

**FLORENCE CITY COUNCIL WORK SESSION  
THURSDAY, JANUARY 25, 2024 – 10:00 A.M. – 5:00 P.M.  
AND FRIDAY, JANUARY 26, 2024 – 9:00 A.M. – 12:00 P.M.  
MARINA INN AT GRANDE DUNES  
8121 AMALFI PLACE, MYRTLE BEACH, SC 29572**

**MEMBERS PRESENT**

Mayor Teresa Myers Ervin, Mayor Pro Tempore George Jebaily, Councilwoman Lethonia Barnes, Councilman Chaquez T. McCall, Councilman Bryan A. Braddock, Councilwoman LaShonda NeSmith-Jackson and Councilman J. Lawrence Smith, II

**ALSO PRESENT**

Mr. Scotty Davis, Deputy City Manager; Mr. Boone Aiken, City Attorney; Mrs. Casey Moore, Municipal Clerk; Mr. Clint Moore, Assistant City Manager of Development; Chief Allen Heidler, Florence Police Department; Chief Shannon Tanner, Florence Fire Department; Mrs. Jennifer Krawiec, Director of Human Resources; Mr. Jerry Dudley, Director of Utility Operations; Mr. Josh Whittington, Director of Utility Operations; Mr. Michael Hemingway, Director of Utility Planning and Economic Development; Mrs. Amanda Pope, Director of Marketing/Communications and Municipal Services; Mr. Adam Swindler, Director of Public Works; and Kevin Rawlinson, Chief Financial Officer

Notices of this regular meeting of City Council were provided to the media and individuals requesting a copy of the agenda informing them of the date, location and time of the meeting.

**THURSDAY, JANUARY 25, 2024**

**CALL TO ORDER**

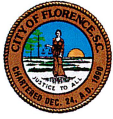
Mayor Ervin called the Thursday, January 25, 2024 Work Session of Florence City Council to order at 10:00 a.m.

**INVOCATION**

Mayor Ervin gave the invocation for the meeting. The pledge of allegiance to the American Flag followed the invocation.

**WORK SESSION**

Mr. Scotty Davis, Deputy City Manager, began the session by asking all attendees to introduce themselves. Following introductions, Scotty moved into a discussion on the budget. He said his budget philosophy is that staff has an unwavering commitment to ensuring the city is delivering high-quality services and is responsive to the needs and concerns of our residents. How do we do this?



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1. Develop operational budgets within projected available revenues.
2. Focus on goals of Comprehensive Plan:
  - Growth Capacity
  - Land Use and Development
  - Housing and Neighborhoods
  - Transportation
  - Economic Development
  - Recreation and Amenities
3. Invest strategically in employees by providing adequate pay, benefits, training, technology resources, support, etc.
4. Balance reinvestment in the City's existing infrastructure and facilities with the creation of new opportunities for investing in the future of the City.
5. Maintain a minimum General Fund balance of at least 30% of the General Fund budget.
6. Maintain sufficient working capital in the utility funds.

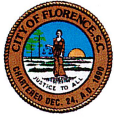
Mr. Davis gave an overview of the meeting agenda:

1. FY 2025 Budget Influencers
2. FY 2022-23 Year End Financial Review
3. Human Resources
4. Police
5. Fire
6. City Manager's Office/City Center Market
7. Parks & Recreation
8. Athletics & Sports Tourism
9. Public Works
10. Growth and Development
11. Downtown Development
12. Community Services
13. Projects Update
14. Utility Planning & Economic Development
15. General Fund – Fund Balance
16. Discussions & Questions

**2025 Budget Influencers**

External factors influencing the budget are inflation, the labor market, improved borrowing costs, residential growth and the AESC original investment plus expansion. The average inflation rate for 2023 was 3.4%, down from 8% in 2022. The Florence County unemployment rate is 3% compared to the South Carolina unemployment rate of 2.9% and the United States unemployment rate of 3.9%. Federal interest rates are projected to reduce in 2024. Current federal rates average 5.25%-5.5% with projections of 4.6% in 2024 and 3.6% in 2025. AESC is expected to create 1,620 jobs with a total investment of \$1.62 billion.

Mr. Davis went over Fiscal Year 2024-25 revenue and expenditure assumptions. It is assumed that property tax revenue will remain stable. The city will need to continue to “backstop” the TIF bonds with water and sewer funds. Building permit revenue is down 34.7% from this time last year; however, this is being due to permits being pulled early in Fiscal Year 2023 for two major projects. Business license revenue is up 20.7%, but it is too early to determine if this trend will continue. Hospitality revenue is up 10.4%. Water revenue is up less than 1% but should continue to rise and sewer revenue is up 6.25%. Water and sewer rates will increase by 9% for inside city limit customers and 11% for outside customers



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for the Fiscal Year 2025. Operational and capital costs will continue to rise as a result of wage inflation, supply chain constraints, fuel price fluctuations, materials and supply cost increases and insurance premium increases.

