

Mayor Elise Partin	Mayor Pro-Tem Phil Carter	Council Members Tiffany Aull Byron Thomas Alice Rose	City Manager Mike Conley	Assistant City Manager Betsy Catchings Wesley Crosby
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City of Cayce
Special Council Meeting - Budget Work Session
Wednesday, May 6, 2026
5:00 p.m. - Cayce City Hall – 1800 12th Street
www.caycesc.gov

To Access Council Meeting Livestream, click
<https://www.youtube.com/@cityofcayce1137/streams>

The May 6, 2026, Special Council Meeting for Utilities Budget Work Session was held this evening at 5:00 p.m. in Council Chambers. Those present included Mayor Elise Partin, Mayor Pro Tem Phil Carter and Council Members Byron Thomas, Tiffany Aull, and Alice Rose. City Manager Michael Conley, Assistant City Manager Wesley Crosby, Assistant City Manager/Utilities Director Betsy Catchings, Ben Wright, Kay Hutchinson, Vince Osborne, Legrand June, Communications Coordinator Karly Shorter, Rate Consultant Mihaela Coopersmith with Raftelis, and Bond Attorney Lawrence Flynn with Pope Flynn were also in attendance.

Mayor Partin asked if members of the press and public were duly notified of the meeting in accordance with the Freedom of Information Act. Assistant City Manager Crosby confirmed they were notified.

Call to Order

Mayor Partin called the Special Council Meeting to order, and Mayor Pro Tem Carter gave the Invocation. Mayor Partin led the assembly in the Pledge of Allegiance.

Items for Discussion

A. Discussion of Proposed FY2026/2027 Utility Fund Budget

Assistant City Manager/Utilities Director Betsy Catchings explained that the city previously completed a major waterline replacement initiative that replaced approximately 75% of the water lines within city limits, primarily in the oldest portions of the system. Remaining areas still needing significant infrastructure attention include Riverland Park, Churchill Heights, Memorial Drive, Fairlawn, Moss Creek, and other neighborhoods that were not part of the earlier replacement project. She noted that some improvements have already occurred in Riverland Park, including installation of pressure-reducing valves, looping water lines, and fire flow upgrades intended to reduce water main breaks and improve system performance.

Council Member Thomas expressed concern that residents outside The Avenues continue hearing about major investments focused on that area while neighborhoods in other districts also experience infrastructure concerns, including reports of brown water and aging systems. He emphasized the need for a clear multi-year infrastructure plan that residents across all neighborhoods can understand, including timelines showing when their areas will receive attention. Staff acknowledged the need for improved communication regarding completed and future utility projects, noting that much of the work occurs underground and is not visible to residents.

Assistant City Manager/Utilities Director Catchings stated that the City's highest current priority is addressing sewer infrastructure in The Avenues due to the age of the system, repeated failures, and regulatory compliance concerns. She explained that the sewer replacement initiative is expected to occur in phases over multiple years and that the city is developing comprehensive water and sewer master plans to prioritize future projects citywide. Staff emphasized that infrastructure planning must balance emergency needs, long-term maintenance, regulatory requirements, and financial capacity.

Lawrence Flynn, Bond Attorney, explained the structure of the City's utility financing system, noting that City Council serves as the governing authority for the utility system and independently sets utility rates. He reviewed how utility revenues support both operational expenses and debt obligations, emphasizing the importance of maintaining sufficient debt service coverage ratios and reserve balances to preserve strong bond ratings and affordable borrowing capacity for future infrastructure projects. He explained that lenders and rating agencies evaluate whether the City is planning responsibly for long-term capital needs and maintaining adequate financial reserves.

The discussion included extensive explanation of how inflation has significantly increased utility construction costs, labor, chemicals, equipment, and operational expenses in recent years. Staff and advisors noted that delaying infrastructure investment ultimately increases long-term costs and limits the City's ability to proactively address aging systems before failures occur. Advisors also discussed how the expiration of federal ARPA funding may create more favorable construction pricing opportunities in the near future as contractors seek additional work.

Council discussed potential utility rate increases needed to support future capital improvements and maintain financial stability. Staff presented a proposed 7% utility rate increase for FY27, which would equate to an estimated average increase of approximately \$2.89 per month for a typical in-city residential customer using average water consumption. Officials stated that gradual, consistent increases are preferable to larger "rate shock" increases in future years and emphasized that prior years without increases created additional funding pressure due to inflationary costs.

Mayor Partin praised utilities staff for presenting a comprehensive multi-year capital and funding strategy and expressed support for proactive infrastructure investment. She noted that the previous major waterline replacement initiative significantly reduced emergency repairs and system failures and encouraged consideration of similar proactive approaches for sewer infrastructure if financially feasible. She also requested continued development of long-term vehicle replacement and asset management plans and discussed opportunities to pursue energy savings and performance contracting initiatives.

Discussion also focused on employee retention and succession planning within the utilities department. Mayor Partin noted that approximately 46% of utility staff have been employed less than five years, raising concerns about retention and institutional knowledge. Assistant City Manager/Utilities Director Catchings explained that neighboring utilities are aggressively competing for experienced workers and that the city is attempting to remain competitive not only through compensation adjustments but also through maintaining a positive work environment and organizational culture. Staff emphasized the importance of both cost-of-living adjustments and long-term retention strategies.

Council members discussed the importance of maintaining transparent long-term infrastructure planning so that future councils and residents understand the City's priorities and funding strategies. Officials emphasized that utility infrastructure investments are multi-generational assets requiring sustained long-term planning and responsible financial management.


Adjourn

Council Member Thomas made a motion to adjourn. Council Member Rose seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 7:06 p.m.



Phil Carter, Mayor Pro Tem

ATTEST:



Kristen Hall, Municipal Clerk