



**SPECIAL MEETING OF FLORENCE CITY COUNCIL
TUESDAY, MAY 18, 2021 – 3:00 P.M.
SURFACE WATER TREATMENT PLANT
2598 FLORENCE HARLLEE BOULEVARD
FLORENCE, SOUTH CAROLINA**

MEMBERS PRESENT

Mayor Teresa Myers Ervin, Mayor Pro Tempore George Jebaily, Councilwoman Pat Gibson-Hye Moore, Councilwoman Lethonia Barnes, Councilman Chaquez T. McCall, Councilman Bryan A. Braddock and Councilman C. William Schofield.

ALSO PRESENT

Mr. Randall S. Osterman, City Manager; Mr. James W. Peterson, Jr., City Attorney; Mrs. Casey Moore, Municipal Clerk; Mr. Scotty Davis, Deputy City Manager; Mr. Clint Moore, Assistant City Manager of Development; Mr. Kevin Yokim, Assistant City Manager of Finance/Administration; Chief Allen Heidler, Florence Police Department; Chief Shannon Tanner, Florence Fire Department; Mr. Jerry Dudley, Director of Planning; Mr. Michael Hemingway, Director of Utilities; Mrs. Jennifer Krawiec, Director of Human Resources; Mrs. Amanda P. Pope, Director of Marketing/Communications and Municipal Services; and Mr. Chuck Pope, Director of Public Works.

MEDIA PRESENT:

Matthew Christian of the Morning News was present for the meeting.

A notice of the meeting was sent to the media and individuals requesting a copy of the agenda, informing them of the date, time and location of this special city council meeting.

CALL TO ORDER

Mayor Ervin called the May 18, 2021 special meeting of Florence City Council to order at 3:08 p.m.

INVOCATION

Mayor Ervin provided the invocation for the meeting. The Pledge of Allegiance to the American Flag followed the invocation.

BUDGET WORKSESSION

The following agenda items will be discussed:

- **Budget Totals by Fund**
- **Compensation/Benefits Changes**
- **General Fund Budget Highlights**
- **General Fund**



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- Community Programs Funding
- Hospitality Special Revenue Fund
- Water & Sewer Enterprise Fund
- Stormwater Utility Enterprise Fund
- Water/Sewer & Stormwater Utility Construction Fund
- Utilities Equipment Replacement Funds

OVERVIEW OF FY 2021-22 BUDGET

Mr. Randy Osterman, City Manager gave an overview of the budgets by fund.

Budget Totals by Fund:

Total for all funds is \$94,974,500. The following chart illustrates the proposed FY 2021-22 budgets listed by fund:

<u>Proposed FY 2021-22 Budgets by Fund</u>		
General Fund	\$	41,091,000
General Fund Debt Service Fund		694,000
Hospitality Fund		4,647,500
W/S Utilities Enterprise Fund		37,561,000
Stormwater Utility Enterprise Fund		1,460,500
W/S Utilities Construction Fund		8,005,000
Stormwater Utility Construction Fund		296,000
W/S Utilities Equipment Replacement Fund		1,084,500
Stormwater Equipment Replacement Fund		<u>135,000</u>
ALL FUNDS		\$94,974,500

Compensation/Benefits Highlights:

The following is a summary of FY 2021-22 compensation and benefits.

- ▶ Cost of Living and Merit pay increase eligibility effective January 1, 2022 included in the budget (approximately 2-3%).
- ▶ Annual Longevity Recognition Pay.
- ▶ Effective January 1, 2022, the City’s Health Insurance premium is projected to increase between 1% and 2.6% for the city with no increase for employees. The city maintained an experience rating of zero.
- ▶ Retirement System contribution increases for the City effective July 1, 2021:
 - ▶ SCRS: City contribution increases 1.00% (from 15.56% to 16.56%)
 - ▶ PORS: City contribution increases 1.00% (from 18.24% to 19.24%)

Note: The 1% increase above assumes that the 1 percent pension employer contribution credit in the FY 2021 State budget is funded at the same level in the FY 2022 State budget. If this credit is not included in the state budget, both the SCRS and the PORS contribution will increase by 2% instead of 1%.