**FY 2022-23 Year End Review**

Highlights of the FY 2023 Annual Comprehensive Plan:

- For the Fiscal Year ended June 30, 2023, the City’s Governmental Funds reported a combined fund balance of \$47,633,835, an increase \$52,212.
- At year end, the City’s Governmental Funds reported a total outstanding bonds and notes payable obligations of \$85,159,199 compared to \$88,840,293 last year, a decrease of 4.3%.
- For the Fiscal Year ended June 30, 2023, the Water and Sewer Fund reported a total fund balance of \$150,447,526 a decrease of \$8,123,072. The unassigned fund balance decreased \$13,957,959 from \$39,700,018 to \$25,742,059. The decrease is due to economic development payments for the AESC project.
- The Water and Sewer Fund reported an outstanding bonds and notes payable of \$106,080,215 a decrease of \$12,937,643 compared to \$119,017,858 last year.

The General Fund:

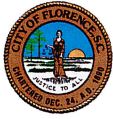
The following chart illustrates the General Fund Revenues in 2023 compared to 2022. Property tax revenue, miscellaneous revenues and revenues from other funding sources are down from 2022.

**General Fund Revenues**

<b>Revenues</b>	<b>2023</b>	<b>2022</b>	<b>% Variance</b>
Property Tax	\$11,475,369	\$11,830,538	-3.0%
Licenses, Permits, and Fees	16,771,965	15,866,364	5.7%
Intergovernmental	5,891,532	5,020,798	17.3%
Charges for Services	3,526,939	3,170,772	11.2%
Fines and Forfeitures	262,372	230,050	14.0%
Investment Earnings	597,329	(27,399)	2,280.1%
Miscellaneous	1,329,139	8,659,852	-84.7%
Other Funding Sources	422,563	3,188,196	-86.7%
Net Transfers	12,077,902	(18,661,238)	164.7%
<b>Total Revenues</b>	<b>\$52,355,110</b>	<b>\$29,277,933</b>	<b>78.8%</b>

Mr. Davis said the City of Rock Hill completes an annual cost of public service comparison study among several South Carolina cities, to include Florence. According to the comparison, Florence has one of the lowest net property tax rates in the state. This low tax rate makes it very difficult for Florence to compete with the other cities. There was discussion on the city’s millage rate compared to other cities. State law now regulates and limits the amount of millage that can be raised annually. Some cities make it a practice to raise their millage the maximum allowed amount each year, whereas Florence went several years without raising millage at all.





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The following chart illustrated the General Fund Expenditures in 2023 compared to 2022. Total expenditures are down approximately 17%.

**General Fund Expenditures**

<b>Expenditures</b>	<b>2023</b>	<b>2022</b>	<b>% Variance</b>
General Government	\$ 9,022,988	\$ 9,350,314	-3.5%
Public Safety	17,768,898	15,898,182	11.8%
Public Works	7,933,708	7,371,799	7.6%
Culture and Recreation	3,858,043	3,131,383	23.2%
Community Development	380,650	-	100%
Debt Service: Principal	2,119,487	1,888,065	12.3%
Debt Service: Interest	1,541,261	1,497,992	2.9%
Capital Outlay	6,447,731	20,062,136	-67.9%
<b>Total Expenditures</b>	<b>\$49,072,766</b>	<b>\$59,199,871</b>	<b>-17.1%</b>

Water and Sewer Fund:

The following chart illustrates the Water and Sewer Fund Revenues in 2023 compared to 2022. Total Revenues have increased approximately 1%.

**Water & Sewer Fund Revenues**

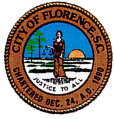
<b>Revenues</b>	<b>2023</b>	<b>2022</b>	<b>% Variance</b>
Current Use Charges	\$40,496,498	\$39,750,584	1.9%
Service Fee	15,614	-	-
Miscellaneous	1,104,327	809,686	36.4%
Water & Sewer Tap Fees	1,114,090	1,268,873	-12.2%
Investment Earnings	1,066,719	-	-
Other Miscellaneous Revenue	129,708	69,959	85.4%
Intergovernmental	466,114	384,702	21.2%
Gain on Asset Disposal	2,782	19,039	-85.4%
Transfers In	-	1,567,323	-100.0%
<b>Total Revenues</b>	<b>\$44,395,852</b>	<b>\$43,870,166</b>	<b>1.2%</b>

The following chart illustrates the Water and Sewer Fund Expenditures in 2023 compared to 2022. Total Expenditures have increased approximately 32%.

