

CITY OF CAYCE

MAYOR
ELISE PARTIN

MAYOR PRO-TEM
JAMES E. JENKINS

COUNCIL MEMBERS
TARA S. ALMOND
EVA CORLEY
TIMOTHY M. JAMES

CITY MANAGER
REBECCA VANCE

ASSISTANT CITY MANAGER
SHAUN M. GREENWOOD

City of Cayce Special Council Meeting May 21, 2014

A Special Council Meeting was held this afternoon at 5:00 p.m. in Council Chambers. Those present included Mayor Pro-Tem James Jenkins, Council Members Tara Almond, Eva Corley and Tim James. Mayor Elise Partin was unable to attend the meeting due to an illness. Mayor Pro-Tem Jenkins presided over the meeting in her absence. City Manager Rebecca Vance, Assistant City Manager Shaun Greenwood, Municipal Clerk Mendy Corder, Municipal Treasurer Garry Huddle, Charles McNair, Director of Public Safety, and City Attorney, Danny Crowe were also in attendance. Mayor Pro-Tem Jenkins asked if members of the press and the public were duly notified of the meeting in accordance with the FOIA. Ms. Corder confirmed they were notified.

Mayor Pro-Tem Jenkins opened the meeting and Council Member James gave the invocation. The assembly recited the Pledge of Allegiance.

Other

A. Public Presentation Regarding Support of Hospitality Tax

Mr. Leo Redmond, the Director of the Cayce Historical Museum, addressed Council regarding the Museum Commission's support of a hospitality tax. He stated that all the people in the assembly supported Council in their hard decision to implement a hospitality tax. Mr. Redmond explained that the Museum is not a core service like Sanitation or the Water Plant. He explained that a hospitality tax could fund the Museum which would free up money to fund other services in the General Fund.

Mr. Redmond stated that initially many of the people that he spoke to were against the hospitality tax, but once he explained that the revenues from the tax would fund the Cayce Historical Museum they were in favor of it. He stated that he feels the hospitality tax option is the best option for the City. Mr. Redmond stated he could provide a long list of supporters of the hospitality tax to Council. Council thanked Leo for his presentation.

Ms. Vance explained that if Council does decide to move forward with the hospitality tax there will be a first reading of the Ordinance at the June 3, 2014 Council Meeting and a Public Hearing at the June 18, 2014 Special Council Meeting. She stated there would be an opportunity for people to come and voice their opinions at these meetings.

B. Approval of Ordinance Amending Zoning Map and Rezoning properties located at Tax Map Numbers 004652-08-001 (002)(003) from C-3 (Central Commercial) to RG-2 (General Residential, High Rise) – First Reading

Mr. Greenwood explained that the properties on Knox Abbott Drive are currently zoned C-3 (Central Commercial) and consist of 5 or more acres. The applicant is requesting to re-zone the properties located at 111 and 199 Knox Abbott Drive in order to construct a multi-family development. He stated multi-family residential units are a permitted use in the RG-2 zoning district.

Mr. Greenwood explained that the Planning Commission considered the request for re-zoning at its regular meeting on April 21, 2014. The re-zoning request was opened for public hearing and of the public signed up to speak, 4 were undecided and 1 spoke in opposition to the re-zoning. The one opposed to the re-zoning believed the request would lower home values in the area and create an excess amount of traffic. Specifically, concerns over lighting, landscaping/buffering, building height and access to the development from Deliesseline were expressed by the Commission and the audience. Mr. Greenwood stated that after discussion and assurances from the developer, the Planning Commission voted unanimously to recommend the requested re-zoning to a RG-2 zoning designation. The requested zoning is in compliance with the Comprehensive Plan.

Council Member James made a motion to approve the requested re-zoning to a RG-2 designation. Council Member Almond seconded the motion which was unanimously approved by roll call vote.

- C. Approval of Ordinance Amending Zoning Map and Rezoning property located at Tax Map Number 004652-08-012 (Portion) from PDD (Planned Development District) to RG-2 (General Residential, High Rise) – First Reading

Mr. Greenwood stated that the property on Deliesseline Road is currently zoned PDD (Planned Development District). He explained that the applicant requests to re-zone a portion of the property. After successful re-zoning of the property, the applicant wishes to combine it with other properties located at 111 and 199 Knox Abbott Drive, to construct a multi-family development.

Mr. Greenwood explained that the Planning Commission recommended the re-zoning request of 111 Knox Abbott and 199 Knox Abbott Drive at their April 21, 2014 regular meeting. He stated that multi-family residential units are a permitted use in the RG-2 zoning district. The Planning Commission considered the request for re-zoning of the Deliesseline property at its regular meeting on May 19, 2014 and voted unanimously to recommend the requested re-zoning to RG-2. Council Member James made a motion to approve the requested re-zoning to a RG-2 designation. Council Member Almond seconded the motion which was unanimously approved by roll call vote.

