



Mayor Elise Partin	Mayor Pro-Tem Tim James	Council Members Phil Carter Hunter Sox Byron Thomas	City Manager Tracy Hegler	Deputy City Manager Jim Crosland Assistant City Manager Michael Conley
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**City of Cayce
Regular Council Meeting
Wednesday, July 17, 2024
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>**

I. Call to Order

- A. Invocation and Pledge of Allegiance
- B. Approval of Minutes
June 4, 2024 Regular Council Meeting
June 26, 2024 Public Hearing and Regular Council Meeting

II. Public Comment Regarding Items on the Agenda

III. Presentations

- A. Presentation by Ms. Dara Brown regarding an update on the data from the bike lane demonstration and the community walk audit
- B. Presentation by Business Consultant Mr. Fletcher Smith regarding SC Small Business Development Center

IV. Items for Discussion and Possible Approval

- A. Discussion and Approval to Select a Vendor for the Fire Department Station Alerting System
- B. Discussion and Approval of Intergovernmental Agreement with the Town of Springdale for Airport Boulevard Corridor Improvements

V. Ordinances and Resolution

- A. Discussion and Approval of Ordinance 2024-08 Amending Article 6 District Regulations to Add Language to Create the RS-4A Single-Family Zoning District Along with Accompanying Regulations – Second Reading
- B. Discussion and Approval of Ordinance 2024-09 Amending the Zoning Map and Rezoning Properties Located at 800 Lexington Avenue (Tax Map Number 05769-04-001 and Tax Map Number 005769-04-004) from RS-3 to RS-4A – Second Reading

VI. Committee Matters

- A. Approval to Enter the Following Committee Approved Minutes into the City's Record
Planning Commisison – May 20, 2024

VII. City Manager's Report

VIII. Council Comments

IX. Executive Session

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege including:
1. Update on Lexington County's Cancellation of Road Maintenance Agreement
 2. Claim for Improvements to Taylor Street at New State Road
 3. Discussion of employment of an employee appointed by the city council

X. Reconvene

XI. Possible actions by Council in follow up to Executive Session

XII. Adjourn

SPECIAL NOTE: Upon request, the City of Cayce will provide this document in whatever form necessary for the physically challenged or impaired.



Mayor
Elise Partin

Mayor Pro-Tem
Tim James

Council Members
Phil Carter
Hunter Sox
Byron Thomas

City Manager
Tracy Hegler

Deputy City Manager
Jim Crosland
Assistant City Manager
Michael Conley

**City of Cayce
Regular Council Meeting
Tuesday, June 4, 2024**

The June 4, 2024, Regular Council Meeting was held this evening at 6:00 p.m. in Council Chambers. Those present included Mayor Elise Partin, Mayor Pro Tem Tim James and Council Members Phil Carter, Hunter Sox and Byron Thomas. City Manager Tracy Hegler, Deputy City Manager Jim Crosland, Assistant City Manager Michael Conley, Municipal Clerk Mendy Corder, Police Chief Chris Cowan, Fire Chief Steven Bullard, Assistant Fire Chief Ryan Gates, Finance Director Kelly McMullen, Utilities Director Betsy Catchings and City Attorney Danny Crowe were also in attendance.

Mayor Partin asked if members of the press and the public were duly notified of the meeting in accordance with the FOIA. Ms. Corder confirmed they were notified.

Call to Order

Mayor Partin called the meeting to order and Mayor Pro Tem James gave the invocation. Mayor Partin led the assembly in the Pledge of Allegiance.

Approval of Minutes

Council Member Carter made a motion to approve the May 7, 2024, Regular Council Meeting, May 15, 2024 Budget Work Session and the May 15, 2024 Regular Council Meeting Minutes as written. Council Member Sox seconded the motion which was unanimously approved by roll call vote.

Public Comment Regarding Items on the Agenda

Mr. Randy Gibson – Item IV. A. Mr. Gibson stated that he was the Executive Director of the Lexington County Recreation and Aging Commission (LCRAC) and he was joined by the Chairman of the Commission, Mr. Larry Mack. Mr. Gibson stated that he was approached by two (2) Council Members wanting to know what they could do or what needed to be done to get improvements made at the two parks in the City maintained by LCRAC, State Street Park and the Sunnyside Drive park. He stated that usually the way it worked with municipalities of the parks that LCRAC had a partnership with, if the municipality would like to see some improvements made, besides general maintenance, they put a list together and contacted him. He stated that he then presented it to the Commission. Mr. Gibson stated that if it was a big ticket item request they typically asked the municipality to give some financial assistance since it was a partnership. He stated that in this fiscal year at State Street Park, the LCRAC had made \$50,000 in capital improvements. He stated that they put a new playground system in and resurfaced and painted the tennis courts and added pickleball.