**Water & Sewer Fund Expenditures**

<b>Expenses</b>	<b>2023</b>	<b>2022</b>	<b>% Variance</b>
Personnel	\$ 6,341,316	\$ 5,545,951	14.3%
Employee Benefits	3,133,569	2,113,078	48.3%
Purchase Services	7,765,958	6,794,586	14.3%





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Supplies and Materials	1,374,829	1,350,046	1.8%
Other Operating Expenses	3,529,059	2,495,388	41.4%
Depreciation and Amortization	9,385,387	9,907,147	-5.3%
Loss on Investments	-	62,313	-100.0%
Economic Development	15,841,568	6,538,323	142.3%
Interest Expense	2,562,845	3,054,638	-16.1%
<b>Total Expenditures</b>	<b>\$49,934,531</b>	<b>\$37,861,470</b>	<b>31.9%</b>

Storm Water Utility Fund:

The following chart illustrates the Storm Water Utility Fund Revenues for 2023 compared to 2022. Revenues have increased approximately 67%, most significantly due to the increase in storm water fee.

**Storm Water Fund Revenues**

<b>Revenues</b>	<b>2023</b>	<b>2022</b>	<b>% Variance</b>
Storm Water Service Fee	\$ 1,633,062	\$ 1,613,654	1.2%
Miscellaneous	8,934	88,915	-90.0%
Investment Earnings	245,048	18,844	1,200.4%
Intergovernmental	103,877	-	100.0%
Contributed Capital	877,094	-	100.0%
<b>Total Revenues</b>	<b>\$ 2,868,015</b>	<b>\$ 1,721,413</b>	<b>66.6%</b>

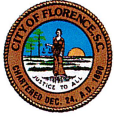
The following chart illustrates the Storm Water Utility Fund Expenses for 2023 compared to 2022. Total expenses have increased approximately 45%.

**Water & Sewer Fund Expenditures**

<b>Expenses</b>	<b>2023</b>	<b>2022</b>	<b>% Variance</b>
Personnel	\$ 340,025	\$ 320,047	6.2%
Employee Benefits	164,042	144,467	13.5%
Purchase Services	633,463	218,013	190.6%
Supplies and Materials	13,149	7,564	73.8%
Other Operating Expenses	(66,029)	(84,503)	-21.9%
Depreciation and Amortization	224,743	206,665	8.7%
Interest Expense	111,606	181,855	-38.6%
Transfers Out	109,628	52,237	109.9%
<b>Total Expenses</b>	<b>\$ 1,530,627</b>	<b>\$ 1,046,345</b>	<b>46.3%</b>

Outstanding Debt:

Mr. Davis went over current outstanding debt. He said it is important to know the current debt and what it means for the City of Florence. The City is analyzed by two rating agencies: Moody's and Standard and



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Poors. The City has a rating of Aa2 with Moody's and a rating of AA- with Standard and Poors, meaning the City is in very good standing. Mr. Davis went over the current outstanding governmental debt and utilities debt for the City and their maturity dates. Several bonds are scheduled to mature over the next year.

### Human Resources

Mr. Davis began the discussion on recruitment and retention. MIT conducts a living wage study and, according to the study, Florence County has a living wage of \$15.32 per hour. There are currently several City positions that have a starting wage below the Florence County living wage. Mr. Davis said it is his hope we are able to increase the salaries to the minimum of the living wage.

Councilwoman NeSmith-Jackson asked for the total amount of employees that are below the living wage. Mrs. Jennifer Krawiec, Human Resources Director, said this mostly affects employees starting out and the majority of employees are above the range due to merit and years of service increases. The desire is to raise the salary for the starting position to be above the \$15.32, which will in turn impact other positions. While she is unsure of the cost, she does think it is able to be done with this next budget. Councilwoman NeSmith-Jackson inquired on the City's lowest salary and Mrs. Krawiec said the lowest is currently \$8.00 per hour for some part time positions and the lowest full-time position is \$12.48 per hour.

Mr. Davis said it is important to continue the annual cost of living and merit increases in order to keep starting salaries competitive and avoid compression. City of Florence salaries are competitive in the region and among similarly sized municipalities in the state, but it is very difficult to attract quality employees with the unemployment rate being so low in Florence County.

Mr. Davis discussed some compensation challenges the City faces. In regard to the Police Department, the City relaxed the facial hair and tattoo policy to attract more applicants and retain current employees. This year's 8% cost of living increase allowed the compensation for non-certified and certified officers to be more competitive with surrounding agencies. There was discussion on recruiting officers from larger cities outside of South Carolina. Police jobs are advertised on a variety of websites to include community sites and law enforcement specific sites.