General Fund Budget Highlights:

The following is a list of highlights from the FY 2021-22 General Fund Budget.



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Initial budget requests were \$3,386,000 greater than revenue estimates. This shortfall was resolved through adjustments to capital requests, department operational requests, as well as adjustments based on attrition trend savings and delayed hiring. Job related vacancies and controlling expenditures have resulted in savings which will be used for a one-time purchase of auto and maintenance equipment.

FY 2021-22
General Fund Budget Highlights

- ▶ Initial budget requests were \$3,386,000 greater than revenue estimates
 - ▶ Shortfall resolved through:
 - ▶ Adjustments to capital requests
 - ▶ Adjustments based on attrition trend savings and delayed hiring
 - ▶ Adjustments to department operational requests
- ▶ FY 2021 job related vacancies and controlling expenditures have resulted in savings.
- ▶ FY 2021 anticipated savings will be used for:
 - ▶ One-time purchase of capital items
 - ▶ Auto Equipment
 - ▶ Maintenance Equipment

General Fund:

Mr. Kevin Yokim, Assistant City Manager of Finance/Administration began a presentation with the General Fund, the largest fund for the city. For the FY 2021-22 General Fund Budget, original expenditure requests were \$3,386,000 higher than the original revenue projections.

Balancing the FY 2021-22
General Fund Budget

Original Revenue		Original Expenditure
Projections:		Requests:
\$40,901,000		\$44,287,000
	Difference:	
	\$3,386,000	
	Final FY 2021-22 Balanced Budget	
	\$41,091,000	

The proposed budget assumes every position is funded every day of the year. Compensation and benefits cost reductions are projected at \$1,428,720. A deferred hiring schedule of 16 weeks and other compensation savings save the city \$600,000. Further projected savings are through health insurance savings (\$200,000), from 6 positions funded beginning January 1, 2022 (\$128,720), and from positions proposed but not funded for 2021-22 (\$500,000).

General Fund
Compensation and Benefits
Cost Reductions Made in Balancing
Proposed FY 2021-2022 Budget



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Extended hiring timeline	\$	600,000
& other compensation savings		
Health insurance savings		200,000
Positions funded beginning January 1, 2022		128,720
Positions proposed but not funded For 2021-22		500,000
Total	\$	1,428,720

The following chart illustrates Operational and Capital Funding reductions in balancing the proposed FY 2021-22 budget:

General Fund
Operational & Capital Funding Reductions
Made in Balancing Proposed FY 2021-22 Budget

Department	Operations	Capital
City Council	\$ 6,000	\$ 0
City Court	24,500	0
City Manager	1,000	0
Finance & Accounting	3,000	0
Human Resources	5,000	14,260
Community Services	800	0
Police	30,000	190,900
Fire	10,000	267,000
Beautification & Facilities	12,500	118,000
Sanitation	2,000	624,000
Equipment Maintenance	2,000	36,500
Recreation	20,000	5,000
Athletics	76,000	91,000
Building Permits & Inspections	1,500	3,500
Non-Departmental		
General Insurance/Claims	100,000	0
Community Programs	23,000	0
Non-Departmental	99,820	0
OPERATIONS AND CAPITAL TOTAL	=	\$1,767,280

These are purchases that were in the original budget and are being bought early or are being added back into the department's budgets.

General Fund
End of Current Year Capital Purchases
Proposed in Balancing FY 2021-22 Budget

Department	Amount
Human Resources	\$ 14,260
Police	172,900
Fire	65,000
Beautification & Facilities	118,000
Sanitation	119,000
Equipment Maintenance	36,500



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Athletics (includes \$50,000 oper.)	96,000
Building Inspections	3,500
Total	\$ 625,160

This chart outlines the reductions that were necessary to balance the budget. The reductions totaled \$3,196,000 and are detailed below.

