior program with the high percentage of seniors in Aiken. The other thing he had noticed was that we do not have an at-risk youth program. He said this is an issue that needs attention. Ms. Gillespie pointed out that through our partnership with Helping Hands with the Eustis Park Center, they are going to be targeting the at-risk youth through life skills such as tutoring, etc., and they have a funding source for the program. It was pointed out that there is the PAL program sponsored by the Public Safety Department which works with at-risk and

underprivileged children. Ms. Abney mentioned the Paxen program which is sponsored by the Lower Savannah Council of Governments. The program is for youth between the ages of 16 and 24 who have an obstacle to employment. She noted that the Finance Department has used several of the youth in the Finance Department. She pointed out it is a wonderful program because Paxen pays the youth.

Council continued to discuss various items pertaining to the budget. One question regarded the Horse Creek Valley Wastewater Treatment Facility and the improvements the County is making to the facility. Ms. Abney pointed out that the city has been notified by Aiken County that we will need to increase our sewer rates next year to help pay for the improvements which are being made to the Horse Creek Treatment facility. It was pointed out that the rate increase will probably be significant.

There was discussion about the outside city fire fees and how the fees are collected. Ms. Abney noted there are two ways fire fees are collected. Those outside the city and on the city's water system are billed for the fire service fee on their water bill. The uncollectable for those are about 3%. The other residents within the city's fire district but not on city water are presently billed \$100 per year. The collection rate for those are about 50% of what is billed. If those not on the water system have a fire, then the city bills them for the service and any back years not paid. If that bill is not paid, it is sent to a collection agency, but there is very poor response. Councilman Merry suggested that if the residents do not pay their annual fee, perhaps the homeowner's insurance company could be notified. Ms. Abney stated that was tried some years ago, but that did not work out. Councilman Merry suggested that perhaps Aiken County could bill those residents on their property tax bill for the County. Ms. Abney noted that some other cities do have the County bill for their fire service, and she did not know why the City of Aiken did not have the County bill for fire service for those not on the city water system. Ms. Abney stated she could check with the County to see if they would bill for the fire service.

Mr. Bland, Planning Director, gave a brief summary of the meeting with the realtors regarding the city's annexation policy. He said several things were being done to try to help take some of the burden off the realtors. He said with legal counsel a Disclosure Statement was drafted that the realtors could use for the sellers disclosure. He said Planning and GIS were in the process of creating a mapping tool that the realtors could use to see whether property is contiguous and has city water or not. Staff is also reviewing the feasibility of adding a disclosure statement on the water bills of applicable properties as to whether their property would be subject to the policy. He said they were also going to reach out more regionally to realtor groups and to closing attorneys so those groups in surrounding areas are familiar with the policy.

Mr. Klimm pointed out that a brochure is being made that shows an analysis of the cost of a home in the city versus outside the city.

Councilwoman Price also asked Ms. Jones, Public Works Director, if she had any comments to make regarding the Public Works Department. She pointed out that they are working on reorganization of the Public Works Department. She noted that the Public Works employees are committed to their jobs and serving the city with less. She said they are looking forward to the compensation plan being implemented. She noted they are busy working on the infrastructure improvements to the water, sewer and storm water systems. She pointed out that Mr. Grinton's leaving was a huge hit, but they are not planning to replace Mr. Grinton. They have hired an Infrastructure Engineer and need to fill the position of Stormwater Engineer and Utilities Engineer positions. A Road Facilities Engineer will be needed to be able to focus on the roads infrastructure and maintenance of the roads. Also, an Urban Forester position will need to be filled in the Public Services Grounds Division.

Mayor Osbon stated he would like for Council to hold a work session before the Council meeting on June 12, 2017, for the final review of the proposed budget.

Mr. Lloyd Copenhaver, a resident of Gem Lakes, stated he would like to ask a few questions. He noted there had been a private donation of HVAC equipment from Allied

Air Enterprises to Hopelands and Rye Patch, and he wanted to be sure that the company from which he retired gets some recognition for their donation. He noted that by not increasing the tax millage rate, Council, in effect, put in a self-tax reduction. The tax rate did not increase, but because the assessment of property went down, the citizens in Aiken are paying in general lower taxes in total. He said he would like to know how we covered that reduction in tax revenues and what things went away that we would have used that money for. Regarding the donut hole problem and annexation of contiguous properties, he felt the term free-loader had not been used enough. He noted that in looking at the budget, he read with great interest the emphasis on Public Safety. He pointed out all employees are good, and we want to treat everyone equal, but not all City of Aiken employees get shot at and run into burning buildings. He said he wanted to make sure the Department of Public Safety is taken care of. He pointed out in looking at the budget there was some salary money moved around in the budget. He pointed out the Support Services of Public Safety was combined with Administration of Public Safety. However, when he added all the salary and wage items for both divisions, there was no increase for salaries. He wondered where the \$100,000 was for the compensation plan for Public Safety. Ms. Abney noted that one reason for that is there have been a lot of retirements in Public Safety. She pointed out the funding for the compensation plan is in the budget in the line item for Benefits not in the line item for Salaries as well as the proposed 1.5% cost of living increase for employees. She pointed out the money is in the budget, but the figures are not finalized at this point. When it is finalized the cost will be allocated to each department's salary budget. She said a budget adjustment will have to be made during the year to reflect the change in salaries. Mr. Copenhaver pointed out that regarding the pension reform and a shift to a 401K, the city probably needs to put together something for new employees regarding the benefits of a 401K. Ms. Abney pointed out that city employees are able to participate in the State of South Carolina 401K and 457 plans. She pointed out there will be meetings and conversations with new employees about the benefits of a 401K plan.

Ms. Abney reported that the City bills 1,425 quarterly outside city fire subscribers. Approximately 800 of them pay their bills. Council felt it would still be worthwhile to check with the County to see if they would bill those residents outside the city and not on city water for their fire service fee.

ADJOURNMENT

The budget work session adjourned at 10:45 A.M.



Sara B. Ridout
City Clerk