

In compliance with the Freedom of Information Act, the news media and the public were notified of the time, date, and place along with a copy of the agenda of this meeting and a notice was posted on the outdoor bulletin board at the Batesburg-Leesville Town Hall and the Town's website no later than twenty-four hours prior to the meeting.

COUNCIL WORK SESSION

JUNE 2, 2020

The Council Work Session on the budget for the Town of Batesburg-Leesville, held in Building B of the Town Hall Complex, was called to order by Mayor Shull at 6:00 P. M. Members present were Mayor Shull, Council Member Etheredge, Gambrell, Lemon, Wise, Prouse, and Hall. Council Member Cain arrived at 6:38 P. M. and Council Member Mitchell was absent.

INVOCATION

The invocation was given by Council Member Prouse.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag was led by Council Member Gambrell.

APPROVAL OF AGENDA

A motion was made by Council Member Gambrell with a second by Council Member Etheredge to approve the agenda. With no discussion, a vote was taken.

VOTE: 7 Approved 0 Denied

NEW BUSINESS

A. Discussion of Fiscal Year 2020/2021 Budget

Mayor Shull turned the meeting over to Town Manager Luckadoo.

Manager Luckadoo began the power point presentation stating hopefully Council has reviewed the 2020/2021 Proposed Budget for the Town which included numerous graphs and overall summaries for each fund accompanied by recommendations. He stated tonight we are going to do a broad overview of the Budget as a whole and what the recommendations by staff are. We have not asked for any new positions to be added in this year's budget. Received an email advising us that the General Assembly included a provision in its continuing resolution suspending the statutory employer

*****Council Member Cain arrived during the presentation.***

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contribution rate increase. This means that contribution rates for SCRS, State ORP and PORS will NOT increase on July 1, 2020, and our PEBA medical insurance will not increase this year. We have no staff recommendations for any increases in fees, licenses, or utility rates in this budget. Most of Council's priorities can be met if Council agrees to the recommendations that will be made tonight. Stated that COVID-19 has had an impact on our budget projections for this year but not quite as bad as some other cities.

Manager Luckadoo began with the General Fund Budget Summary & Recommendations for FY 2020/2021. Council's top 3 priorities for the new year included (1) addressing capital needs and formulate a 5-year capital plan, (2) addressing facility improvement needs, (3) continue to improve employee salaries. With this established, we have focused on ways to address these 3 items within this year's budget. We have forecasted what we believe is an accurate projection of revenues and expenditures across each budget. Off the top before we ever began budgeting we cut \$100,000 from Business License revenue and \$43,175 from Franchise Fees along with the added expense of Council Salary and Wages of \$48,700 placed us in a \$191,875 hole to begin. With that said, we have been formulating a plan to address as much as possible from the 3 priorities. Our recommended plan to fulfill most of the priorities includes:

- **Capturing revenues from the Lexington County Reassessment**
- **Offsetting some funds to the Hospitality Tax fund**
- **Sale of vehicles from utilizing a new Lease-Purchase for new vehicles and equipment**

Manager Luckadoo summarized each element of the plan with discussion on each.

Additional Revenue Utilizing Lexington County Reassessment

As a reminder to what was previously reported to Council, Lexington County has finalized their required 5 Year reassessment of all property in Lexington County. For the Town, we saw an increase of \$1,370,390 in Total Assessments. Of that increase, \$467,096 was due to new construction and \$903,294 was due to increased property values. State Law does not allow for the Town to have a windfall from the \$903,294 in

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increased property value. With that said, we will have to do what is called a Rollback Millage in August, once we have received all revenues through July from property taxes. At that time, we can perform the calculation as determined by State Law to determine how many Mils we must reduce from our current 99.5 millage rate, to balance out. Reducing our millage by that amount will not reduce the amount of property tax revenue we are currently receiving.