The City does offer attractive benefits to include PEBA health insurance, state retirement, an onsite nurse practitioner, and paid retiree insurance. Health insurance is a significant cost to the City. Nationally, health insurance premiums continue to rise; however, employee costs remain low with little to no increases for employee premium contributions.

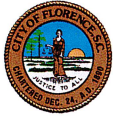
Mr. Davis said some concepts to consider to assist with recruitment and retention include expanding the Employee Wellness Clinic to include retirees, student loan repayment assistance, and a modified work schedule. Some considerations for a modified work schedule include half-day Fridays with longer hours Monday through Thursday, a four-day work week, and job sharing to keep retirees. There was discussion on a modified work schedule among Council and staff and its potential positive and negative impacts.

[Break: 12:00p.m. – 1:00p.m.]

### Police Department

Mr. Allen Heidler, Chief of Police, discussed the current and upcoming needs of the Police Department. He began by providing an overview of the life expectancy of a patrol vehicle. The biggest factor in the life expectancy of a patrol vehicle is engine hours. Normal preventative maintenance is done on a vehicle





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based on driven miles; however, police vehicles sit and idle for long periods of time which isn't calculated into the wear of the vehicle. The idle time is just as taxing on a vehicle as driven miles in most cases. According to industry standard calculations, one engine hour equals thirty driven miles. The average patrol vehicle has over 3,000 engine idle hours within three years of use, which is equivalent to 90,000 driven miles.

Chief Heidler also spoke on patrol vehicle turnover. The Police Department has on average 50 vehicles that are used for daily response services and another 20-25 that are utilized by specialty units. Several vehicles will be ready to cycle out this year and be made into spares. The cost of vehicles has significantly increased since 2019 and the cost to upfit a vehicle is expected to increase as well. The best method for cycling vehicles is to purchase 5-8 vehicles per year which will allow the City to turnover approximately one quarter of the fleet every four years and cycle reliable units into the spare fleet. Chief Heidler said the vehicle request for 2024 is five vehicles. If ordered early in the fiscal year, it is expected that these vehicles will cost approximately \$55,000-60,000 and would be delivered early to mid-2025.

Chief Heidler said the City is receiving several stationary flock cameras that will monitor entrance ways and exit ways of the City. These cameras are an investigative tool and are able to read license plate tags and assist in tracking individuals and solving crimes.

Councilman McCall raised a concern with the media receiving a press release with the information on the cameras prior to Council's knowledge. Mayor Ervin asked that releases be shared with Council before being shared with the media so they are informed when residents reach out to them. Scotty said releases will be shared with Council from the City Manager's Office prior to being released to the media moving forward.

Mayor Ervin mentioned cameras that are currently located at some of the parks. Mr. Davis clarified that the cameras are located on the buildings/community centers and are only monitoring people coming and going from the buildings and to protect staff. Mayor Ervin expressed her desire to have cameras located at all parks.

There was discussion on the potential to add an armored vehicle to the fleet. Councilman Braddock requested that staff look into armored vehicles and provide Council with information on cost, design, potential storage locations, et cetera.

Chief Heidler spoke on long term and large evidence storage next. The SC Evidence Preservation Act requires evidence to be preserved. The Police Department currently leases a building for storage but due to state law requirements, the City will need to consider relocating their long-term and large evidence storage facility due to reaching capacity of the current site. Chief Heidler discussed potential sites and cost estimates. The approximate project total is \$500,000.

### Fire Department

Mr. Shannon Tanner, Fire Chief, discussed the current and upcoming needs of the Fire Department. He began with an overview of the current status of the Fire Department. Chief Tanner said the Fire Department is currently running seven companies comprised of six Engine Companies and one Ladder Company, responding out of six stations. The average responses over the last few years is 4,548 calls. In order to maintain the current ISO rating of 1, Fire Department response must be in five minutes 90% of the time for the first due engine and nine minutes 90% of the time for the second due engine and first due ladder.





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Chief Tanner discussed fire apparatus replacement. Currently, the Fire Department has five first out engines, one first out ladder and one quint running as a first out engine from the stations. The last major purchase of apparatus occurred in 2010 and 2012; therefore, many of the first out apparatus, engines and ladders have age on them. Chief Tanner expressed the urgency in the necessity to purchase three engines and one ladder. Recently, at least one truck has been out of service every day and obtaining parts for repairs has become difficult. The pandemic created a major backlog on apparatus delivery as well as significant price increases. Currently, delivery times for engines are 36 months and ladders are 48 months. The current cost of a fire engine is \$1,000,000 and a ladder is \$2,000,000 which equates to a 40% increase in price over the last three years. Signing a contract to purchase new apparatus will lock in pricing and start the clock on receiving the apparatus. It will be necessary to refurbish the current first due engines and ladder until the new apparatus arrives.

