



**SPECIAL MEETING OF FLORENCE CITY COUNCIL
MONDAY, MAY 23, 2022 – 3:00 P.M.
FIRE STATION #5
296 E. REDBUD LANE
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:

Taylor Ford of the Morning News and Jack Bilyeu of WBTW News Channel 13 were 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 23, 2022 special meeting of Florence City Council to order at 3:00 p.m.

INVOCATION

Councilwoman Barnes provided the invocation for the meeting. The Pledge of Allegiance to the American Flag followed the invocation.

PUBLIC HEARING

Mayor Ervin said a public hearing will be held to receive input on the City of Florence Fiscal Year Budget 2022-2023. Mayor Ervin opened the public hearing at 3:02 p.m. Being no one present to speak, Mayor Ervin closed the public hearing at 3:02 p.m.



BUDGET WORKSESSION

The following agenda items will be discussed:

- **Budget Totals by Fund**
- **Compensation/Benefits Changes**
- **General Fund Budget Highlights**
- **General Fund**
- **Community Programs Funding**
- **Hospitality Special Revenue Fund**
- **Water & Sewer Enterprise Fund**
- **Stormwater Utility Enterprise Fund**
- **Water/Sewer & Stormwater Utility Construction Funds**
- **Utilities Equipment Replacement Funds**

OVERVIEW OF FY 2022-23 BUDGET

Mr. Randy Osterman, City Manager, began by introducing the objectives of the FY 2022-23 General Fund Budget. In order to fund the Community Development Corporation (CDC) this fiscal year, the money must come from the fund balance (approximately \$1.2 million).

General Fund Budget Objectives:

- **Balanced Budget**
- **Remain within Current Revenues**
- **Meet Council Objectives**
- **Meet Service Delivery Needs**
- **Merit Increase for Employees**
- **Community Programs**
- **Community Development Corporation & Division**

General Fund Budget Highlights:

The following is a list of highlights from the FY 2022-23 General Fund Budget.

Initial budget requests were \$5,253,528 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 (“early purchases”).

FY 2022-23 **General Fund Budget Highlights**

- ▶ Initial budget requests were \$5,253,528 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 2022 job related vacancies and controlling expenditures have resulted in savings.



FLORENCE CITY COUNCIL
SPECIAL MEETING – MAY 23, 2022

- ▶ FY 2022 anticipated savings will be used for:
 - ▶ One-time purchase of capital items
 - ▶ Auto Equipment
 - ▶ Maintenance Equipment

Compensation/Benefits Highlights:

The following is a summary of FY 2022-23 compensation and benefits. January 1, 2023, the City's Health Insurance premium is projected to increase 18.1%, which is approximately a \$600,000 increase in the budget.

- ▶ Cost of Living and Merit pay increase eligibility effective January 1, 2023 included in the budget (approximately 3%).
- ▶ Annual Longevity Recognition Pay.
- ▶ Effective January 1, 2023, the City's Health Insurance premium is projected to increase 18.1% 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, 2022:
 - ▶ SCRS: City contribution increases 1.00% (from 16.56% to 17.56%)
 - ▶ PORS: City contribution increases 1.00% (from 19.24% to 20.24%)

Note: The 1% increase above assumes that the 1 percent pension employer contribution credit in the FY 2022 State budget is funded at the same level in the FY 2023 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%.

Below are new positions proposed in the FY 2022-23 budget. The CDC Executive Director will be funded from the CDC's allotted money. The Police Cadet program is new and will prepare individuals to become Police Officer's once they turn 21 years of age. The Parks Groundskeeper positions are necessary with the expansion of facilities such as the athletic complex and the Lawton Chase House.

FY 2022-23 Budget
New Positions

Added Positions

- CDC Executive Director
- Police Cadet (3)
- Sanitation HEO
- Sanitation Worker
- Parks Groundskeeper (3)
 - 2 Additional @ Midyear
- Team Leader
- Operator Apprentice (2)

Positions Not Included

- HR Administrator
- Police Cadet (2)
- Licensing & Permitting Clerk

Mayor Ervin inquired on the CDL training program offered to employees and Mr. Osterman said the training is available but there are currently no employees interested in taking advantage of the program. The City has contracted with a CDL instructor and has offered sanitation workers the necessary training to become CDL licensed.