**Summary of Expenditure Adjustments
To Balance General Fund Budget**

Expenditure Reductions	Amount
Compensation and Benefits Cost Reductions	\$ 1,428,720
Operational Funding Reductions	417,120
Eliminated Capital Cost Reductions	725,000
End of Year Capital Purchases Reductions	<u>625,160</u>
Reductions to Balance Budget	3,196,000

This a recap of how the FY 2021-22 General Fund Budget was balanced.

GF REVENUES

Original Revenue Projections	\$40,901,000	
Revenue Adjustments	<u>+ 190,000</u>	
FY 2021-22 Adjusted Revenues		\$41,091,000

GF EXPENDITURES

Original Expenditure Projections	\$44,287,000	
Expenditure Reductions	<u>-3,196,000</u>	
FY 2021-22 Adjusted Expenditures		\$41,091,000

The following chart illustrates the General Fund Revenue Budget by Source and the percentage of budget for each category. Property taxes and Licenses and Fees are the largest contributors to the General Fund revenues.

**FY 2021-22 General Fund
Revenue Budget by Source**

Category	FY 2022	% of Total
Property Taxes*	\$ 11,330,600	27.57%
Licenses & Fees	14,380,000	35.00%
Governmental Reimbursements	5,506,200	13.40%
Permits and Fees	2,758,000	6.71%
Fines & Forfeitures	329,000	0.80%
Miscellaneous & Other Revenues	807,800	1.97%
Interfund Transfers	<u>5,979,400</u>	<u>14.55%</u>
TOTAL	\$ 41,091,000	100.00%

*Local Option Sales Property Tax Credit accounts for 41.48% of the total Property Taxes category.

This is a comparison between this year's budget and last year's budget. The reductions in business licenses, permits and fees, and fines are primarily due to the pandemic.



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**General Fund
FY 2021 & 2022 Revenue
Budget Comparison**

	Original FY 2021	Budget for FY 2022	Change from Original FY 21	% Change From FY 21
Property Taxes	\$ 10,854,400	\$ 11,330,600	\$ 476,200	4.39%
Business Licenses	10,350,000	10,150,000	-200,000	-1.93%
Franchise Fees	4,300,000	4,230,000	-70,000	-1.63%
Govt Reimbursements	5,157,000	5,506,200	349,200	6.77%
Permits and Fees	2,920,000	2,758,000	-162,000	-5.55%
Fines & Forfeitures	380,000	329,000	-51,000	-13.42%
Other Revenues	888,600	807,800	-80,800	-9.09%
Interfund Transfers	<u>5,835,000</u>	<u>5,979,400</u>	<u>144,400</u>	<u>2.47%</u>
TOTAL	\$40,685,000	\$41,091,000	\$406,000	1.00%

Community Programs Funding

The following chart shows the community programs that are included in the FY 2021-22 budget. There is one program that is not funded in the 2021-22 budget, totaling \$50,000.

**Appropriation Requests by
Agency/Event
FY 2021-22**

<u>Included in the FY 2021-22 Budget</u>		<u>Not Included in the FY 2021-22 Budget</u>	
Agency/Project/Event	Amount	Agency/Project/Event	Amount
Boys & Girls Club	\$ 20,000		
Stadium Commission	8,100	Pee Dee CAP Emergency Shelter	\$ 50,000
PDRTA	218,000		
Red Cross	10,000	Total	\$ 50,000
Keep Florence Beautiful	5,000		
No One Unsheltered Programs	75,000	Note: Reference budget request documents provided by requesting agencies in budget notebook.	
Florence Family Support Ct.	11,000		
My Brother's Keeper	20,000	* In addition, PAL Programming is funded at \$2,500 and utilities for the Boys & Girls Club is funded at \$21,000 in other departments' budgets.	
Foster Care Clothing Closet	7,000		
Pee Dee Coalition	5,000		
TOTAL	\$ 379,100		

Councilman Braddock inquired on the budget for the Stadium Commission since the High Schools no longer utilize Memorial Stadium. Mr. Yokim said the budget is also for Legion Stadium in addition to Memorial Stadium and a large portion of the budgeted amount is for insurance. Councilman Braddock asked if the city or the county owned it and Mr. Yokim replied there is joint ownership between the city and the county.