Mr. Gibson stated that during the conversation with the two (2) Council Members, it was asked what services LCRAC provided for the citizens of Cayce. He stated that not only were they a Recreation Commission, but also the Council on Aging for Lexington County. He stated that they provided Meals on Wheels, home care and all the recreation in the area. He stated that the citizens of Cayce played Dixie Youth baseball, they played at Howard Park and at Tri City Leisure Center. He stated that the Cayce Tennis and Fitness Center served Cayce citizens as well as Spires Recreation and the Pine Grove Sports Complex where adults could play softball. Mr. Gibson stated that Cayce youth played football at Midland Sports Complex and soccer at Old Barnwell. He stated that even though a lot of their facilities were not in the city limits of Cayce, Cayce residents used their facilities. He stated that construction should begin on the 16 pickleball courts at Spires Gym in mid-July. He stated that they had to rebid the project and that was why construction had not already begun. He stated that it was a \$1.3 million project with \$376,000 funded through a grant and the LCRAC was funding the remaining \$1 million. He stated that they were trying to invest in Cayce and provide services for the citizens of Cayce.

Items for Discussion and Possible Approval

A. Discussion and Approval of the Accommodations Tax Committee's Recommendation for Distribution of Funding for FY24/25

Mayor Pro Tem recused himself from this item. His recusal statement is attached. City Manager Hegler stated that in the prior fiscal year \$87,435 was granted in A tax awards to applicants. She stated that this year, the City received eight (8) Accommodations Tax fund grant requests totaling \$60,875. She stated that the Accommodations Tax Committee met and recommended awarding \$51,250 for those eight (8) projects in the upcoming year. She stated that the Committee also discussed the 30% award to dedicated tourism organizations. She stated that staff was projecting revenue for FY2025 at \$160,000. She stated that ultimately \$31,750 would be allocated to the General Fund off the top, 30% must go to regional tourism dedicated entities which was estimated to be \$38,475, which left \$89,775 to be used for tourism.

City Manager Hegler stated that the City received grant requests from Experience Columbia, The Cayce West Columbia Chamber of Commerce and Lake Murray Country. She stated that the Committee recommended awarding a third split with 35% to Experience Columbia, which would equal \$13,466.25, the same to the CWC Chamber of Commerce and then 30%, in the amount of \$11,542.50 going to Lake Murray Country. She stated that the remaining budget was allocated to the eight (8) applications. She stated that \$7,000 was recommended for ad specialty items for the City, \$5,000 for Police ad specialties, \$1,500 for the Cayce Woman's Club Hot Flash 5K, \$20,000 for Tartan Day South, \$15,000 for Cayce Fall Fest, \$1,000 for the Colonial Village at Tartan Day, \$750 for the Night at the Museum event and \$1,000 for the African American Legends event. City Manager Hegler stated that the remaining

\$38,525 would be placed in reserve for needed tourism capital expenditures. She stated that this was the unanimous recommendation of the Accommodations Tax Committee.

Council Member Carter stated he would like to see the allocations for the regional tourism which equaled \$38,475, reallocated. He stated that the events that were funded were all Cayce events and all that money stayed in Cayce so he would like to see most of the 30% regional tourism allocations stay in Cayce with the local Chamber to help in their regional tourism efforts. He made a motion to reallocate the regional tourism efforts to Experience Columbia for a total of \$9,612.50, Lake Murray Country a total of \$9,612.15 and the Cayce West Columbia Chamber of Commerce a total of \$19,250. Council Member Sox seconded the motion. Council Member Sox asked why everything looked to be funded that was requested except for the Hot Flash 5K. City Manager Hegler stated that based on the minutes it was based on what could be funded by the committee's interpretation of the of the Accommodations Tax law. Council Member Sox stated that he agreed with Council Member Carter regarding keeping more of the money in Cayce West Columbia. Council Member Thomas stated that he agreed as well.

Mayor Partin stated that she had concerns about that and while the money should benefit Cayce there were some pretty serious numbers from Lake Murray Country regarding what they did to bring tourists to the region. She stated that she wanted to make sure Council was giving the money in a way that brought a return on investment to the City. She stated that she thought all three (3) of the agencies did a great jobs but the numbers from Lake Murray Country and what they have done to bring people into the City was pretty strong. She stated that Lake Murray Country had presented to Council in the past. She suggested giving less money to Experience Columbia. Council Member Carter stated that he recalled the presentation made by Lake Murray Country. Mayor Partin asked how many staff people each of the three (3) agencies had that worked solely on tourism. Council Member Thomas stated that the Chamber had a Visitors Center as well so all their employees also handled the visitor and tourism aspects of the chamber outside of doing business for the local community. Mayor Partin stated that she remembered reading in the past that it was a volunteer committee that ran the Visitors Center. Council Member Thomas stated that there was a Tourism Committee but they did not handle the day to day operations of the Visitor Program. Mayor Partin stated that she wanted to make sure there was dedicated staff focused on bringing tourism to the City and it was not an afterthought.