**FLORENCE CITY COUNCIL
SPECIAL MEETING – MAY 23, 2022**

Budget Totals by Fund:

Total for all funds is \$105,869,500. The following chart illustrates the proposed FY 2022-23 budgets listed by fund:

<u>Proposed FY 2022-23 Budgets by Fund</u>		
General Fund	\$	44,910,000
General Fund Debt Service Fund		694,000
Hospitality Fund		4,881,500
W/S Utilities Enterprise Fund		39,610,000
Stormwater Utility Enterprise Fund		1,720,000
W/S Utilities Construction Fund		11,983,000
Stormwater Utility Construction Fund		236,000
W/S Utilities Equipment Replacement Fund		1,490,000
Stormwater Equipment Replacement Fund		<u>345,000</u>
ALL FUNDS	\$	105,869,500

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 2022-23 General Fund Budget, original expenditure requests were \$5,253,528 higher than the original revenue projections.

<u>Balancing the FY 2022-23 General Fund Budget</u>		
Original Revenue Projections:		Original Expenditure Requests:
\$43,116,800		\$48,370,328
	Difference:	
	\$5,253,528	
	Final FY 2022-23 Balanced Budget	
	\$44,910,000	

The proposed budget assumes every position is funded every day of the year. Compensation and benefits cost reductions are projected at \$1,921,818. A deferred hiring schedule of 16 weeks and other compensation savings save the city \$1,725,831. Further projected savings are from positions funded beginning January 1, 2023 (\$41,429), and from positions proposed but not funded for 2022-23 (\$154,558).

**General Fund Compensation and Benefits
Cost Reductions Made in Balancing Proposed FY 2022-2023 Budget**

Extended hiring timeline & other compensation savings	\$	1,725,831
Positions funded beginning January 1, 2023		41,429
Positions proposed but not funded for 2022-23		<u>154,558</u>
Total	\$	1,921,818

The following chart illustrates Operational and Capital Funding reductions in balancing the proposed FY 2022-23 budget:



**FLORENCE CITY COUNCIL
SPECIAL MEETING – MAY 23, 2022**

**General Fund Operational & Capital Funding Reductions
Made in Balancing Proposed FY 2022-23 Budget**

Department	Operations	Capital
City Manager	\$ 2,000	\$ 0
Human Resources	2,000	0
Community Services	210	0
Police	177,400	0
Fire	10,000	85,000
Beautification & Facilities	7,500	0
Sanitation	9,500	35,000
Equipment Maintenance	1,000	0
Recreation	4,000	0
Athletics	2,000	0
Building Permits & Inspections	2,000	0
Subtotal	\$ 210,610	\$ 120,000
OPERATIONS AND CAPITAL TOTAL	=	\$330,610

These are purchases that were in the original budget and are being bought early.

**General Fund
End of Current Year Capital Purchases
Proposed in Balancing FY 2022-23 Budget**

Department	Amount
Human Resources	\$ 8,500
Community Services	36,000
Police	117,400
Fire	95,000
Beautification & Facilities	108,000
Sanitation	604,500
Equipment Maintenance	43,000
Athletics	168,000
Building Inspections	27,000
Total	\$ 1,207,900

This chart outlines the reductions that were necessary to balance the budget. The reductions totaled \$3,460,328 and are detailed below.

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

Expenditure Increases/(Reductions)	Amount
Compensation and Benefits Cost Reductions	\$ (1,921,818)
Operational Funding Reductions	(210,610)
Eliminated Capital Cost Reductions	(120,000)
End of Year Capital Purchases Reductions	<u>(1,207,900)</u>
Reductions to Balance Budget	3,460,328



**FLORENCE CITY COUNCIL
SPECIAL MEETING – MAY 23, 2022**

This is a recap of how the FY 2022-23 General Fund Budget was balanced. \$1,200,00 of the fund balance will be used to fund the Community Development Corporation (Florence Neighborworks). However, utilizing the fund balance for the Community Development Corporation following the FY 2022-23 budget will not be sustainable.

GF REVENUES

Original Revenue Projections	\$43,116,800	
Use of Fund Balance	1,200,000	
Revenue Adjustments	<u>+ 593,200</u>	
FY 2022-23 Adjusted Revenues		\$44,910,000

GF EXPENDITURES

Original Expenditure Projections	\$48,370,328	
Expenditure Reductions	<u>- 3,460,328</u>	
FY 2022-23 Adjusted Expenditures		\$44,910,000

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 2022-23 General Fund
Revenue Budget by Source**

Category	FY 2023	% of Total
Property Taxes*	\$ 12,098,600	27.57%
Licenses & Fees	15,216,200	35.00%
Governmental Reimbursements	5,997,000	13.40%
Permits and Fees	2,772,000	6.71%
Fines & Forfeitures	293,500	0.80%
Miscellaneous & Other Revenues	2,155,000	1.97%
Interfund Transfers	<u>6,377,700</u>	<u>14.55%</u>
TOTAL	\$ 44,910,000	100.00%

*Local Option Sales Property Tax Credit accounts for 43.89% of the total Property Taxes category.