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Hospitality Fund

This is the 2% tax paid on prepared food and beverage purchases in the city. The Hospitality Fund is one of the city’s growth funds but it is also a restricted fund. South Carolina Code requires any revenue generated by the hospitality fee must be used exclusively for the following purposes:

- Tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums.
- Tourism-related cultural, recreational, or historic facilities.
- Beach access and re-nourishment.
- Highways, roads, streets, and bridges providing access to tourist destinations.
- Advertisements and promotions related to tourism development.
- Water and sewer infrastructure to serve tourism-related demand.

However, because at least \$900,000 in accommodations taxes are collected annually in Florence County, State law permits hospitality funds to be spent for operations related to the above stated purposes.

Below is the hospitality fees comparison from FY 2017 to FY 2022. Due to the COVID-19 pandemic, we will be seeing a negative percent change and then a recovery and leveling out to pre-pandemic percentages.

<u>FY 2017-2022</u>		
<u>Hospitality Fees Comparison</u>		
Fiscal Year	Collections	% Change
2017	4,036,958	4.49%
2018	4,101,928	1.61%
2019	4,342,184	5.86%
2020	4,205,349	-3.15%
2021*	4,605,000	9.50%
2022*	4,647,500	0.92%
*2021 Estimated		
*2022 Budgeted		

The amount projected for FY 2021-22 is \$4,647,500.

Hospitality Fees	\$ 4,647,000
Interest Earnings	500
FY 21-22 Hospitality Fund Estimated Revenues	\$ 4,647,500

This is the list of recommended expenditures for the Hospitality Fund for FY 2021-22. The Tennis Center/Performing Arts Center Debt Service (\$527,520) ends in 2024.

<u>Hospitality Fund Expenditures</u>	
Athletic Facilities Operations	\$ 1,491,700
Florence Museum	100,000
Florence Downtown Development Corporation	54,000
Florence Downtown Economic Development Incentives	12,000
Florence Downtown Promotions	35,000
Tennis Center/Performing Arts Center Debt Service (through April 2024)	527,520
Recreation Facility/Gymnasium Debt Service (through June 2034)	400,540



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2016 Special Obligation Bond Debt Service Appropriation (through Dec 2046)	300,000
Florence Historic District Street Lighting Operations	30,000
Florence Center (Debt Service effective through April 2040. FY 21-22 DS = \$656,100)	1,405,500
James Allen Plaza Restroom Facilities – 7 th of 10-year Lease Payment	9,000
Contingency	<u>750</u>
FY 21-22 Hospitality Fund Estimated Expenditures	\$ 4,647,500

Councilman Schofield asked if the \$30,000 for street lighting is solely for operations or if it also includes maintenance. Clint Moore, Assistant City Manager of Development, responded the city leases the lights from Duke Energy and those funds cover the lease.

Pro tem Jebaily asked what happens with public restrooms once the 10-year lease agreement with the James Allen Plaza restroom facilities ends and Mr. Moore responded public restrooms will become available with the pharmacy project.

Water & Sewer Utilities Enterprise Fund:

The total Water and Sewer Revenue Fund is \$37,561,000. This chart shows the Water and Sewer Revenues by Source. 47% of the revenues for this fund comes from water fees and charges; 50% from wastewater fees and charges and 3% from other revenue (reconnection fees, tap fees, etc.).

<u>Water and Sewer Revenues by Source</u>		
Water Fees & Charges (\$18,776,000)		47%
Wastewater Fees & Charges (\$20,466,000)		50%
Other Revenue (\$1,700,000)		3%

This chart shows the Water and Sewer Expenses by Department.