Council Member Carter amended his motion to approve Accommodation Tax funding in the amount of \$7,682.50 for Experience Columbia, \$11,542.50 for Lake Murray Country, and \$19,250 for the Cayce West Columbia Chamber. Mayor Partin stated that she would like a report from each of the entities on what return on investment the City was getting out of those dollars and she would like to know how many dedicated staff members they had, not as an aside to another part of their job, but

how many dedicated staff members they had working just on tourism. She stated that staff could ask each one of those entities to email that information to staff and then it could be forwarded to Council unless the public wanted to know and Council could share that as well. Mayor Partin called the question which was unanimously approved by roll call vote.

B. Discussion and Approval of Hospitality Tax Grant Funding for FY24/25

Mayor Pro Tem James and Council Member Thomas recused themselves from this item. Their recusal statements are attached. City Manager Hegler stated that during the last fiscal year \$61,455 in Hospitality funds were awarded to grant recipients. She stated that this amount did not include the City events such as Fall Fest, Christmas in Cayce and the Soiree. She stated that for the upcoming fiscal year the City received nine (9) hospitality tax grant requests totaling \$196,625. She stated that starting this year, staff thought it best that the City events be separately submitted. She stated that the Hospitality Tax Committee recommended awarding \$183,100 for nine (9) projects and the City events. City Manager Hegler stated staff anticipated \$1,450,000 in hospitality tax revenues for the upcoming year and recommended holding in reserve \$100,000 of that. She stated that \$1,150,000 was transferred to the General Fund budget operation, maintenance and capital items that were tourism related or hospitality related which left \$200,000 for grants and non-City events. She stated that the Committee recommended \$32,000 for Tartan Day South, \$10,000 for the Hall of Horrors, \$4,600 for the Hot Flash 5K of the Cayce Woman's Club, \$2,000 for the CWC Chambers Cares Riverwalk Rabbit Run, \$6,000 for the CWC Visitor Programs Parade Day, \$40,000 for Christmas in Cayce, \$65,000 for Soiree on State, \$20,000 for the Cayce Fall Fest, and \$3,500 for the Museum Christmas Traditions. City Manager Hegler stated that the remaining \$16,900 not awarded by the Hospitality Tax Committee would be placed in reserve for needed tourism related capital expenditures.

Council Member Sox made a motion to approve the recommended amounts with the CWC Visitors Parade Day being increased to the requested amount of \$8,000 from the \$6,000 recommended. Mayor Partin stated that Council Member Sox had changed the Accommodations Tax and the Hospitality Tax numbers to benefit the Chamber and asked what was the reasoning. Council Member Sox stated that the Chamber requested \$8,000 and West Columbia continued to match them and the parade went through both cities and impacted both cities equally. He stated that especially since there was \$17,000 being put in reserves. Mayor Partin asked what was the reasoning for the prior vote. Council Member Sox stated the reasoning was keeping money in Cayce and West Columbia. He made a motion to approve hospitality tax grant funding for FY24/25 as recommended by staff, with the exception of including \$2,000 to match the requested amount by the Cayce West Columbia Chamber of Commerce for the Parade Day. Council Member Carter seconded the motion. Mayor Partin stated that the Hot Flash 5K also asked for more than what was recommended. She asked were they not worried about that at all. Council Member Sox stated that he assumed that was

based on some of the items included in their request were not approved. He stated that if Mayor Partin would like to amend the motion or add a motion to include some extra funding for them, since there was a balance, he did not mind considering that. Mayor Partin stated that the Hall of Horrors also did not receive the full amount they requested. She stated that she was curious why they were just focused on the Chamber, but they were not adjusting anyone else's recommended amount. She stated that they were making assumptions based on why they did not get approved and asked if they had any of that information. Council Member Sox stated that he would love to fund everyone as much as they could but no one reached out to him to inform him that the Accommodations and Hospitality Tax Committees did not fund them fully. Mayor Partin stated that the Chamber must have reached out. Council Member Sox stated that he had spoken with people from the Chamber. He asked if all the funds were ever awarded. City Manager Hegler stated that they did not always use the full amount. Mayor Partin called the question. Council Member Sox and Carter voted yes. Mayor Partin voted no.

City Attorney Crowe stated that the City's Ordinance Chapter 2 Section 2-69 C stated that the affirmative vote of three (3) members of Council was needed to adopt any motion or pass any measure other than with reference to meetings, and adjournment therefore the motion for this item failed, because it did not receive three (3) affirmative votes. City Attorney Crowe stated that there was currently no motion on the floor with regard to the Hospitality Tax Grant funding.