- D. Approval of Ordinance Amending Zoning Map and Rezoning property located at Tax Map Number 005749-13-002 (003)(005) from RG-2 (General Residential, High Rise) to M-1 (Light Industrial) – First Reading

Mr. Greenwood stated that the properties on 10th Street and the property on Holland Avenue are currently zoned as RG-2 (General Residential). He explained that staff believes this zoning is erroneous and does not support the current uses in the area or its location. The subject properties are legal non-conformities because, in the past, they have been occupied by warehouses and an automotive business. If the properties sit vacant for over 6 months, they lose the non-conformity status and cannot be used for commercial business purposes. Two zoning permits have been recently denied because of this. The RG-2 zoning district only permits residential uses. Due to the types of buildings and the historical use of the property, staff is requesting an M-1 zoning designation. Staff has received approval from the property owners for the re-zoning request.

The Planning Commission considered the request for re-zoning at its regular meeting on May 19, 2014 and voted unanimously to recommend the request for re-zoning to M-1. Council Member Almond made a motion to approve the requested re-zoning to a M-1 designation. Council Member Corley seconded the motion which was unanimously approved by roll call vote.

E. Discussion of Hospitality Tax

Ms. Vance explained that a hospitality tax is a 2% tax on prepared foods in a restaurant, grocery store or gas station. She stated a 2% tax in the City would produce approximately \$644,000. Approximately \$335,000 of that amount could be used to offset costs in the General Fund that are directly related to tourism. The other half of the \$644,000 could be used for capital brick and mortar expenses that are also related to tourism. Ms. Vance explained that the funds could be used for the operation and maintenance of the Cayce Historical Museum. The yearly budget for the Museum is \$150,000. The money could also be used for the operation and maintenance of the Cayce Riverwalk. Any direct or indirect costs related to the Riverwalk are eligible therefore any Public Safety costs would count as well. These expenses would be removed out of the General Fund and free up funds for the City's core services.

Ms. Vance explained that many people refer to a hospitality tax as a use tax. It is only paid by those who choose to buy prepared food and drinks. Hospitality tax funds can only legally be spent on certain things and a report has to be submitted annually detailing what the money is spent on. She explained that the more hospitality tax money you spend the more people you bring into the community and the more hospitality tax money the City receives. The money is then used to create more opportunities for more tourism so the restaurants benefit and the City benefits as well.

Council Member Almond stated she was in support of the hospitality tax. She explained that the City does not have many options to balance the budget. She stated that revenue has fallen off and expenses continue to go up. She explained some of the options to balance the budget were to cut Public Safety Dispatch and not hire dedicated fire fighters. Council Member Almond stated those options put the City's citizens in jeopardy. She explained that a hospitality tax is a use tax and will not burden every citizen. If you use it you pay it, if you don't use it then you won't pay it.

She stated that the City of Columbia and Richland County already have this tax so why wouldn't someone prefer to pay the tax in their own City rather than to other Cities. She stated that many people come to Cayce to eat lunch in establishments on Knox Abbott Drive so a lot of the revenue would come from people that don't live in the City.

Council Member Almond stated she was in complete support of the hospitality tax and urged Council to seriously consider it as an opportunity to balance the budget and enable the City to continue to provide the services that the residents are accustomed to.

F. Discussion of Proposed FY/2014-2015 Budget

Ms. Vance explained that the City's insurance expenses increased by 10.9% which increased the budget deficit from \$401,000 to \$449,000. She explained that the Utility Fund Budget includes a 2% rate increase, a reduced list of capital, and a 10.9% increase in health insurance costs. It also includes money for the Bond Payment, 15% debt coverage for the SRF funding for the Hwy 321 waterline, money to cover the 15% debt coverage for all of the City's utility fund debt and a \$1,600,000 transfer to General Fund. She explained this is a \$100,000 increase from last year's transfer. The Indirect Cost Analysis that is performed by the City's Auditors shows that the General Fund provides between \$1.6 and \$1.65 million in services to the Utility Fund.

Ms. Vance stated that the General Fund Budget Revenues are projected at \$9,955,016 and include increased business license revenue from the settlement of a lawsuit, \$148,000 increase for a \$3.00 increase in Residential Sanitation Fees to continue the City's five year plan to make the Sanitation Department self-sufficient and a \$1,600,000 transfer from Utility Fund. She stated the General Fund Expenditures are projected at \$10,206,033. This budget includes a 10.9% increase in health insurance costs, and \$107,623 in capital expenditures. It also includes \$167,730 (\$147,910 in salaries and \$19,820 for equipment) for three new firefighters to continue the four year plan to add twelve firefighters in four years and a reduced list of training and travel that includes only the training and travel that is necessary for employees to maintain current certifications.