<u>Water & Sewer Expenses By Department</u>		
Utility Finance	\$ 3,008,770	8.01%
Engineering	1,585,150	4.22%
WW Treatment	5,726,770	15.25%
Surface Water Production	2,590,100	6.90%
Ground Water Production	1,858,680	4.95%
Distribution Operations	2,392,990	6.37%
Collection Operations	1,520,520	4.04%
Debt Service	9,609,500	25.58%
Non-departmental	<u>9,268,520</u>	<u>24.68%</u>
Total	\$ 37,561,000	100.00%

Mr. Yokim said Florence is growing. The number of tap applications received has grown from about 30-40 per month to 50-70 per month over the past several months. Councilman Schofield asked what the city is doing in response to this growth to expedite the application process. Mr. Osterman said he is concerned that it currently takes a water tap application 8 weeks to fulfill and the city is working on a plan to shorten the gap. Councilman Schofield asked if this was the reason for the higher proposed salaries. Mr. Osterman said the increase is due to the necessity of additional personnel in Fire and Public Works and Utilities and to cover costs associated with cost of living and merit.



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Councilman Braddock asked if the 25% debt service is a healthy amount. Mr. Yokim replied it could be lower, but it is a healthy number given the size of the city’s system and the growth the city is experiencing.

Councilman Schofield inquired on the possibility of passing credit card fees on to the customer to offset some of the debt service. Mr. Yokim said the city, per policy, decided not to pass along the service charge by credit card companies to the customer for paying their utility bill, permits, fees, etc. with a credit card. Councilman Schofield said it would save the city approximately \$250,000 a year if those fees were passed to the customer. Mr. Yokim said this is a policy decision Council could consider.

Water & Sewer Utilities Construction Fund:

This is the construction fund. Total budget for this fund is \$8,005,000 and consists of the items listed below. \$3,880,000 will be carried over from the previous year. The \$100,000 Florence County Infrastructure Fund Reimbursement does not roll over; if the County does not use this allocation annually, they lose it.

**FY 2021-22 Water & Sewer
Construction Fund Revenue**

Projected Funds on Hand on July 1, 2021	\$3,880,000
FY 2021-22 Transfer from W/S Operating Fund	3,000,000
Capital Construction Fund Transfer	1,000,000
Florence County Infrastructure Fund Reimbursement	100,000
Projected Interest Earnings	<u>25,000</u>
Total W/S Construction Fund Revenue	\$8,005,000

This is a list of projects that are funded through the Water and Sewer Construction Fund. There is an Asset Management Study proposed for FY 2021-22. Mr. Osterman said this study will include an asset inventory and will allow the city to secure infrastructure and predict where potential problems may arise.

**FY 2021-22
W/S Construction Fund Projects**

A. Projects Approved in Prior Year Budgets

1. Elevated Tank Inspection Repair and Painting	\$ 500,000
2. Jeffries Creek Beaver Management (SSO Compliance)	7,000
3. Waterline Extension Requests – Florence County	100,000
4. Hoffmeyer Road Sewer Extension	365,000
5. Sumter Street Development Sewer Improvements	450,000
6. Sumter Street Annexations	200,000
7. West Florence/Timmons ville Sewer Master Plan	150,000
8. SCDOT Alligator Rd. Widening – Utility Relocation	227,000
9. Harris Court Water Line Extension	122,000
10. Middle Swamp Sewer Interceptor Manhole Upgrades	500,000
11. Naturally Outdoors Sewer Relocation	100,000
12. West Sumter St. Water Line Extension (Pisgah Rd. to Stokes Rd)	261,000



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B. Projects Approved and Added in FY 2020-21

1. Magna Carta (Charters) Lift Station	\$ 50,000
2. Water Line & Force Main to FMU Nature Center	320,000
3. Darlington St. & Hoffmeyer St. Sewer Lift Station	270,000
4. E. Howe Springs Rd Water Line Repl. (Bannockburn to Oliver)	132,000
5. Quinby Circle Water Line Replacement	164,000
6. Mauldin Drive Sewer Improvements	275,000
7. Cecil Road Water/Sewer Ext (Adams Outdoor Adv Property Sale)	220,000

C. Proposed Projects for FY 2021-22

1. Bellaire and Beauvoir Service Line Repairs/Rehab	\$ 90,000
2. Freedom Estates Water/Sewer Extension (Palmetto Corp. annex)	350,000
3. Lion’s Gate/Dawson Family Tract Water/Sewer Ext	150,000
4. John Paul Jones Rd Water Line Ext (close loop at Southside School)	81,000
5. Asset Management Study	100,000
6. Wisteria Drive Sewer Lift Station	350,000

