

City of West Columbia, SC

Council Budget Work Session Minutes

May 19, 2014 at 6 p.m.

Members Present:

Joe Owens, Mayor
Casey Jordan Hallman, Mayor Pro-Tem
Boyd Jones,
Eric L. Fowler
L. Dale Harley
Temus C. "Tem" Miles, Jr.
Tommy Parler
B.J. Unthank, Chairperson
Teddy Wingard

Members Absent:

None

Others Present:

Myron Corley, Deputy City Administrator	Stuart Jones, Building Official
Rick Hodge, City Treasurer	Justin Black, Staff Accountant
Donna Smith, Director of Economic Development	Brian Carter, Director of Planning and Zoning
Sid Varn, Director of Planning and Engineering	Charles Garren, Public Works Director
Jamie Hook, Sanitation, Streets, Parks Superintendent	Anna Huffman, IT Systems Administrator
Dennis Tyndall, Police Chief	Larry Hall, Equipment Services Manager
Wyatt Coleman, Fire Chief	Members of the Public and Press

Agenda Item I – Call to Order

Chairperson BJ Unthank called the work session to order at 6 p.m. and noted a quorum was present. *The State, Free Times, Lexington County Chronicle, Cayce-West Columbia News, The Columbia Star, COLADaily.com* and radio and television stations were notified of the work session by e-mail on May 15, 2014.

Agenda Item II – Invocation

Council Member Jones gave the invocation. Mayor Owens entered the room at 6:07 p.m.

Agenda Item II – Discussion of FY 2014-2015 Budget Plans for General Fund and Water and Sewer Fund

Chairperson Unthank recognized Staff Accountant Justin Black who gave a presentation on the FY 2014-2015 budgets for both the General Fund and the Water and Sewer Fund. Expenses for the General Fund total \$12,878,000 and are balanced to the projected revenues of the same amount. The primary sources of revenues for the General Fund include property taxes, business licenses and fees, state rebates, hydrant fees, permit fees, transfers, grant funds, and sale of assets. The General Fund budget is balanced at 55.279 in operating mills and 6.6 in debt service mills, the same as for FY 2013-2014. The 6.6 mills is collected and earmarked for the debt retirement of the 2010 ten-year general obligation debt to refinance the Bond Anticipation Note (BAN) for the State and Meeting streets property. When the debt is paid off, the 6.6 mill assessment will cease.

Mr. Black stated the Water/Sewer operating budget is balanced with a 15 percent increase to water and sewer service rates, but no increase to connection (tap) fees. A \$1 per month increase in hydrant availability (fire protection) is recommended. Mr. Black said included in the proposed budget is a two-percent (2%) increase in the SCE&G franchise fee which is to begin January 1, 2015. The projected FY 2014-2015 transfer to the General Fund from the Water/Sewer Fund is \$2,440,000, which is a 23.8 percent decrease from the FY 2013-2014 transfer.

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Agenda Item II – Discussion of FY 2014-2015 Budget Plans for General Fund and Water and Sewer Fund
(continued)

Mr. Black noted that the proposed water and sewer rate increases are shown on a chart in the budget materials distributed to council. The chart indicates the new monthly minimum billing for in-city and out-of-city customers. The rate increase for in-city customers is \$3.65 bi-monthly with a minimum bill of \$27.95. The rate increase for out-of-city customers is \$6.99 bi-monthly with a minimum bill of \$55.59. A 2012 Rate Survey Summary based upon information from the State Budget and Control Board indicates that even with the 15 percent rate increase West Columbia is still significantly lower than utilities in the surrounding area and in the state.

Mr. Black stated that the proposed budget plan includes funding for up to three percent (3%) merit pay increases for employees to be awarded on the employees' employment anniversary dates, subject to a satisfactory performance evaluation. Also included in the budget plan is a two percent (2%) across the board cost-of-living increase for all employees to be awarded July 1, 2014.

Mr. Black said that West Columbia joined the S.C. State Health Insurance Plan on July 1, 2011, which is in the Blue Cross/Blue Shield network. He provided a summary of the coverages under the State's standard plan as follows:

Annual Deductible:	\$420 Individual/ \$840 Family
In-network Co-insurance	80/20
Out of network Co-insurance	60/40
Per Occurrence Deductible	\$12 Office Visit
Network Retail Pharmacy	\$9 Generic/ \$36 Formulary/ \$60 Non-Formulary

Mr. Black explained that during the first three years of coverage under the State Health Plan, the city was not experienced rated, but paid the same rates as other comparably-sized entities. The next fiscal year's premiums under the State Health Plan will increase by four and a half percent (4.5%). Mr. Black recommended that the city, as in past years, continue to pay the employee's part of the monthly premium for health insurance, which is included in the proposed budget.

Mr. Black stated that the cost of fleet insurance, property and tort liability insurance decreased by approximately \$100,000 and is provided through SC Municipal Insurance and Risk Financing Fund (SCMIRF). The South Carolina Municipal Insurance Trust (SCMIT) is the provider for the city's workers' compensation coverage. He explained the premium for workers' compensation insurance is based upon claims and safety experience and is indexed to salaries. The city's premium for workers compensation coverage will be approximately \$200,000 for FY 2014-2015.

Mr. Black noted that departmental line item budget requests include equipment/fixed asset requests. He discussed the purchase of 23 mobile data terminals in the amount \$108,100 for the Police Department. Mr. Black noted that Public Works has requested a Loadmaster 11-yard Packer in the amount of \$140,000 and a Ford F-450 with a five to eight-yard Dump Body in the amount of \$50,000 for the Parks and Recreation Department. Both vehicles would be purchased through five-year lease purchase agreements.

Chairperson Unthank asked if there were any changes to the proposed budget and received no response. The Budget Work Session adjourned at 6:44 p.m.

Respectfully submitted,

Marta M. Valentino, CMC
City Clerk/Public Information Officer