This is a comparison between this year's budget and last year's budget.

**General Fund
FY 2022 & 2023 Revenue
Budget Comparison**

	Original FY 2022	Budget for FY 2023	Change from Original FY 22	% Change From FY 22
Property Taxes	\$ 11,330,600	\$ 12,098,600	\$ 768,000	6.78%
Business Licenses	10,150,000	11,098,200	948,200	9.34%
Franchise Fees	4,230,000	4,118,000	-112,000	-2.65%
Govt Reimbursements	5,506,200	5,997,000	490,800	8.91%
Permits and Fees	2,758,000	2,772,000	14,000	0.51%
Fines & Forfeitures	329,000	293,500	-35,500	-10.79%
Other Revenues	807,800	2,155,000	1,347,200	166.77%
Interfund Transfers	<u>5,979,400</u>	<u>6,377,700</u>	<u>398,300</u>	<u>6.66%</u>
TOTAL	\$41,091,000	\$44,910,000	\$3,819,000	9.29%



FLORENCE CITY COUNCIL
SPECIAL MEETING – MAY 23, 2022

Pro tem Jebaily inquired on the anticipated decline in franchise fees. Mr. Yokim replied a large contributor to the decline is cable television revenues due to the switch to streaming services. Out of cable, internet and telephone services, the only one subject to franchise fees is cable.

Community Programs Funding

The following chart shows the community programs that are included in the FY 2022-23 budget.

**Appropriation Requests by
Agency/Event
FY 2022-23**

<u>Included in the FY 2022-23 Budget</u>		<u>Not Included in the FY 2022-23 Budget</u>	
Agency/Project/Event	Amount	Agency/Project/Event	Amount
Boys & Girls Club	\$ 20,000	Helping Florence Flourish	\$ 25,000
Stadium Commission	8,100	Pee Dee CAP Emergency Shelter	50,000
PDRTA	218,000	Senior Citizens Association	53,125
Red Cross	10,000	Heart of Life**	<u>40,000</u>
Keep Florence Beautiful	5,000	Boys and Girls Club**	15,000
No One Unsheltered Programs	75,000	G-LAB Legacies**	<u>12,000</u>
Florence Family Support Ct.	11,000	Note: Reference budget request documents provided by requesting agencies in budget notebook.	
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	**Received after budget completed.	
Pee Dee Coalition	5,000		
TOTAL	\$ 379,100		

Councilwoman Barnes inquired on the Foster Care Clothing Closet program. Mr. Yokim replied it is a non-profit program that provides support to foster families with children who have come into their care with little to no belongings.

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 2018 to FY 2023.



**FLORENCE CITY COUNCIL
SPECIAL MEETING – MAY 23, 2022**

**FY 2018-2023
Hospitality Fees Comparison**

Fiscal Year	Collections	% Change
2018	4,101,928	1.61%
2019	4,342,184	5.86%
2020	4,205,349	-3.15%
2021	4,722,870	12.31%
2022*	4,775,000	1.10%
2023**	4,881,000	2.22%

* 2022 Estimated
** 2023 Budgeted

The amount projected for FY 2022-23 is \$4,881,500.

Hospitality Fees	\$ 4,881,000
Interest Earnings	500
FY 22-23 Hospitality Fund Estimated Revenues	\$ 4,881,500

This is the list of recommended expenditures for the Hospitality Fund for FY 2022-23.

Hospitality Fund Expenditures

Athletic Facilities Operations	\$ 1,700,000
Florence Museum	100,000
Florence Downtown Development Corporation	54,000
Florence Downtown Economic Development Incentives	75,000
Florence Downtown Promotions	35,000
Sports Complex Debt Service (through November 2035)	151,890
Tennis Center/Performing Arts Center Debt Service (through April 2024)	533,830
Recreation Facility/Gymnasium Debt Service (through June 2034)	407,030
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 22-23 DS = \$662,000)	1,488,000
James Allen Plaza Restroom Facilities – 8 th of 10-year Lease Payment	9,000
Contingency	<u>750</u>
FY 22-23 Hospitality Fund Estimated Expenditures	\$ 4,881,500

Water & Sewer Utilities Enterprise Fund:

The total Water and Sewer Revenue Fund is \$39,610,000. This chart shows the Water and Sewer Revenues by Source. 47% of the revenues for this fund comes from water fees and charges; 51% from wastewater fees and charges and 2% from other revenue (reconnection fees, tap fees, etc.).