The option that we have, which is what staff is recommending, is to roll our millage back up to 99.5 mils, which would generate an additional \$85,400 in revenue. We can do this by utilizing the State Law allowed current year CPI + Population Growth percentage and up to 3 previous years. We could utilize what is required to get back to 99.5. By going back to the 99.5, we have not increased our millage rate, but can benefit from the additional revenue. Any increase in someone's taxes, would be a product of Lexington County assessing their property at a higher amount and not us increasing our millage rate.

Additional Revenue Utilizing Hospitality Tax to Offset Allowed General Fund Expenses

Currently, there are many items funded within the General Fund that can be paid for with Hospitality Tax funds by both State Law and what our Ordinance allows funds to be spent on. By utilizing this option, we could offset up to \$89,731, however, staff is not recommending that amount. Staff recommends offsetting \$69,731 from the General Fund to the Hospitality Tax Fund. Here are the following expenses that we recommend H-Tax fund for this budget that are currently funded in the General Fund.

1. Parks/Recreation Utilities - \$6,000
2. Parks/Recreation Maintenance & Repair - \$6,400
3. Park Facilities Insurance - \$2,731
4. Lighting in Parks and Downtowns - \$16,200
5. Town Events - \$5,000
6. Town Events Overtime Expenses - \$10,000
7. Town Website - \$400
8. Annual Audit - \$2,300
9. Parks/Downtown Landscaping Employee - \$20,700 (Half of Salary, Wages, Benefits)

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If this is done, we would still have the funds needed to fulfill the priorities set by Council for the Hospitality Tax in this Fiscal Year budget, with \$128,769 left to go into reserve. This is all falling within a reduce budget amount due to possible impact of COVID-19 on Hospitality Tax revenue.

Address Capital Needs and Formulate 5-Year Capital Plan

For the General Fund, this was priority #1. While we will work to put together a 5-Year plan over the next few months, the first step is to utilize a new Lease-Purchase to get caught up on vehicle and equipment needs that we currently have. To highlight first, in this Lease-Purchase option to address capital needs, we would generate an estimated \$17,500 from the sale of 10 vehicles that are being replaced, which would go into the budget as revenue. When placed with the reassessment and H-Tax offset expenses, it contributes revenue as a part of the overall plan.

In this budget for FY 20/21, we will make our final payment on a 5-Year Lease Purchase. Our recommendation is to begin in this budget a new 5-Year Lease-Purchase, with the first payment not being made until next year's FY 21/22 budget. The new Lease-Purchase would be for the General Fund the purchase of 10 new vehicles and 1 piece of equipment. This would include:

1. New Chevy Silverado 1500 Fire Chief Vehicle - \$27,000, to replace the 2008 Ford Explorer with 91,000+ miles. The Explorer would transfer to Town Hall to replace the 2006 Chevy Impala with 126,000+ miles, which would be sold.
2. New Chevrolet Silverado 3500 Dump Body Truck for Street Dept. - \$42,000, to replace the existing 2008 Ford F-350 Dump Body Truck with 140,000+ miles.
3. New Chevy Colorado 4x2 Code Enforcement Truck - \$23,000, to replace the existing 2004 Ford F-150 truck with 183,000+ miles.
4. (2) New Dodge Durango Investigation Vehicles - \$30,000 each, to replace a 2010 Chevy Tahoe with 226,000+ miles used by our Narcotics officer and a 2011 Ford Explorer with 206,000+ miles used by one of our investigators.
5. (5) New Dodge Durango Patrol Vehicles - \$33,000 each, to replace 2007-2011 Crown Vics and Impalas with miles that range from 130,000 – 161,000 miles, which are used by patrol officers.

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6. New John Deere Ztrak Zero Turn Mower - \$10,500, this would not replace the existing Bad Boy Outlaw mower, as it would be kept as a backup/reserve mower or a 2nd mower for our summer helper to assist with cutting grass around Town.

We have contacted BB&T Governmental Finance and inquired about rates. The current rate is 2.00 – 2.07% for lease-purchases. If this is approved, for the General Fund, it would be \$327,500 in new vehicles and equipment for the 5-Year lease-purchase. This lease-purchase would not impact the 20-21 budget, with payments beginning in the Fiscal Year 21-22 budget.