Council Member Sox stated that he would love to give everyone the full requested amount but that was not realistic considering that only gave about \$4,500 of leeway based on what was brought in. He stated that he thought they should fund the parade at the full amount they requested considering how many people it brought in annually and it grew bigger every year. Mayor Partin asked if staff could help Council understand the difference between the requests. Finance Director Kelly McMullen stated that when the Hospitality Tax Committee convened, they looked at the budget that was proposed for the Parade Day and it included nourishments for the volunteers and the fire and police personnel that work the event. She stated that the H-Tax Committee did not feel that that was a relevant expense under H Tax grants so they deducted that amount and funded the rest. Council Member Sox asked what the note meant that stated that the Hot Flash 5K t-shirts must have five (5) locally owned restaurants on them. Ms. McMullen stated that the H Tax Committee felt that T shirts could be a viable expense as long as they were supporting the local restaurants, so they had asked that the funding be contingent on advertising local restaurants on the volunteer T shirts and the giveaway T shirts. Mayor Partin asked if that amount was included or was that the gap. Ms. McMullen stated that they funded the t-shirts and added that condition. Mayor Partin stated that there was still a difference between the requested and recommended amounts. Ms. McMullen stated that she did not remember the details and would have to look back at it. City Manager Hegler stated that according to the meeting minutes, they recommended removing the cost for

advertising since A Tax funds were covering those expenses. Council Member Sox asked if the Chamber was funded at \$8,000 by West Columbia would that indicate that their committee thought that was an appropriate use of funds. City Manager Hegler stated that was possible or they could have requested funding from West Columbia for different items.

Council Member Sox made a motion to approve staff's recommendation on hospitality tax funding requests for FY 24/25. Council Member Carter seconded the motion which was unanimously approved by roll call vote.

C. Discussion and Approval of a Quote from 3D Dirtworks to Repair/Repave Spencer Place Road

City Manager Hegler stated that the City currently had a maintenance agreement for Spencer Place Road with the Cayce Housing Authority and that road was in a state of disrepair and needed repaving. She stated at Council's direction on March 5, 2024, the City issued a Request for Proposal (RFP) to repair Spencer Place Road. She stated that the City did not receive any responses to that RFP and staff made several attempts to contact vendors directly and still received no responses. She stated that it was their understanding that there was just a lot of great work going around. She stated that staff discussed with the City's on-call general contractor, 3D Dirt Works, their ability to do the work. She stated that they did not typically do paving but had subcontractors that they could work with. City Manager Hegler stated that staff recommended forgoing the formal bid processes and engage the City's on call general contractor to repave Spencer Place Road to State standards and good repair. She stated that 3D Dirt Works submitted a proposal for \$46,865 and staff recommended that Council approve the City Manager to accept the quote to repair and repave Spencer Place Road in the amount of \$46,865 with the funds being expended from the City's fund balance which had a current unassigned balance of \$9.2 million.

Council Member Sox made a motion to approve the City Manager to accept 3D Dirt Works proposal and fund it from the City's fund balance. Council Member Carter seconded the motion which was unanimously approved by roll call vote.

Ordinances and Resolution

A. Discussion and Approval of Ordinance 2024-06 to Adopt an Annual Budget, Levy a Property Tax, and Provide Revenue for the City of Cayce for the Fiscal Year Ending June 30, 2025, and To Adopt and Establish Certain New Fees and Charges with Amounts – First Reading

City Manager Hegler stated that Council and staff had four (4) work sessions leading up to first reading of the budget and she thought they were some of the most robust meetings they had ever had. She stated that they started in February with an

update on the state of where the City sat locally and across the nation and what could be expected. She stated that in March, Council met with the Utilities Department, and went through their funds and their requested budget as well as the consultant that was helping the City with a rate study that Council approved last year. She stated that in April, Council met with the General Fund directors who reviewed their proposed budgets for Council. She stated that in May, Council and staff met to discuss options for balancing what was a pretty out of balance budget for both halves.

City Manager Hegler stated that the FY24/25 budget was the hardest she had since starting with the City. She stated that she had three (3) interesting phases of budgeting with Council. She stated that the first couple of years, the City was in a real high from having some big projects come to the city and the budget was good. She stated that the City's revenues were trending upwards, then COVID hit. She stated that Council and staff did an amazing job during those times to handle what they did not know about budgeting and what they did not know would happen with the closure of things. She stated that the City had a very conservative couple years where it did well, better than anticipated because of some of the prior great work that Council had done in the revenues increasing. City Manager stated that the third phase was the last two (2) years where the City had a lot of ARPA money coming down from the Federal government that was helping to balance and infuse a lot of capital into what would otherwise have been a tough year. She stated that she would refer to the current budget as phase four where they were out of COVID conservatism, and no longer had ARPA funds to help support some of the City's losses.

City Manager Hegler stated that she would review the General Fund budget first. She stated that it was currently balanced at \$19,949,448. She stated that in regard to projected revenues, staff was recommending an increase of eight mills that would take the City from 58.1 to 66.1 and would increase the City's revenues by \$543,000. She stated that staff also recommended a \$5 per month increase in sanitation fees that would take the fee from \$13.50 a month to \$18.50 a month for customers and would give the City a \$287,100 increase in revenue. She stated that there was a Utility Fund transfer for indirect costs of \$2.1 million to the General Fund and a \$1.1 million transfer from hospitality tax revenue. She stated that there was also grant funding for City events totaling \$128,500. City Manager stated that staff recommended transferring \$598,000 from the unassigned reserve account to balance particularly for capital costs and other items. She stated that School District Two was giving the City \$820,000 for 75% cost share with the School Resource Officers. She stated that some vehicles and other items for the Fire Department needed to be purchased in the amount of \$600,000 and staff recommended doing that as a lease purchase. She stated that included in those expenditures were capitals, totaling \$426,500.