**Water and Sewer
Revenues by Source**

Water Fees & Charges	47%
Wastewater Fees & Charges	51%
Other Revenue	2%



This chart shows the Water and Sewer Expenses by Department.

Water & Sewer Expenses
By Department

Utility Finance	\$ 2,913,449	7.36%
Engineering	1,531,516	3.87%
WW Treatment	5,907,977	14.92%
Surface Water Production	2,798,103	7.06%
Ground Water Production	2,280,130	5.76%
Distribution Operations	2,425,497	6.12%
Collection Operations	1,484,583	3.75%
Debt Service	9,588,500	24.21%
Non-departmental	<u>10,680,245</u>	<u>26.95%</u>
Total	\$ 39,610,000	100.00%

Water & Sewer Utilities Construction Fund:

This is the construction fund. Total budget for this fund is \$11,983,000 and consists of the items listed below. \$4,673,000 will be carried over from the previous year.

FY 2022-23 Water & Sewer
Construction Fund Revenue

Projected Funds on Hand on July 1, 2022	\$4,673,000
American Rescue Plan Act Funds	1,992,000
Community Development Block Grant-Timmonsville	955,000
SC Rural Infrastructure Grant	488,000
FY 2022-23 Transfer from W/S Operating Fund	2,750,000
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	\$11,983,000

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 2022-23.

FY 2022-23
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	385,000
5. Sumter Street Annexations	200,000
6. West Florence/Timmonsville Sewer Master Plan	1,000,000
7. SCDOT Alligator Rd. Widening – Utility Relocation	280,000
8. Harris Court Water Line Extension	122,000
9. Middle Swamp Sewer Interceptor Manhole Upgrades	500,000



**FLORENCE CITY COUNCIL
SPECIAL MEETING – MAY 23, 2022**

10. West Sumter St. Water Line Extension (Pisgah Rd. to Stokes Rd)	325,000
11. Magna Carta (Charters) Lift Station	75,000
12. Timmonsville Sewer Improvements (CDBG Funded)	1,254,000
13. E. Howe Springs Rd Water Line Repl. (Bannockburn to Oliver)	425,000
14. Quinby Circle Water Line Replacement	325,000
15. Mauldin Drive Sewer Improvements	275,000

B. Projects Approved and Added in FY 2021-22

1. Freedom Estates Water/Sewer Ext. (Palmetto Corp. annexation)	\$ 350,000
2. Lion’s Gate/Dawson Family Tract Water/Sewer Ext.	200,000
3. John Paul Jones Rd. Water Line Ext.	100,000
4. Asset Management Study	100,000
5. Wisteria Drive Sewer Lift Station	350,000

C. Proposed Projects for FY 2022-23

1. Jody Road Sewer Line Extension	\$ 75,000
2. Pine Forest Water Line	7,000
3. Mars Hill Gravity Sewer Line	300,000
4. Sanborn/West Darlington St. Sewer Main Replace.	300,000
5. S. Wallace Road Water Line (connect loop to 30” on Freedom Blvd)	125,000
6. Water Line Renewals/Replacements/Upsizing	1,438,000
7. Lead and Copper Removal Rule Compliance	1,042,000

D. Other

1. Utility Line Engineering/Legal/Professional Services	\$ 150,000
2. Reserved for Other Projects	<u>1,673,000</u>

Total W/S Construction Fund Expenses **\$11,983,000**

Stormwater Utility Enterprise Fund

The total Stormwater Utility Enterprise fund is \$1,720,000.

Stormwater Revenues by Source

Stormwater Fees (\$1,611,500)	94%
Other Revenue (\$108,500)	6%

Stormwater Expenses by Category

Operations (\$857,106)	50%
Debt Service (\$538,000)	31%
Nondept./Const. Fund Trf. (\$324,894)	19%

Stormwater Utility Construction Fund

In 2021, City Council authorized the issuance of a \$7 million bond to fund new stormwater projects. The City also received grants from the Disaster Recovery Office for projects on McQueen Street/W. Cedar Street (\$4 million) and Church Street/Oakland Avenue (\$3 million).