Facility Improvement Needs

If Council agrees with staff recommendations related to the Capital needs and increased revenues from reassessment and H-Tax offsetting expenses, then it would allow us to complete Council Priority #2, which is repairs to Town Hall, Fire Stations, and the Police Department that are needed. Here are the following repairs that can be made:

1. Replacement of Roof on Town Hall Building A - \$37,000, this quoted amount for budget reasons was provided after a site inspection of the roof. The current roof has many leaks and repairs have been attempted multiple times, without success. This amount is the quoted amount for a Standing Seam roof and removal of the R-Panel roof we have now.
2. New Electrical Installation at FD Station 26 - \$5,500, this is a quoted amount for budget reason after a site visit was performed. After an electrical problem came up with the garage doors at Station 26, the contractor found major issues relating to safety and fire hazards with the electrical wiring and installation for the new bay section that was built on the building.
3. New Air Lines for Fire Stations - \$4,100, this is the quoted amount for budget reason to re-pipe the air lines for the fire truck air brakes with PVC. The current air lines have many leaks, which have tried to be repaired numerous times, but continue to form new leaks. This does not allow air brakes on the fire trucks to remain charged, so trucks have to be started and run for a minute prior to leaving, which delays response times. Drain valves would also be installed on the air compressors to allow for draining water out of the compressor to avoid water from getting into the air brake systems on the trucks and damaging them.

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4. New Roof Coating on Police Department - \$17,000, this quoted amount was provided by the contractor who put the new roof on the Police Department 12 years ago. The PD has experienced increased roof leaks over the past two years. The proposed work is to place a new coating/refinishing and repair several roof drains. It is recommended the roof have this performed every 10 years.

Final Recommendation on this Proposed Recommendation

Should Council agree to this overall recommendation, we would have \$13,000 available that would allow us to fulfil 3 other requests we have received from the Police Department this year.

1. Purchase of Flashlights and Ammo Pouches for New Police Duty Pistols - \$7,000, with the Police Dept. having received all new pistols for the entire department this year at no cost, this saved the Town close to \$20,000 in funding that would have been required. The only thing they lack on the full setup are the new ammo pouches and attachable flashlights to the pistols.
2. IT Security Software for Police Department - \$3,000, this amount would purchase the department with the latest high level Malwarebytes software needed to secure the PD server system.
3. New Phone System for Police Department - \$3,000, the current phone system in the PD has passed its end of life. This is the cost to replace the phones. Staff within the PD can handle the networking and installation of the phones, they just need to purchase the phones.

Lengthy discussion was held on balancing the budget with Council directing the Town Manager to see each department head and ask them to give him a 3-5% reduction in their budget, if not a 1-2% reduction.

A brief recess was taken.

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The Utility Fund Budget Summary and Recommendations for FY 2020/2021 were discussed. After projecting all revenues and expenses, we are \$41,812 short in revenues to meet the expected expenses. This shortfall does not include any of the priorities that Council has established for this year's budget, it only includes operational expenses and salaries as they are today. Our recommended plan to fulfill most of the priorities includes utilizing the \$620,381 in the Utilities Non-Departmental Budget that is established to be transferred into the Utility Capital Improvement Account over the course of the fiscal year. These funds are being set aside each year to account for our ability to make a 1-year annual payment towards the water project. The priority list for the Utility Fund consists of:

- **Perform Geographic Information System (GIS) Mapping of sewer collection System**
- **Continue progress on water alternative project to JMWSC**
- **Perform infiltration and inflow study/evaluation of sewer system**

Currently, we have \$1,539,307 in this Capital Improvement Account, \$767,401 in the Utility Reserve and \$564,493 in a reserve account for USDA-RD. Since each of these items are a one-time type expense and not annual reoccurring expenses, we recommend use of the \$620,381 this year since we will not be making an annual payment towards the water project for at least 3-5 years. The first recommendation that we have is to utilize \$41,812 of the \$620,381 to cover the remaining shortfall for this year's budget. Additional recommendations are made to provide for Council's priorities. Lengthy discussion was held on these recommendations.