City Manager Hegler stated that staff was recommending having a municipal complex study done since every department including the Police and Fire Departments had outgrown the current space. She stated that new computers on the replacement

plan were requested as well as new furniture to replace broken office furniture. She stated that staff would like to study the utility indirect transfer to make sure the City was keeping pace there. She stated that the concrete pad in front of the firehouse needed to be replaced and eight (8) sets of replacement bunker gear, some roll carts, some field generators, and backup pumps needed to be purchased and \$132,000 was being recommended for budgeting software purchase. She stated that staff actually recommended taking that out of some interest that was earned on the City's ARPA money. She stated that hospitality tax funding was recommended out of the fund balance of \$26,000 to take care of some items needed at the Museum. She stated that the Museum had a great Catawba pottery exhibit that staff wanted to find a way to showcase that and money was needed to finish the public safety exhibit and do some additional work at the 12,000 Year History Park to gear up for the Revolutionary War 250th anniversary.

City Manager Hegler stated that the General Fund budget included a recommendation for two (2) full time employees with benefits – an Economic Development Director and a driver for the Sanitation Department. She stated that staff was recommending an across the board cost of living increase of \$2,550 for the General Fund employees which represented anywhere between a 1.5% increase to an 8% based on their existing salary and the total for that would be \$487,811. She stated that there were some operational expense increases recommended totaling \$144,825. She stated that there were some employees they would like to send to management classes and there were repairs needed at the range. City Manager Hegler stated that all of the operating costs had gone up for the vehicles, additional supplies and uniforms were needed as well as additional training. She stated that staff would like to bolster the Facade Grant program by \$10,000, as well as the demolition program by \$15,000. She stated that they had to take into consideration the cost of some of the City's external costs such as insurance at 19% and a PEBA insurance increase of 11.8%.

City Manager Hegler stated that she would review the Utility Budget next. She stated that it was balanced at \$42,904,761 and included a 25% rate increase for water and sewer for all customers, inside and outside the City. She stated that it had a \$2,550 cost of living increase for all its employees similar to what was proposed for the General Fund employees that represented a 2% to 7% increase based on their salaries totaling \$225,285. She stated that the proposed budget did continue to meet the City's debt coverage obligations for the five (5) bonds that the City had as well as their payment. She stated that the proposed Utility Fund budget included three (3) new full-time employees for the Utility Department - a meter tech II, a water treatment plant trainee, and a wastewater trainee plant operator. She stated that would all be funded under the 25% increase that was being proposed. City Manager Hegler stated that the \$2.2 million capital that was being recommended would have to come from a reserve account. She stated that \$600,000 was recommended to come from the wastewater renewal and replacement reserve account, \$784,000 from the capital equipment reserve account and \$895,000 from the water sewer capacity reserve account. She

stated that the Utility Department also had a SMIFR increase of 19% and PEBA insurance increase of 11.8%. She stated that she did not take lightly at all the impact of the recommended increases to include eight (8) mills that would equal \$80 a year for an average \$250,000 homeowner, sanitation fee increase of \$5 a month which would be \$60 a year and a 25% water and sewer increase which would come to about \$168 a year for a total increase to a \$250,000 homeowner of \$308 a year or \$25 a month.

City Manager Hegler stated that there were recommended increases in the City's Master Fee Schedule. She stated that all costs had increased with inflation to include the cost of the chemicals needed for water and sewer and fuel and that was why staff was proposing increases. She stated that the increases included the 25% for sewer and water usage, an increase in capacity fees for water and sewer, an increased sanitation fee from \$13.50 to \$18.50, an increase for the collection of construction debris for the Sanitation Department from \$220 to \$250 for a 20 yard container and \$330 to \$350 for a 30 yard container. She stated that there were a couple of minor modifications to the business licenses to keep pace with State law. She stated that it was discussed in the past how the City dealt with billiard halls and that was updated in the Master Fee Schedule. She stated that staff recommended increasing the Police Department special duty pay from \$55 to \$65 an hour that would be fully covered by the user that requests them. She stated that was being managed by a third party contract that was approved by Council last year and staff was recommending doing the same for the Fire Department by charging for special requests for fire trucks to attend events. City Manager Hegler stated that a minor fee was added for damages to the Community Tool Shed's equipment and a fee was added to use the Museum space. She stated that all credit card fees would be passed on to the user. She stated that the public hearing and second reading of the budget would be at the end of June and staff would do a lot of public education based on whatever Council recommended.