Chief Tanner also discussed staff vehicle replacement. Chief Tanner requested to replace five vehicles this budget and five next budget year. Vehicle prices range from \$30,000 to \$40,000 and have a delivery time from 90 to 365 days.

Chief Tanner spoke of Fire Department facilities and growth. Recently two fire stations were built on the west side of the City and fifteen years ago a station was built on the south side of the City. Two of these were additional stations while one was a relocation. Many of the older stations are in need to upfitting and repairs. Due to annexation and continued growth, Chief Tanner discussed the need to add an additional Engine Company on the west side of the City at Station 4, an additional Battalion Chief, and an additional Fire Station on the southeast side of the City.

Councilman McCall inquired on the most critical need. For future needs, Chief Tanner said adding a ladder truck and an engine company. However, the present need is to replace existing trucks.

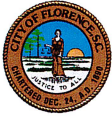
Mr. Davis discussed the current Building Department status. Over the last two years, the Building Department has experienced an overall increase of 42% in inspections. If this increase continues, the City will need to hire additional inspectors to keep up with the increase. Mr. Davis said the City is considering charging a re-inspection fee after the first inspection, which would require an ordinance to be passed.

### City Manager's Office

Mr. Davis said the City is under a three-year contract with Citibot. Mrs. Amanda Pope, Director of Marketing, Communications and Municipal Services, said the bot has been named Cypress or "Cy". The City is still working to implement with the work order program with Citibot and the tentative launch date is in March.

Mrs. Pope said the City of Florence Municipal Code is in need of a complete recodification. Recodification will involve a full legal and thorough review of the City's code to ensure that provisions are comprehensive, lawful, and enforceable. The approximate cost for recodification is \$75,000.

Mrs. Pope provided a brief overview of the City Center Farmers Market and Commercial Kitchen. Farmers Market vendors are comprised of food producers and farmers, as well as artisans. Several events are held at the Farmers Market to include Jam Fest, Farm to School, Holiday Gift Market, Bee City Takeover, and the Cultural Garden Celebration. The Commercial Kitchen is a shared commissary-style kitchen available for rent and is a certified South Carolina Department of Health and Environmental Control facility. Current facility needs include a market entrance sign, parking improvements, and an additional permanent shed at a total approximate cost of \$150,000. The City owns several surrounding properties that may be able to accommodate these needs.



[Break: 3:10pm – 3:40pm]

### **Parks and Recreation Services Division**

Mr. Davis spoke of the needs of the Parks and Recreation Services Division. He acknowledged the lack of signage in the City's parks. Interpretive signage can be very educational for residents providing insights into the history, significance, and unique feather of each location. Interpretive signs serve as outdoor graphic displays that enhance awareness, appreciation, and understanding of the environment. There is also a need to replace picnic shelters at Lester Park, Lucas Park, and Southpark.

Mr. Davis spoke of the Florence Trail System. There is a need to add wayfinding signage to the Florence Trail System. Mr. Clint Moore, Assistant City Manager of Development, spoke of the recent trail extension from the existing rail trail to the Soccer Complex and said the contract has been signed for this project. The City also received a grant to complete an extension of the trail from Naturally Outdoors as well as add a kayak slip. Mr. Davis said the Florence trail system boat launches are in need of better infrastructure to facilitate easier and safer boat launches. It is important that residents are able to enjoy outdoors and all Jeffries Creek has to offer.

There was discussion on naming some of the parks after individuals in the community to raise money for these improvements. Mr. Moore said there are already local groups and non-profits that work with the City to help with these efforts.

Mr. Davis spoke of the need to add multiple dog parks in several locations throughout the community. The establishment of dog parks will bring benefits such as community enhancement, tourist appeal and community health and well-being. Potential locations include the downtown area, Levy Park, Southpark, and McLeod Park.

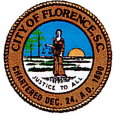
The NFC Program has offered to fund \$30,000 towards the installation of a Fitness Court, which could significantly enhance our public spaces. However, the total cost is projected to cost \$175,000 – 225,000. Locations that have been approved by the program include Levy Park and could be included with the anticipated Levy Park expansion. The City is still waiting to hear back on the status of the grant; however, the City may need to plan and budget for the maintenance and upkeep of the park.