Perform Geographic Information System (GIS) Mapping of Sewer Collection System

This is Council's #1 priority for this year. In talking with industry professionals and different engineers, we were told \$60,000 would be a good budget amount for this year to have a consulting firm provide the manpower and equipment to GPS our sewer manholes, lines, and other sewer collection sites. Once the system is GPS, they would place the data into ESRI GIS Software, which will allow us to access our collection system points and information from computers versus paper sets of plans.

Once that ability is in place, we will be able to track repairs/maintenance and make field notes in the GIS software for that line or point for future knowledge.

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This amount could easily be funded from the \$620,381 for this Fiscal Budget year. If we utilize that and cover the shortfall, we would have \$518,569 remaining (this amount plus the \$41,812 shortfall).

Perform Infiltration and Inflow Study/Evaluation of Sewer Collection System

This was priority #3 established by Council for this year's budget. After speaking with engineers and other industry professionals, the scope of this could range from basic to very elaborate. In talking with these professionals, we have come up with a scope of work and cost for this year that we feel would help us tremendously with identifying the areas we are having the most issues with infiltration of storm water into our sewer system.

For approximately \$181,500, this would allow an engineering/consulting firm to perform flow monitoring of our sewer system for 3 months during the fall, when rainfall is more present and analyze 3 significant rainfall events and their impacts on different sections of our town collection system. They would install 15 flow monitors throughout the system and 5 rain gauges. Once the flow monitoring data is received, they will focus on those areas where flow increased during significant rain events. Their focus on these areas would include manhole inspections, smoke testing, and CCTV of the system. All the data, inspections, and footage would be evaluated, analyzed, and they would provide the Town with all the information and recommendations on repair, rehabilitation or replacement of issues found. This would also include estimated cost or cost opinions for repairs.

This item is part of our Corrective Action Plan for the Wastewater SCDHEC Consent Order relating to BOD issues. Infiltration and inflow are causing increased cost in many areas of the Wastewater budget and is leading to excess in discharge limits leaving the plant. We strongly encourage Council to fund this item. Combining this \$181,500, with the GIS work and shortfall, we would still have \$337,069 remaining from the \$620,381.

Fats, Oils, and Grease Ordinance Revisions

While this item was not a Top 3 in the priority ranking by Council, it was very close to the #3 ranked priority. Additionally, this item is part of the SCDHEC Consent Order Corrective Action Plan that must be completed. With that said, we have included this

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option for funding. The cost to update this ordinance and create a program for long term success would be approximately \$15,000 for this budget year.

Combined with other recommendations this would leave \$322,069 remaining from the \$620,381.

Continue Progress on the JMWSC Water Project

Hazen and Sawyer have provided us with the cost estimate for them to begin work with the first phase of the project, which includes, preliminary design, surveying, and drafting of Preliminary Engineering Report for USDA-RD funding. This scope of work will occur over most of the budget year but would be finalized within this Fiscal Budget year. The total amount for these services in the budget year is \$411,000. This could be taken from the \$322,069 remaining and staff recommends the remaining \$88,931 be utilized from the Capital Improvement account, which again has a \$1,539,307 balance.

Capital Equipment

Capital Equipment was set as a priority by Council. As we discussed in the General Fund Summary, we will work to put together a 5-Year plan over the next few months, the first step is to utilize a new Lease-Purchase to get caught up on vehicle and equipment needs that we currently have.

In this budget for FY 20/21, we will make our final payment on a 5-Year Lease Purchase. Our recommendation is to begin in this budget a new 5-Year Lease-Purchase, with the first payment not being made until next year's FY 21/22 budget. The new Lease-Purchase would be for the Utility Fund, the purchase of 2 new vehicles. This would include:

1. New Chevy 3500 or F-350 Series Service Body Truck - \$50,000, to replace the 2001 Ford F350 with 190,000+ miles.
2. New Chevrolet Colorado 4x2 Meter Reading Truck - \$23,000, to replace the existing 2006 Ford Ranger Truck with 146,000+ miles.