Mayor Pro Tem James made a motion to approve the General Fund and Utility Fund budgets on First Reading. Council Member Sox seconded the motion. Council Member Sox stated that at the next Council Meeting, for transparency purposes, he would like to have staff speak to what vehicles were in what department and how many each department might have, what the uses might be for, why you might see those after hours or on the weekends with staff that were on call and things of that nature. He stated that he thought that would help with some of the questions he had been receiving. He stated that he would like staff to touch on the cost difference in getting a new vehicle versus trying to fix certain issues these days and how different that was, with things that were really just made to break these days, especially vehicles and mechanical pieces. Council Member Sox stated that he thought that originally Council and staff had discussed some lower millage increases. He stated that he knew that at one point the sanitation fee increase was added. He stated that he thought previous Council's goal years ago was to have that department be self-sustaining and he would like to see a plan for that. He stated whether that be a five year, seven year, eight year, nine year, ten year plan on how they could get sanitation to be self-sustaining, whether

that be through millage or a set fee, or both. He stated that with three (3) proposed increases across the board, he thought that was a good bit for people to swallow today. He stated that he would like to strike the sanitation fee increase or entertain striking the sanitation fee increase in lieu of covering those expenses that it would cover at \$287,100 from the unrestricted fund balance.

Mayor Pro Tem James thanked staff for their work on the budget. He stated that it was the hardest budget he had seen. He stated that they had discussed a great deal about the four (4) mils or the eight (8) mils. He stated that a mil did not bring in a lot of revenue but was still an impact on the community. He stated that he did not have a concern about the City moving to eventually allow the sanitation fee to pay for sanitation. He stated that the City's Sanitation Department did an awesome job. He stated that Council's original intent in 2013 was to move into a five (5) year plan after raising the sanitation fee \$3. He stated that he seconded that motion in 2013. Mayor Pro Tem James stated that he would like to see a plan put in place that could educate the community on exactly where they were heading and what it cost and how long it was going to take so they could make sure that the sanitation fee was taking care of the Sanitation Department. He stated that staff had eliminated the lowest two (2) pay grades, because that was where most of the sanitation workers were and he appreciated them doing that. He stated that the City had \$9 million in its revenue fund fund balance and staff had done a really good job of making sure that the City had the correct amount on hand so when borrowing money, the City would get low interest rates but that did not mean that more of it could not be used.

Mayor Partin stated that the motion made affected the General Fund and Utility Funds and she wanted to make sure everyone was keeping that in mind. Council Member Thomas thanked staff for doing a great job trying to educate him on his first budget and thanked Mayor Partin and Council for meeting with him multiple times to go over the budget. He stated that he had constituents in District Two tell him that they felt left behind and neglected, constituents that were living paycheck to paycheck or on a fixed income and looking for some breathing room. He stated that they all understood that inflation was real. He stated that the City had over \$9 million in unassessed fund balance for the General Funds but they were choosing to only use a little over \$500,000 of that if the proposed eight (8) mils were to go through. He stated that was too much extra money in the fund balance for them to ask citizens to give more of their hard earned money. He stated that now was not a time for him to vote yes to continue to take more of the citizens money and he would love to continue to work with Council to map out a plan for his constituents to be as best prepared as possible for an increase in City rates in the future.

Council Member Carter stated that the millage rate was less painful but it was all money out of people's pocket. He stated that the value of a millage rate would hopefully increase in time, one would get more bang for their bucks. He stated that the potential sanitation increase troubled him because it really just affected residents and not

commercial businesses or apartments. He stated that he agreed with Council Member Thomas that this was a lot for the taxpayers to digest with the potential of three (3) increases. He stated that he could live with the increase to eight (8) mils. He stated that he was the first one to want to protect the fund balance but there was a limit to what was needed to survive so it would not bother him to tap into it a little more even though some of it was built in already. Council Member Carter stated that staff did wonderful work with the budget, and it was well thought out, comprehensive and gave Council a number of options and flexibility. He stated that it was really appreciated.

Mayor Partin stated that based on Council's comments there was not a viable motion on the table. She asked if someone wanted to make a viable motion before they went any further. Council Member Sox made a motion to approve first reading of the FY24/25 General Fund and Utility Fund budgets with the strikethrough on the \$5 Sanitation fee increase that would generate \$287,100 and move that capital expenditures be funded through the unrestricted fund balance. Mayor Partin asked if that was the correct fund to use for sanitation. City Manager Hegler stated that if she was understanding the motion, it was proposing to move what the \$5 increase would have generated to pulling it from fund balance but Council was not cutting anything. She stated that she would note that those items were not capital items but actually operating but yes, that was the unrestricted fund balance. Mayor Partin asked if there was a second. She stated that for lack of a second, that motion died and asked if there was another motion. Mayor Pro Tem James asked if the eight mils and striking the sanitation increase would that mean that everything discussed regarding taking the two (2) lowest pay grades out would remain the same. City Manager Hegler stated if that was Council's will otherwise, they were cutting something that had been proposed, yes.