There was discussion on the addition of an amphitheater to Dr. Iola Jones Park. The estimated cost of an amphitheater and concrete pad is \$250,000.

### **Athletics/Sports Tourism Expansion**

The City currently has four major complexes: Dr. Eddie Floyd Tennis Center, Freedom Florence Recreation Complex, Florence Soccer Complex, and the Florence Sports Complex. Mr. Davis spoke of the need to continue to emphasize sports tourism. Current athletic facility needs include new facilities such as a football complex and an addition of an arena to the Pearl Moore Basketball Gymnasium. Mr. Davis spoke of some obstacles in expanding Pearl Moore. There was discussion on the potential for eminent domain for surrounding abandoned properties and buildings. Mr. Boone Aiken, City Attorney, said the City will have to establish a legitimate public purpose for the property. There was further discussion on abandoned and dilapidated properties and the potential to add an affidavit to these properties when they are purchased to state the future purpose of the property or add a fee to abandoned buildings. Mr. Boone Aiken, City Attorney, said he will research these requests.





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Current renovation needs include a Dr. Eddie Floyd Tennis Center expansion/repair and a Freedom Florence baseball/softball light upgrade.

Total cost for all these projects is approximately \$20 million. Potential funding sources include the hospitality fund, the creation of a Tourism Improvement District, or CDBG Section 108 loan, if located within a CDBG eligible area. A Tourism Improvement District would consist of a partnership with local hotels in the area and adding a fee on hotel stays within the City of Florence with a committee group overseeing the fund usage.

**ADJOURN**

Without objection, the January 25, 2024 Retreat Work Session of City Council was adjourned at 4:50 p.m.

**FRIDAY, JANUARY 26, 2024**

**CALL TO ORDER**

Mayor Ervin called the Friday, January 26, 2024 Work Retreat Session of Florence City Council to order at 9:05 a.m.

**INVOCATION**

Mayor Ervin gave the invocation for the meeting. The pledge of allegiance to the American Flag followed the invocation.

**Public Works Department**

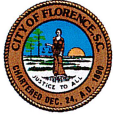
Mr. Davis said Beautification and Facilities (including the animal shelter), Equipment Maintenance, and Sanitation are the three divisions of the Public Works Department.

Mr. Adam Swindler, Public Works Director, gave an overview of future Public Works needs. Current Beautification and Facilities Division needs include additional employees; various capital equipment such as aging forklift, motor grader, backhoe, skid-steer, and tree trucks; and new housing/space for offices, equipment storage, and sign shop operations. Mr. Swindler also discussed necessary facility repairs for the animal shelter.

Current Equipment Maintenance Division needs include additional employees; an updated/new facility and amenities to meet current and future service needs; capital equipment; and other items such as a Fleet Maintenance Management Software.

Mr. Swindler spoke on the Sanitation Division next. Sanitation collects approximately 14,450 residential units per week or approximately 2890 units per day. For every 500 units added, an additional route/truck is needed. Mr. Swindler discussed the transfer fee increases over the last 5 years. The recycling fee has seen a significant increase and is now \$165.00 per ton while less than 25% of the City's residents participate in recycling. In fiscal year 2023, 525 tons of recyclable material were collected at a cost of \$86,625. Below is chart detailing the transfer fee increase over the last five years.





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**Transfer Fee Increase over Time (Last 5 Fiscal Years)**

FY Start	-	FY End	Garbage Fee	Increase	Recycling Fee	Increase
July 2018	-	June 2019	\$45.39	\$0.84	\$78.48	\$2.58
<b>Processing Fee Increase</b>					\$138.48	<b>\$60.00</b>
July 2019	-	June 2020	\$48.07	\$2.68	\$140.11	\$31.63
July 2020	-	June 2021	\$48.18	\$0.11	\$140.43	\$0.32
July 2021	-	June 2022	\$51.12	\$2.94	\$151.85	\$11.42
July 2022	-	June 2023	\$55.55	\$4.43	\$159.06	\$7.21
July 2023	-	June 2024	\$60.09	\$4.54	\$165.10	\$6.04

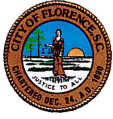
Mr. Swindler presented needs for the Sanitation Division to include new facilities and additional trucks. Mr. Swindler discussed aging offices and buildings at the Public Works Department site. New facilities needed include offices, meeting and training rooms, lockers and bathrooms and showers. Depending on annexation numbers, it is forecast that two residential rear loader trucks will be necessary at a cost of approximately \$600,000. If the City continues the recycling program, an additional commercial front loader truck will be necessary at a cost of approximately \$400,000. Prices for sanitation trucks are expected to increase. Currently, a commercial front loader is \$400,000, basic residential rear loader is \$255,000, upgraded residential rear loader is \$315,000, a grapple loader is \$200,000 and a lift gate truck for roll cart delivery is \$65,000.

