

**CITY OF CAYCE
Special Council Meeting
Wednesday, May 18, 2011**

The Special Council meeting was held this afternoon at 3:00 p.m. in Council Chambers. Those present included Mayor Elise Partin, Councilmembers Steve Isom, Tim James, James Jenkins, and Kenneth Jumper, City Manager Rebecca Rhodes, Tammy Barkley, Municipal Clerk, and Garry Huddle, Municipal Treasurer. Chief Charles McNair, Director of Public Safety were also in attendance. Mayor Partin advised that members of the press and the public were duly notified of the meeting in accordance with the FOIA.

Mayor Partin called the meeting to order. Councilmember Jumper gave the invocation and the assembly recited the Pledge of Allegiance.

Executive Session

- A. Receipt of Legal Advice Regarding Possible Resolution Concerning a Business License Matter

Councilmember Jenkins made a motion to move into Executive Session to discuss the matter above. Councilmember James seconded the motion which was unanimously approved by roll call voted.

After the Executive Session was concluded, Councilmember Jumper made a motion to reconvene the Regular meeting. Councilmember Jenkins seconded the motion which was unanimously approved by roll call vote. Mayor Partin 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

No action by Council was taken in follow up to Executive Session.

Other

- A. Continued Discussion of Proposed FY11-12 Budget

Ms. Rhodes stated that the two items requested by Council were the results of the ISO Inspection and the potential increase of 7.5% in Utility Rates. She stated that the ISO inspection had been completed and asked Chief McNair to update Council on the results. Chief McNair stated that overall he felt the inspection went okay for the

City. He stated the Inspector advised that he could not provide any definite results at the end of the inspection. He stated that the pump tests went well as did the fire hydrant flow tests. He stated that the training records appeared to be fine and asked that a few items be moved from one truck to another. He stated that the Inspector reviewed the Automatic Aid Agreement the City has with Lexington County and explained that we were in the process of obtaining a written agreement with City of Columbia although the aid for this is already occurring on a verbal agreement. He stated that he felt the City would not see any major change to the current ISO classification as the result of the inspection.

Ms. Rhodes stated that information was included in Council's packet which provided a comparison in current Utility rates versus a 7.5% increase and the amount of funds the city would collect. She reviewed the comparison with Council and stated that even with the 7.5% increase, that does not cover all the capital requests by the Utilities Department. She stated that with this increase \$888,897 would still have to be cut from the budget for it to balance. She stated that with a 10% increase, \$682,831 would have to be cut from the budget. She stated that staff did some figuring with the proposed Amazon operation on line and if that occurred, we would still have to cut \$559,327 at a 7.5% increase in rates or \$353,231 at a 10% increase. She stated the 7.5% does meet the debt coverage at 1.24% if everything came in perfectly. She stated that in years past we thought we would meet the 1.15 test and we did not. Ms. Rhodes reviewed with Council the bonds test percentage at the 0%, 5%, 7.5% and 10% proposed increases presented last week by the City's auditor. She stated that if the City did not meet its bond test, we would violate our bond indenture and they could possibly recall all our bonds. She also stated that she did not know what it would do to the debt we will incur next year for the Wastewater Treatment Plant.

Ms. Rhodes stated that the Utilities Department has requested \$914,000 of Capital Equipment which could be reduced based on the ranking of importance provided by the Department. Council reviewed the differences in the rates between the 5% and 10% proposed increases. Council concluded that if required, the budget could include a 10% proposed increase in rates in order to meet the debt coverage and provide the equipment needed to keep the system safe and running properly.

Mayor Partin stated that she was concerned that the budget does not include the computer equipment as suggested by the IT Assessment or raises for employees. Ms. Rhodes stated that she hoped the computer situation could be resolved if the issue on the business license negotiations is resolved. Mayor Partin provided Council with a copy of the communication plan presented by the public relations firm. Ms. Rhodes stated she spoke with Mr. Bill West and The Chronicle should have a story about the budget in the next issue. She stated that the Sunrise newsletter is moving along with budget information included and that the only thing she was unsure about sending the second postcard proposed in the plan. Ms. Rhodes advised that the City recently received news that the health insurance increase will be 4% and the dental insurance

increase will be 9% instead of the 5% and 11% increase respectively as proposed originally.

Ms. Rhodes stated that if Council wants to include Public Hearings and first readings of the Ordinances on the budget and utility rates at the June 7 Regular meeting, she would need Council's guidance on both the O&M and General Fund budgets as proposed. Mr. Isom inquired as to the amount of funding for the CMRTA. Ms. Rhodes stated she would provide Council with the information she received on the number of riders and routes. It was decided that the amount stay in the budget until further discussions and additional information is received.

Council provided the following direction on the FY11-12 proposed Budget.

O& M Budget

If required, include a 10% increase in Utility rates, 2% COLA for employees, and review line items and capital items for possible reductions.

General Fund

Include deficit millage to recoup the FY10-11 budget deficit for one year, remove the increase in residential sanitation fees, include funding for the Midlands Housing Alliance, include a 2% COLA for employees, and include funding for the Christmas Drop-In.

B. Approval of Resolution In Favor of the Amazon Sales Tax Collection Exemption Legislation

Councilmember James made a motion to approve the Resolution as presented. Councilmember Jenkins seconded the motion. The motion passed four to one by roll call vote with Councilmembers Jumper, Jenkins and James and Mayor Partin voting yes and Councilmember Isom voting no.

Adjourn

There being no further business, Councilmember Jenkins made a motion to adjourn the meeting at 5:35 p.m. Councilmember James seconded the motion which was unanimously approved by roll call vote.

Elise Partin, Mayor

ATTEST:

Tammy P. Barkley, CMC, Municipal Clerk