Mayor Pro Tem James stated that in regard to the utility increase, he could live with a 10% increase but not the 25% and if the remainder of Council was interested in that he would put that in the form of a motion. Mayor Partin asked if he had a motion to increase eight mils, to not increase sanitation and to move those recurring expenses annually from the fund balance and to not increase utilities 25% but to increase it 10%. Mayor Pro Tem James stated that was correct. Mayor Partin asked if there was a second. Council Member Sox seconded the motion. Mayor Pro Tem James asked City Manager Hegler if the cost of living increases would remain in the budget with the 8 mils. City Manager Hegler stated that on the General Fund side, Council had not reduced the revenue, but had just moved it around so that was correct but if Council did not approve a 25% increase in utilities, that was not true. Mayor Partin stated that Council had three (3) options from their budget workshop; option A was a 40% increase, option B was a 25% increase and option C was a 15% increase. She stated that the City would not even meet its debt coverage with the motion just made. City Manager Hegler stated that the difference between options B and C that was discussed in work sessions was always starting year one with a 25% increase. She stated that the only difference was the following year. She stated that the City ultimately needed a 40 to 50% increase over the course of two (2) to three (3) years to keep pace and to get

ahead of their capital so staff presented Council options to spread it out. She stated that 25% was the minimum that had been discussed all along to include the current cost of things, the City's debt coverage and an increase in salaries. She stated that if the 10% increase was approved, staff would be forced to figure out what to cut. Mayor Pro Tem James stated nothing from fund balance. City Manager Hegler stated that they were already even at 25%. She stated that all capital was being funded from fund balance. She stated that capital was what could be taken from fund balance. She stated that what Council was proposing for General Fund was some recurring costs in operations. She stated that she did not even recommend that for Utilities and that was why she presented the eight mills. She stated that if they did not do a 25% increase for utility rates that already did not cover capital, capital was coming from fund balance and was proposed by the Utilities Director. She stated that it only covered operations at the current state, the expected debt coverage, and the increases to COLA that Council was asking for. Council Member Sox asked if the increase could be drawn out to 10% for four (4) years in a row. Mayor Partin stated by doing that the City would not meet the bond coverage. City Manager Hegler stated that she would offer that Council could probably drag out year two (2) and three (3) but they had to get some revenues up fast. She stated that the question they needed to answer was what was the difference between 10% and 25%.

Mayor Partin stated that with the original motion that was on the table what was presented from staff already had almost \$3 million of transfers and that was unusual for the City. She stated that they did not typically use money from the reserves but she thought this was a good budget year to do that. She stated that she could not support transferring money from the City's reserve fund, which was basically the City's savings, for recurring costs. She stated that she was fully supportive of doing that for one-time costs because that was good budgeting but if money was pulled out of savings for regular costs, then the City would run out of savings very quickly. Mayor Partin stated that staff recommended funding two (2) positions out of the reserves but that was bad budgeting and she could not support that for the City's citizens. She stated not increasing the sanitation fee \$5 a month would also put the operating costs, those recurring costs, coming out of savings. She stated that was a dangerous way to budget. She stated that staff requested raising the sanitation fee last year and Mayor Pro Tem James asked her at the last minute, could we not do that and she supported not doing that last year. She stated that now they were looking at a larger increase because they did not do the increase last year.

Mayor Partin stated that it was a hard budget year but when she first became Mayor, there was a similar mess but what was worse was half of the City's Public Safety fleet had over 100,000 miles or more. She stated that Officers would be on their way to a call and their call would break down. She stated that at that time the Sanitation team did not have rain gear and there was not a dryer at the Firehouse for the fire hose. She stated that the men and women who worked in the Fire Department all had different equipment, which meant if they were inside of a structure, they could not help one

another if someone's equipment went down. Mayor Partin stated that this Council and prior Councils did an amazing job and did the hard work. She stated that balancing a budget was one of the hardest things that Council Members did and the current Council has done a great job with that. She stated that on occasion prices had to be raised and that no good business stayed in business if they did not keep up with costs and the City would not be able to stay in business if they did not keep up with costs. Mayor Partin stated that they would have to get rid of the Sanitation Department and that would cost the citizens more because private companies were so expensive. She stated that the City had an amazing Sanitation team and received compliments about the whole team all the time.

Mayor Partin stated that the City had done a good job of being mindful about costs and proactive about costs. She stated that when she first became Mayor they were patching things and throwing good money after bad. She stated that the current Council actually provided staff with the equipment that they needed to do the job that they asked them to do and that was something Council should be commended for. She stated that the City was able to keep good staff, because they were paid what they deserve to be paid. Mayor Partin stated that the City was one of the cities with some of the lowest costs, but the highest quality of life. She stated that Council had a tough decision before them but it was a walk between protecting the citizens and knowing that the way to do that was by keeping good staff because staff would take care of the citizens and provide great quality of service. Mayor Partin stated that if they stopped taking care of staff, then they would lose quality.