Mr. Clint Moore, Assistant City Manager of Development, gave an update on the bond and grant projects.



This is the list of the 2021 Stormwater projects funded by the \$7 million bond issuance.

2021 Stormwater Capital Improvement Projects

- Sandhurst West
- Tarleton Estates
- Rebecca Street
- Malden Drive
- Cheves Street Underpass
- Dargan and Elm Street
- Pennsylvania Street
- Thomas Road
- Cannon Street
- College Park Drive

The first three projects to be completed are the Rebecca Street outfall, Sandhurst West outfall and Tarleton Estates outfall. Assessments will continue for the remaining projects along with the development of a final schedule and scope of work.

Rebecca Street Outfall

- Current Status: Site analysis complete; recommendations sent March 28th
- Project Recommendations:
 - Phase I
 - Cleaning and re-establishing hydraulic functions of system
 - Estimated cost: \$69,000
 - Phase II
 - Replace approximately 1,000 linear feet of pipe
 - Estimated cost: \$464,000

Sandhurst West Outfall

- Current Status: Site analysis complete; recommendations sent March 28th
- Project Recommendations:
 - Phase I
 - Cleaning and re-establishing hydraulic functions of system
 - Estimated cost: \$91,000
 - Future upgrade
 - Install Bypass pipe
 - Project Description: Install new stormwater infrastructure within public Rights of Way, approximately 2,200 linear feet
 - Estimated cost: \$1,047,000

Tarleton Estates

- Current Status: Site analysis complete; recommendations sent March 28th
- Project Recommendations:
 - Phase I
 - Cleaning and re-establishing hydraulic functions of system
 - Project Description: Heavy debris, roots, and concrete debris were discovered in system. Significant cleaning will be needed.
 - Estimated cost: \$141,000



- Future upgrade
 - Install Bypass Pipe
 - Project Description: Install new stormwater infrastructure within public Rights of Way, approximately 2,400 linear feet.
 - Estimated cost: \$1,096,000

Below is a list of projects to be completed with South Carolina Department of Resiliency (SCDOR) Grants. The projects include the McQueen and Cedar Stormwater Improvement Project, the North Church and Oakland Avenue Stormwater Improvement Project, and a portion of the City of Florence Stormwater Masterplan. Total cost of the Masterplan is \$550,000 (\$250,000 Grant; \$300,000 City of Florence).

SCDOR Stormwater Grants

McQueen and Cedar Street Project

- Current Status: Engineering consultant awarded (AECOM); site inventory and analysis started which includes surveying, investigation, etc.
- Next Steps:
 - Develop scope of work to correct identified issues
 - Begin final engineering and design documents
 - Prepare bids
 - Start construction
- Grant: \$4,048,811
- Timeline:
 - Design and permitting (approximately 10-12 months)
 - Construction (approximately 12-16 months)

N. Church and Oakland Avenue

- Current Status: Bid advertised for Engineering consultant, public advertisement, and pre-approvals from SCDOR and HUD.
- Next Steps:
 - Award bid to engineering consultant
 - Site investigation, surveying and site analysis
 - Develop scope of work to correct identified issues
 - Begin final engineering and design documents
 - Prepare bids
 - Start construction
- Grant: \$3,073,304
- Timeline:
 - Design and permitting (approximately 12-14 months)
 - Construction (approximately 12-16 months)

City of Florence Stormwater Masterplan

- Current Status: Engineering consultant awarded project (AECOM); preliminary studies being conducted.
- Next Steps:
 - Complete analysis of all watersheds
 - Identify stormwater issues within City limits
 - Public Meetings
 - Develop project list and recommendations



- City Council adoption
- Grant: 250,000
- Timeline:
 - Masterplan completion (approximately 18-20 months)

Pro tem Jebaily asked Mr. Moore to elaborate on the McQueen and Cedar Street project. Mr. Moore said a main trunk line runs down McQueen Street. It has been discovered that there is a lot of insufficient infrastructure that goes into Maple Park, Timrod Park and Cedar Street towards Irby Street and they are working to determine how to best move the water in these areas to the main trunk line.

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
Wastewater Treatment Plant	\$ 595,000
Surface Water Production	325,000
Ground Water Production	80,000
Distribution Operations	320,000
Collection Operations	<u>170,000</u>
W/S Capital Equipment Fund Total	\$ 1,490,000

There is \$345,000 in the Stormwater Equipment Replacement Fund.