D. Other

1. Utility Line Engineering/Legal/Professional Services	\$ 150,000
2. Reserved for Other Projects	<u>2,321,000</u>

Total W/S Construction Fund Expenses \$ 8,005,000

Councilman Schofield inquired on the cost of the construction of an elevated water tower. Mr. Hemingway replied the cost is approximately 2.3 million from start to finish. Councilman Schofield asked Mr. Hemingway if he foresaw the need for an additional water tower in order to maintain pressure and Mr. Hemingway said it depended on the location that growth occurs. Mr. Hemingway further explained that the Surface Water Treatment Plant was designed for expansion.

Stormwater Utility Enterprise Fund

The total Stormwater Utility Enterprise fund is \$1,460,500. This fund comes from a flat fee and is a very dependable fund. When the fund was created, the city stated they would dedicate 50% of funds to operations and 50% of funds to construction associated with stormwater utility. Debt Service (\$320,400) will come off in 2021 and will become available to fund other projects.

Stormwater Revenues by Source

Stormwater Fees (\$1,377,000)	94%
Other Revenue (\$83,500)	6%

Stormwater Expenses by Category

Operations (\$834,410)	57%
Debt Service (\$320,400)	22%
Nondept./Const. Fund Trf. (\$305,690)	21%

Stormwater Utility Construction Fund

The Stormwater Utility Construction Fund has \$296,000 to be used for projects. \$100,000 is being transferred from the Stormwater operating fund.



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**FY 2021-22 Stormwater
Construction Fund Revenue**

Projected Funds on Hand on July 1, 2021	\$ 191,000
FY 2021-22 Transfer from Stormwater Operating Fund	100,000
Projected Interest Earnings	5,000
Total Stormwater Construction Fund Revenue	\$ 296,000

This is the list of projects that are funded through the FY 2021-22 Stormwater Construction Fund.

**FY 2021-22 Stormwater
Construction Fund Projects**

A. Projects Approved in Prior Years	
1. Stormwater Operations Division Pipe Projects	\$ 10,000
2. NPDES Phase II Compliance	80,000
B. Proposed Projects for FY 2021-22	
1. Timrod Park Stream Restoration	\$ 40,000
C. Other	
1. Stormwater Engineering/Legal/Professional Services	\$ 25,000
2. Reserved for Other Projects	<u>141,000</u>
Total S/W Construction Fund Expenses	\$296,000

Below are the 2021 Proposed Stormwater Projects.

2021 Proposed Stormwater Projects

Dargan & Elm Street	\$ 165,000
Cheves Street Underpass	200,000
Rebecca Street Outfall	240,000
Tarleton Estates	295,000
Malden Drive	310,000
Cannon Street Outfall	400,000
Oakland Avenue	410,000
Thomas Road Outfall	485,000
Timrod Park	500,000
St Anthony's/College Park	515,000
Sandhurst West	585,000
Wisteria	1,000,000
Pennsylvania Street Outfall	<u>1,525,000</u>
2021 Proposed Stormwater Projects	\$ 6,630,000

Mr. Osterman said the current 15-year debt service will roll off next month. To continue stormwater system improvements, the city will need to re-issue new debt service to fund new projects. The list above are the proposed projects. Current stormwater rates are enough to issue a \$4 million bond and, short of a rate increase, the last two projects in the list would need to be deferred. Councilman Schofield inquired



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on cost of the rate increase. Mr. Yokim replied it would be 0.50 a month increase to fund all the projects and 0.25 a month increase to fund all but the last (Pennsylvania Street Outfall) project. This fee only pertains to water customers located inside the city and approximately 75% of these customers pay \$3.34 a month but can range from \$2.00 to \$10.02 per month depending on the impervious surface ratio.