Mr. Swindler went over some issues sanitation faces with residents piling boxes, furniture, bags, et cetera at the curb for pick up and there was discussion on adopting an ordinance to establish a fine for these situations. Mr. Davis said the City Attorney can start working on an ordinance. Mr. Davis spoke on landlord evictions. In South Carolina State Code, a landlord is able to set the evicted tenant's belongings on the curb. The City then must collect the items, but only after forty-eight hours has passed. Mr. Davis said state law does not require the landlord to notify the City when they've placed items out, so the forty-eight hours begins once the City is notified either by a resident or a sanitation worker.

**Growth and Development**

Mr. Moore said annexation, growth and development impacts every City department. Since 2018, the City has approved 3,500 new units of residential construction which can have a substantial impact. Mr. Moore discussed projected City limits growth over the next ten and twenty years and said it is based largely on utility availability. Important concepts to consider with annexation, growth and development is the direction of residential growth; the direction of commercial growth; and impacts related to the extension of water and sewer infrastructure, sanitation services, fire services, police services, recreation, and streets and stormwater. There was discussion on annexation and doughnut holes throughout the City. Mayor Ervin expressed her desire for the City to be more aggressive with doughnut hole properties and communicate with the residents the benefits of annexation. Mr. Moore said there are several mechanisms the City can implement in an attempt to control, manage and direct growth. Common strategies for municipalities include Impact Fees and Special Purpose Taxing District.

Mr. Moore provided a housing and rental outlook. The estimated population by 2030 is 47,000 residents. The recent median sales price for a home in Florence is \$250,000, up from \$159,000 in 2019. The average household income is \$52,425, which is a monthly income of \$4,300. The current cost of a new build



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residential home is \$150 per square foot and current mortgage rate is 7%. Mr. Moore said the City looks at how to remain developer friendly while also protecting the environment of the current resident. Upcoming projects that will need to be addressed in the Unified Development Ordinance include an update to the sign ordinance, short term rentals, accessory dwelling units and the riparian buffer. Upcoming costs include an update to the 2020 Comprehensive Plan at \$75,000 – \$85,000, Design Guidelines at \$135,000, a Neighborhood Revitalization Plan at \$150,000, an Affordable Housing Study at \$150,000 and Corridor Studies at \$200,000 - \$300,000.

### **Downtown Development**

Mr. Moore said downtown currently has a 6% vacancy rate, which indicates how the City should approach downtown development and how to progress downtown. Currently, downtown has property maintenance and appearance codes for the Historic District only; however, the incentive boundary was expanded. It may be beneficial to also expand the property maintenance and appearance codes to include the Irby Street Corridor and the Food, Artisan, and Warehouse District.

[Break: 10:25 – 10:40]

### **Community Services**

Mr. Davis gave an overview of the projects in progress to include rehabilitation, weatherization, demolition, new home construction, preliminary work on the Pine Street Masterplan, and the Habitat for Humanity home. Mr. Davis provided an overview of the Pine Street Master Plan to help with homeownership in the area.

### **Utilities Department**

Mr. Davis said the workforce for the Utilities Department is comprised of employees with technical expertise and specialized skills. Mr. Jerry Dudley, Utilities Director, provided Council with some challenges he faces with the Utilities Department. The City must compete with other government and private sector jobs as well as other geographic locations for employees in this field. Water and Wastewater Operators must obtain certification and it takes years of on-the-job experience to become a competent operator. Additional employees will be necessary due to the surface water expansion, growth of the City and the utility, and to maintain water quality. It is important to provide a livable wage to attract quality employees. Mr. Dudley spoke of the challenge of rising costs and capital expenses. These have higher upfront costs and the equipment is more technical and typically requires contractors to repair. Emergency repairs also presents a challenge because it eats up a lot of the budget and the budget for these types of repairs is small. Emergency repairs include sewer repair, water line repair, lift station repair, pump repair, repair parts, et cetera. Solutions for some of these concerns include on-call contractors, preventative maintenance contracts and capital improvement projects.

Mr. Dudley spoke on water quality and recent complaints. Most water quality complaints are due to iron in the water. Many of the groundwater plants and wells are in need of repairs and maintenance. If the City were to overhaul all the groundwater plants at once, it would cost over \$20 million. Four plants are scheduled for renovation utilizing grant funds. Mr. Dudley said a work group to focus on water quality was established with participants from various departments around the city.