Stormwater Equipment
Replacement Fund
Budget by Department

Department	Amount
Stormwater Operations	<u>\$345,000</u>
Stormwater Capital Equipment Fund Total	\$345,000

DISCUSSION:

Mr. Yokim said the City has recently contracted with a budgeting software company called OpenGov. He briefly went over some of the benefits of utilizing the new software and some notable changes in the appearance of the budget book.

Councilman Braddock said Council has been discussing options to incentivize development in the North Florence area and asked if there would be any revenue gains with these incentives. Mr. Osterman said it depends on how the incentives are established, but it will not be shown as a line item in the budget. Councilman Braddock asked which fund these would come from. Mr. Osterman said it would likely be the utility fund if water and sewer are part of the incentive program. Funding can be looked at as the program is established and may be able to be included in the mid-year budget. Pro tem Jebaily said he believes there are some legal restrictions in providing incentives and asked Mr. Peterson to elaborate. Mr. Peterson said there are legal restrictions on the use of public funds to incentive a private developer. An



FLORENCE CITY COUNCIL
SPECIAL MEETING – MAY 23, 2022

economic feasibility analysis needs to be completed to show that the public benefit of the use of the money outweighs any private benefit, similar to the analysis that is currently completed for the downtown incentive program. Councilman McCall asked how much money is allocated to the downtown incentive program annually. Mr. Yokim said the amount fluctuates, but there is approximately \$1 million in the utility fund for items such as these.

Councilwoman Barnes inquired on the monies allocated for the demolition of homes. Mr. Osterman said those monies were allocated to the Community Services department through the American Rescue Act funds. The City has already received approximately thirty requests for demolition that must move through the process. The first four homes for demolition have been bid out and another four are still in the title research process. Many of the worst homes will require involvement from codes enforcement or court action in order to move forward with demolition.

Councilman Braddock questioned the \$177,000 cut from the Police Department's budget. Mr. Osterman replied nothing cut is detrimental to the department; many of the items were duplicate requests and the biggest non-capital item cut was a reduction in fuel expenses.

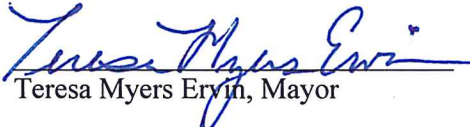
Mr. Osterman said several Councilmembers have inquired on how the CDC money is applied and said his assumption with the passing of the Resolution was that it would be a one-time distribution and asked Council if this assumption was correct. Mayor Ervin clarified that Council could allocate the funds to the CDC with guidelines, but once the funds are allocated and distributed to the CDC the City has no say on the use of the funds. The desire is to create a healthy CDC that can go after funding and grant opportunities so they can become independent of the City and not depend on its funding. Mr. Osterman clarified that the money up for discussion is the \$400,000 to be allotted to the CDC. \$100,000 of that money is for the salary and benefits of the Executive Director of the CDC, so the decision that needs to be made is how to apply the remaining \$300,000 to the CDC for programming. Mr. Peterson was asked to speak on any legal restrictions. It is important to remember the CDC is a separate entity from the City. The City committed to hiring a director for the CDC and provide the amount of funding needed to get the CDC going. Mr. Peterson said the money can be sent as a one-time distribution, quarterly, et cetera. Once the money is distributed, the City cannot tell the CDC how to spend the money; however, the City can require an accounting of the spending of the funds. The City may also ask the CDC to provide to the City Manager a budget of the proposed spending of the money. Councilman McCall asked if the City could make a recommendation to the CDC to use the money towards catalytic areas in Florence. Mr. Scotty Davis, Deputy City Manager, responded that information is included in the bylaws. Also in the bylaws is the requirement that the CDC make an annual report to City Council. Councilman McCall asked if staff has a recommendation on the distribution of the funds to the CDC. Mr. Osterman said they will follow the wishes of Council; however, there may be the desire to wait until an Executive Director is hired. The position has been posted and advertised. Mayor Ervin and Pro tem Jebaily spoke in favor of the recommendation. Based on a census of Council, the funds will be distributed upon the hire of an Executive Director.

ADJOURN

Without objection, the special meeting of Florence City Council was adjourned at 5:00 p.m.

Dated this 13th day of June, 2022.


Casey C. Moore, Municipal Clerk


Teresa Myers Ervin, Mayor