

**MINUTES OF THE MEETING OF CITY COUNCIL
OF THE CITY OF GREER
SOUTH CAROLINA**

June 3, 2008

**MEETING LOCATION: 100 South Main Street
Greer, SC 29650**

Budget Workshop

6:30 PM

Greer City Council held a Budget workshop. Mayor Rick Danner was present. Council members present: Wryley Bettis, Jay Arrowood and Belle Coxe Mercado. Councilman Wayne Griffin arrived at 6:40 pm and Councilman Joe Baldwin arrived at 6:47 pm. Councilwoman Sandra Anderson was absent. Also present: Ed Driggers, City Administrator, Carole Rosiak, Executive Administrative Assistant and various other staff and media. Municipal Clerk Tammela Duncan was absent.

Mayor Danner called the workshop to order at 6:35 pm.

Mayor Danner gave the invocation.

Mayor Danner changed the order of the agenda to allow Council to discuss the Comprehensive Fee Schedule at the beginning of the meeting.

Comprehensive Fee Schedule – Mr. Driggers recommended eliminating the yard sale fee and creating some type of registration process for yard sales as opposed to charging a yard sale fee. If we receive information that this is an ongoing yard sale as opposed to an occasional yard sale we can handle this with the current ordinance. Mayor Danner went through the comprehensive fee schedule section by section. Councilman Baldwin requested the addition of the Commissioner of Public Works Election fee. Discussion was held by Councilman Arrowood on moving of homes, by Mayor Danner and Councilman Arrowood on expedited plan review; Mayor Danner requested the removal of Property Taxes (Unpaid) Fees from the ordinance, Councilman Griffin recommended deleting the yard sale fee and registering the yard sale. Mayor Danner questioned the Fire Watch Fee, change to \$100.00 minimum for first four hours and \$25.00 per hour there after. Mayor Danner discussed the Parks and Recreation resident and non-resident fee. Daniel Stone presented the Municipal Complex Main Level and City Park Reservation fee structure and policies. Mayor Danner questioned the Workers Compensation fee for security services for police officers. Mayor Danner suggested changing the Taxi fare to the Airport. Councilman Griffin suggested increasing the towing fee for criminal related towing charges.

Mayor Danner stated Council will take a five minute recess. (7:55pm)

Mr. Driggers opened the budget discussion. Finance Director, David Seifert explained GASB 45. Mr. Driggers went into a lengthy explanation of this year's budget. He stated the current budget as presented is six hundred forty-one thousand dollars (\$641,000.00) out of balance. He presented several options.

Option 1 - Mr. Driggers suggested looking into the residential garbage collection, charging a user fee per household for garbage collection. Residential garbage collection cost nine hundred twenty-four thousand dollars (\$924,000.00) currently eight thousand seven hundred (8700) household receive this service. If this was fully funded through a user fee this would equate to one hundred six dollars (\$106.21) and twenty-one cents per household per year or eight dollars and eight-five cents (\$8.85) per month. If this was funded as a user fee this would give you a balance of two hundred and eighty-three thousand dollars (\$283,000.00) and millage could be reduce by 3.45 mills.

Discussion followed.

Option 2 - Mr. Driggers suggested a utility fee for garbage. You would pay some portion out of the general fund and some portion of that out of a user fee. David and I feel very strongly that because garbage is a utility a fixed cost that we should operate garbage as an enterprise fund. Enterprise funds simply saying what ever it cost to run it that's what you put into the fund to make sure it balances out. This allows the fee to be set by the cost of the service. There is also the option of a fifty - fifty program where fifty percent of the cost to operate the program would be subsidized by the general fund four hundred sixty two thousand dollars (\$462,000.00) of the general fund would be allocated to fund half of the program. The other fifty percent would be assessed as a user fee to the end user or per household basis, that would be fifty-three dollars and ten cents a year (\$53.10) or four dollars and forty-three cents (\$4.43) per month this would equate to 5.6 mills.

Discussion followed.

Option 3 – Mr. Driggers stated we have a Fund Balance of Two million seven hundred thousand dollars (\$2,700,000.00) fund six hundred forty-one thousand dollars (\$641,000.00) from fund balance.

There is also the opportunity to do some additional cutting from the budget. You can cut Two hundred and two thousand six hundred dollars (\$202,600.00) from GASBY 45 This could be funded from the Fund Balance or retiree insurance could be eliminated as a benefit to our employees. If you do away with that benefit that expense goes away. You could cut an additional Two hundred six thousand four hundred and twenty-three dollars (\$206,423.00) out of this budget if you eliminate the 2% Cost of Living for all employees. Others are \$10,000.00 appropriation for some renovations the Fire Department, \$25,000 appropriation to the Storm water fund. There is \$100,000.00 out of paving program, you can do \$225,000.00 instead of \$325,000.00 and you would still have enough to cover the Greenville County match program. You could cut \$100,000.00 of operational expenses line item by line item but I think you would cut some service levels, but it won't shut down City government. Six hundred forty-one thousand dollars

(\$641,000.00) at Eighty-two thousand dollars (\$82,000.00) per mill is 7.81 mills tax increase. You never raise your taxes but you grow government at that rate. If your taxes only increase at that rate of the consumer price index the cost of living you would have a surplus. Our unwillingness to ever consider the cost of running government is more this year than it was last year puts us in a position where we run short. If we had no growth in the City we would see an increase in the general operations budget of at least CPI. Our own state legislature acknowledges that local government should be able to grow at least by CPI plus growth. When we rely solely on growth it doesn't work.

Lengthy discussion followed.

Lease Purchase – Presented by Finance Director, David Seifert – Lease purchase for this year is \$444,800.00. We did not include the Fire Department pumper in this year's budget for the Sub-station in 2010. If it is Council's intention to build a substation and agrees to fund purchasing a pumper it takes more that a year to get that pumper here, but the dollars to pay for it are not in this year's budget. Estimated cost of pumper \$360,000.00 plus equipment. Stormwater budget is \$541,000.00.

Mayor Danner thanked everyone for their time and hard work on the budget and for presenting them with some suggested options and gave them plenty to think about before the next Council meeting scheduled for June 10, 2008.

The workshop adjourned at 8:55 pm.

Richard W. Danner, Mayor

Tammela Duncan, Municipal Clerk