We have contacted BB&T Governmental Finance and inquired about rates. The current rate is 2.00 – 2.07% for lease-purchases. If this is approved, for the Utility Fund, it would be \$73,000 in 2 new vehicles for the 5-Year lease-purchase. This lease-purchase would

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not impact the 20-21 budget, with payments beginning in the Fiscal Year 21-22 budget. This payment in the future budget would be approximately \$15,400. If approved, we would also receive an estimated \$10,000 from the sale of used vehicles, which could be applied back to the \$41,812 shortfall.

The Hospitality Tax Fund Budget Summary and Recommendations for FY 2020/2021 was discussed.

COVID-19 and the impact on restaurants will impact the 2020-21 projected revenue and that is shown in the budget as projected revenue was lowered to \$452,000 from a 2019/20 budget of \$475,000. H-Tax revenue was exceeding that projection prior to the suspension of H-Tax collection in April under the Emergency Proclamation.

Town Entrance Signs

Town Council identified town entrance signs as their top priority in the H-Tax. Staff is recommending \$15,000 towards the design of the entrance signs (a large and small option). Once designs are selected for large and small signs, staff would post an RFP for bids. Once bids are received Town Council will have to approve funding from the H-Tax reserve fund for the project.

Engineering to Improve Town Parks

Town Council's second highest priority was to move forward with engineering of improvements to the Town's two parks, Wilson Street and Leesville College Parks. Staff is recommending \$140,000 towards Wilson Street Park and \$50,000 towards Leesville College Park engineering. These engineering projections came from Landplan Group South, which conducted the Master Plan and gave estimated costs towards the engineering. These engineering costs will include walking trail, parking lot, splash pad, playground and restroom facility at Wilson Street Park. At Leesville College Park parking lot improvements and the Haynes Courtyard will be included.

Was notified this morning that the A/C unit control board at the Wilson Street Depot has gone bad. The units are 18-26 years old and the cost to repair the unit would be \$312. The quoted price to replace those units was \$14,500 which includes all parts, labor

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and \$4,400 of that is to purchase a 10-year extended parts and labor warranty for both units.

Christmas Lights

In 2019 the Town of Batesburg-Leesville purchased \$48,500 worth of Christmas lights for the downtown business districts. This included two large artificial Christmas trees, banners and pole mounted lights. Staff recommends \$48,500 be budgeted for additional Christmas Lights to be purchased. These decorations will continue Town Council's stated goal of enhancing the town's Christmas. In depth discussion was held on this subject along with contracting an IT person and someone to market the Town.

Reserve

The remaining balance of the projected revenue would be placed into the Hospitality Tax Reserve Fund. For the 2020/21 budget this is projected to be \$198,500. This amount would be impacted if Council decides to accept Staff's recommendation to offset \$69,731 from the General Fund to the H-Tax. Please refer to the General Fund Budget Summary for more detail regarding this recommendation.

The Victim Assistance Fund for F/Y 2020/2021 was discussed. Manager Luckadoo stated the budget for 2020/2021 is being lowered based on the amount of revenue that was brought in over the past couple of years. Since the Victim Assistance advocate and Clerk of Court are the same person, salary for the Victim Assistance advocate will come down and the Clerk of Court salary will go up. The employee training/travel and office supplies will come from the Court Budget and Police Department Budget.

Discussion was held on adding to the budget the purchase of "Caution, Children at Play" signs for District 3 neighborhood which costs approximately \$7-750.

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ADJOURNMENT

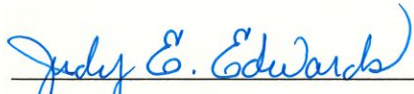
A motion was made by Council Member Prouse with a second by Council Member Cain to adjourn at 8:30 P. M. With no discussion, a vote was taken.

Approved this 8th day of June 2020.



Lancer D. Shull, Mayor

ATTEST:



Judy E. Edwards, Town Clerk