Mr. Dudley discussed various specialized equipment needs to include two sewer vac-trucks at a cost of \$500,000 per truck, a valve installation machine at a cost of \$120,000, and a boring machine at a cost of \$200,000.





**Projects Update**

Mr. Moore provided an update on stormwater projects in relation to the \$7 million stormwater bond. Projects completed include Sandhurst West, Tarleton Estates and Phase I of St. Anthony/College Park. Current projects ready for bid include Pennsylvania Street and Cedar and McQueen Streets. Engineering has begun for the North Church and Oakland Avenue project and the Master Plan is nearing completion.

Mr. Moore provided information regarding the Penny Sales Tax. Capital Projects Sales Tax III passed by referendum in November 2020. The City received \$40,000,000 from the County and a bond was issued in summer, 2021. Approximately 170 total roadways and projects were included, and, to date, thirty-six roadways have been completed and twenty-four are under contract. Mr. Moore said the City does not have a funding mechanism for road resurfacing so the Penny Sales Tax has helped to accomplish many projects. The fourth Penny Sales Tax will go before taxpayers in November 2028 as a referendum and the City will need to soon plan for potential projects and areas of focus.

**Utility Planning and Economic Development**

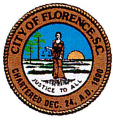
Mr. Michael Hemingway, Utility Planning and Economic Development Director, discussed infrastructure upgrades for growth and regulatory compliance. The below chart illustrates the project and the current, estimated capital costs associated with the upgrades.

<b>Project/Upgrade</b>	<b>Cost</b>
Surface Water Treatment Plant Expansion	\$ 150,000,000
Surface Water US EPA PFAS Regulatory Requirement	+/- 50,000,000
Wastewater Management Facility Expansion	200,000,000
Jeffries Creek Sewer Interceptor Upgrade	45,000,000
Middle Swamp Sewer Interceptor Upgrade	30,000,000
West Palmetto / Timmons ville Sewer Interceptor	20,000,000
Pye Brach Sewer	8,000,000
East Palmetto Sewer Interceptor	50,000,000
South Irby Sewer Interceptor (South of Alligator Road)	?
Police Cabin Pump Station	12,000,000
Four water tanks	14,000,000
30-inch water main extension – Freedom Boulevard to Alligator Road	15,000,000
30-inch water line along I-95 and I-20 and 1-million-gallon tank	2,000,000/mile of pipe + 3,500,000 tank
Construction of new sewer and water in eastern Florence to serve growth	?

Mr. Hemingway then discussed impacts of global warming. Given the uncertainty of future weather events, effective stormwater management requires that the City develop strategies to minimize the probability of flood conditions and to mitigate the impact of other extreme weather conditions. Impacted infrastructure includes the Jeffries Creek Interceptor, Middle Swamp Interceptor, Pye Branch, High Hill Creek, Two Mile Creek Black Creek, roads and housing. The City must take proactive measures to maintain and enhance existing stormwater infrastructure for current and future development. Mr. Hemingway went into detail on several of the projects and upgrades.

Mr. Hemingway said Florence County Economic Development is working to bring several major economic development projects to the area. If these projects come to fruition, the City will need to look at starting construction of the Wastewater Facility expansion in 2026 instead of waiting until 2028 as





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originally planned. In this instance, the City will be overlapping the Surface Water and Wastewater facility expansions. Mr. Heminway said there are potential federal funding opportunities for several of these projects and they are working through the process to hopefully obtain this funding.

Mr. Davis spoke on Impact Fees. Impact Fees represent financial payments from a developer to a local government that fund their proportionate share of certain off-site capital improvements needed to accommodate future growth. Impact Fees pass construction costs onto new development rather than existing development. Impact Fees may be used for design and engineering, right-of-way acquisition, construction, utility relocation and project financing. In order to implement an Impact Fee, the City will need to prepare an Impact Fee Justification Report, prepare a capital projects list, prepare a Housing Affordability Study, and adopt an Impact Fee Ordinance. Council expressed their desire to have staff research Impact Fees.

**General Fund – Fund Balance**

Mr. Davis said the unassigned fund balance for the General Fund was \$21,234,879, an increase of \$9,094,144 in comparison of last year. The unassigned fund balance represents 43% of expenditures which is 13% above the 30% set as the minimum. This equates to approximately \$6.5 million. Council and staff broke into groups and discussed the biggest needs for the City and how the General Fund fund balance can be utilized to help with the needs discussed during the work retreat.

**ADJOURN**

Without objection, the January 26, 2024 Retreat Work Session of City Council was adjourned at 12:15 p.m.

Dated this 18<sup>th</sup> day of March 2024.

Casey C. Moore, Municipal Clerk

Teresa Myers Eryin, Mayor