Ms. Vance explained that the General Fund Budget includes the following reductions: \$1,645,230 reduction in requested capital expenditures, \$162,711 (\$91,555 in salaries and \$71,156) for two new police positions for the security of the Riverwalk or the capital items needed for these officers. It also includes a \$89,618 reduction for the addition of a Planning Director or for filling the Special Projects Coordinator position, a \$38,747 reduction for the increase of the part time Court Clerk position to a full time person and a \$10,000 reduction to remove money for the Zoning Ordinance update. She explained that staff removed the \$150,000 Special Grant allocation from SC PRT because it is not definite that the City will receive this money.

Ms. Vance stated staff presented Council with three options to balance the budget. Option one is to hire Firefighters for ½ year, hire Park Rangers to patrol the Riverwalk rather than Public Safety Officers and nine months of hospitality tax revenue.

The budget would still be out of balance by \$84,434 with this option. Option two is to hire Firefighters for ½ year, hire Park Rangers for the Riverwalk Park and increase the Sanitation fee to \$13.50 a month. The budget would still be out of balance by \$9,236 with this option. Option three is to hire three Firefighters for ½ year, Park Rangers for the Riverwalk, increase the Sanitation fee to \$9.00 a month and have nine months of hospitality tax revenue. The budget would still be out of balance by \$1,562 with this option.

Ms. Vance stated that realistically the hospitality tax could not be implemented until October 2014. She explained that there is a lot of paperwork involved and staff wants to give the restaurants plenty of time to prepare for the change. She stated that nine months of the hospitality tax would generate approximately \$251,000.

Council Member Almond stated she preferred to balance the budget with Option three. She stated Option two increases the Sanitation fee to \$13.50 a month and she feels that is too much of an increase. She stated Option three will get the City where it needs to be at the moment and she feels like it is the best the City can do. She stated she has looked through the budget and does not see anything else that can be cut. She explained there were items already cut that the City really needs.

Council Member Corley thanked Ms. Vance and Mr. Greenwood for putting the Options in a clear and precise format. She stated she agreed with Council Member Almond that Option three is the best option and really the only viable option. She stated that the hospitality tax is less of a burden on the City's citizens and much of the revenue from the tax will come from people that live outside the City.

Council Member James stated that he agrees that Option three is the best option. He stated that if the City receives any concessions or relief in funds before July 1, 2014 he would like to minimize the Sanitation fee increase. He explained that in the past Council has committed to gradually increasing fees or rates. For example, the five year plan that was implemented to make the Sanitation Department self sustaining.

Mayor Pro-Tem Jenkins stated that he also agrees that Option three is the best option. Council Member James clarified for the assembly that Option 3 includes hiring three Firefighters for ½ year, Park Rangers for the Riverwalk, increasing the Sanitation fee to \$9.00 a month and having nine months of hospitality tax revenue.

Ms. Vance stated she commends staff and Council for discussing the options and making the hard decisions to balance the budget. She explained staff has always tried to make sure that no employee is laid off and that employees do not have to pay a portion of their health insurance since their salaries are traditionally lower compared to other municipalities. Staff also has tried to keep the City's services intact as much as possible while also improving the core services. Ms. Vance stated the City's Public Relations consultant will draft a Budget Facts sheet similar to last years and the Sanitation staff will put the flyers on every resident's roll cart so they will be informed and can attend the first and second reading of the budget.

Executive Session

- A. Receipt of legal advice relating to claims and potential claims by the City and other matters covered by the attorney-client privilege
- B. Discussion of negotiations concerning proposed contractual arrangements as it relates to the 12,000 Year History Park

Council Member Almond made a motion to move into Executive Session to discuss the matters above. Council Member James seconded the motion which was unanimously approved by roll call vote.

Reconvene

After the Executive Session was concluded, Council Member Corley made a motion to reconvene the Regular meeting. Council Member Almond seconded the motion which was unanimously approved by roll call vote. Mayor Pro-Tem Jenkins announced that no vote was taken in Executive Session other than to adjourn and resume the Regular meeting.

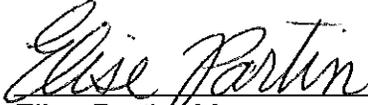
Possible Actions by Council in follow up to Executive Session

III. B.

Council Member James made a motion to approve the City Manager to proceed with the Memorandum of Understanding for the 12,000 Year History Park and to execute the final version of the Memorandum of Understanding with the National Park Service. Council Member Corley seconded the motion which was unanimously approved by roll call vote.

Adjourn

Council Member Almond made a motion to adjourn the meeting. Council Member Corley seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 6:00 p.m.



Elise Partin, Mayor

ATTEST:


Mendy Corder, Municipal Clerk