Councilman Braddock asked when the last stormwater fee increase was. Mr. Yokim said the stormwater fee was established when the first stormwater bond was issued in 2006 and hasn't been increased since. Mr. Hemingway said a rate increase will allow for more projects to be completed. This list was developed by identifying projects that are major contributors and impact a large number of customers. In comparison, other municipalities have doubled their stormwater fees based on the impact from recent weather events on their communities. Councilman Schofield asked how long these projects will take. Mr. Hemingway said the payment will be for 15 years, but the projects themselves should be completed in 5-6 years.

Pro tem Jebaily said these projects are a small part of the big picture and that it would cost the city upwards of \$100 million to fix all stormwater issues. Mr. Hemingway said when a lot of the stormwater infrastructure in the city was completed in the 1950's and 60's, it was developed in more open space where trees could absorb a lot of the water. As the city grows, the green spaces where water was absorbed are becoming developed. In order to completely stop the stormwater issues, the entire city would need to be reconstructed and all the swales and drainage throughout the city and under the streets would need to be replaced. Pro tem Jebaily said newer neighborhoods are less likely to flood because their stormwater infrastructure was built to standards that did not exist with the older neighborhoods. Pro tem Jebaily asked if a study has been done to develop the city's next steps with this issue. Mr. Hemingway said they have worked with agencies on ways to prevent infrastructure issues with future growth and annexations and the bond projects are the major issues with older infrastructure in the city. Pro tem Jebaily asked if the city could look into a comprehensive study for ways to identify and address stormwater issues throughout the city. Mr. Osterman said it would be a costly and long process, but it can be looked into.

Councilman Braddock asked if the cost of the study could be considered in the issuance of the bond as well as the \$6.6 million to fund all the projects in the list. Mr. Osterman said he can get some information together on potential cost and timeline and can present it at the next Council meeting.

Mayor Ervin reminded Council that the city's water and sewer rates were recently increased and if they are going to consider raising the stormwater rate, they will need sound answers when questions arise from citizens.

Utilities Equipment Replacement Fund

The Equipment Replacement Fund is a fund to replace utility equipment. This fund allows for the replacement of equipment when it is needed and does not require that the purchase be deferred.

W/S Equipment Replacement Fund
Budget by Department

Department	Amount
Engineering	\$ 60,000
Wastewater Treatment Plant	265,000
Ground Water Production	50,000
Distribution Operations	374,000
Collection Operations	<u>335,000</u>
W/S Capital Equipment Fund Total	\$ 1,084,500



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There is \$135,000 in the Stormwater Equipment Replacement Fund.

**Stormwater Equipment
Replacement Fund
Budget by Department**

Department	Amount
Stormwater Operations	<u>\$135,000</u>
Stormwater Capital Equipment Fund Total	\$135,000

Councilwoman Barnes asked if there is an increase in Sanitation. Mr. Osterman said additional personnel and equipment is included in the budget, and it does not necessitate an increase in fee.

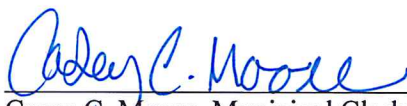
Councilman McCall asked where comprehensive studies are paid from in the budget. Mr. Osterman said it comes from the department's professional services line item for whichever department is leading the study.

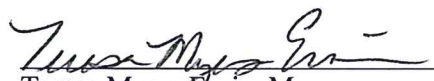
Councilman Schofield inquired on street lighting. He said the city pays \$1.6 million on street lighting and asked if the city would be able to ask for a rate change if all the lights were changed to LED. Mr. Osterman said they recently met with Duke Energy regarding changing the lights and the city will see a \$1,500 a month reduction in costs. It will cost approximately \$64,000 to change out all the lights and will take approximately a year. According to Duke Energy, it will take 3.6 years to recoup the costs associated to change out all the lights. Councilman Schofield further inquired on the potential to split the costs of the lighting with the county. Mr. Osterman said the city is committed to paying the full \$64,000 but he would be open to the possibility.

ADJOURN

Without objection, the special meeting of Florence City Council was adjourned at 4:43 p.m.

Dated this 14th day of June, 2021.


Casey C. Moore, Municipal Clerk


Teresa Myers Ervin, Mayor