Mayor Partin stated that there was a motion for first reading of the fiscal year 2024/2025 General Fund and Utility Fund budget to increase eight mills and 10% for utility rates. She stated that the 10% did not meet the City's bond coverage. She stated that Council had a great budget workshop and a great rates study to help them to know that was where they needed to be. She stated that Council would be falling short of the City's municipal responsibilities with the motion to at least not increase the utility rates by 25%. Mayor Partin called the question. Mayor Pro Tem James and Council Members Carter and Sox voted yes. Mayor Partin and Council Member Thomas voted no.

City Manager Tracy Hegler stated that unless there was anything else Council wished to remove Council could make the motion to adopt the Master Fee Schedule with the changes they just made. Mayor Partin asked if Council had a recommendation. Council Member Carter stated that he had a question. Mayor Partin stated that he could make a motion and get it on the table. Mayor Pro Tem James stated that he would make a motion for discussion. Council Member Carter seconded the motion. Mayor Pro Tem James stated that he would make a motion to approve. Council Member Carter seconded the motion. Mayor Partin asked if the motion was to approve the fiscal year 2024/2025 Master Fee Schedule with requested increases in addition to

the changes made based on the prior motion and action. Mayor Pro Tem James stated yes. Council Member Sox seconded the motion.

Council Member Carter stated that the last time the City had a substantial increase in tap fees on the water and sewer side a consultant advised Council to make the increases to get in line with other municipalities. He asked if they did that this time or were they just basically backing into the number based on math. City Manager Hegler stated that it was done as part of the rate study. Mayor Pro Tem James stated that inside water capacity fee was currently \$465 but the recommendation was to increase it to \$1,720 and the outside water capacity fee was currently \$930 but was recommended to be increased to \$1,720 as well. He stated that previously outside of the city was a great deal more than what inside city citizens were paying but now was being recommended to be the same. City Manager Hegler stated that was another recommendation from the rate study.

City Bond Attorney Lawrence Flynn stated that capacity fees were determined based on the cost of providing service therefore there was no justifiable reason or basis in assessing a fee that was not dictated by actual costs, so charging out of city ratepayers a capacity fee that was in excess of the in city ratepayer rate was not justifiable by costs. City Manager Hegler stated that was just to establish the capacity and the usage fee was different. City Bond Attorney Flynn stated that was correct, usage was different than capacity because capacity costs were based on the City's ancestral payers who created the system. He stated that the increase affected new people that were coming in to take the existing capacity on this utility and they were recovering their costs of taking that capacity because it was basically building for future expansion of the treatment facilities. He stated that by not recovering those costs on \$1 cost basis based on what either the existing costs of capacity was, or that future expansion costs, the City was absorbing those back into rate base for the people that were currently paying rates today. He stated that if the City had to borrow money in the future to make expansion into those systems, then everyone who had historically paid for that system was paying for that growth and that was the idea of setting capacity fee that was dictated based on a per residential equivalency units (REU) cost. City Bond Attorney Flynn stated that the determination about what the gallons of capacity that you have remaining were what was going to be needed in the future on the water system and the sewer system, an actual cost per gallon was assigned and then an assumption was made based on the size of a general user. He stated that a residential user was typically going to be 300 ERU and gallons were assigned based on that and that was how the fee was calculated.

Mayor Pro Tem James stated that in Fiscal Year 23/24 the inside city water capacity charge was \$465 and was now being proposed to be increased to \$1,720 and the outside city charge was \$930 and being proposed to increase to \$1,720 which was going to be the exact same fee an inside the city person paid. He asked how was the City able to charge much more for out of last year, but not currently. City Bond Attorney

Flynn stated that the City was either subsidizing the in-city rate through existing ratepayers or it was an unjustified fee. Mayor Pro Tem James asked how many years that had been going on. City Bond Attorney Flynn stated for a long time. Mayor Partin called the question. Mayor Pro Tem James and Council Members Carter, Sox and Thomas voted no. Mayor Partin voted yes so the motion failed. Mayor Partin asked Council to give staff guidance on what they would like for staff to bring back to them for a Master Fee Schedule if they were not supporting the proposed one. Mayor Pro Tem James stated that he needed a great deal more explanation of why inside city citizens had paid less in the past while outside the city had paid more and now inside city customers would be paying the same as outside city people. Council Member Sox asked what the proposed rates were compared to neighboring cities from the standpoint of future development. Mayor Partin asked if the other two (2) Council Members who voted no could give some guidance to staff. Council Member Thomas stated that he stood on the same side as Mayor Pro Tem James in getting those answers. Council Member Carter stated that the capacity charges had been the same since he first started serving on Council and asked why the radical change now. He stated that if the City was walking close to the threshold of not being in a good position to make the bond payment, how did they get there and why did Council not know about it.

City Bond Attorney Flynn stated that the rate adjustments proposed by Raftelis were built based on what the City's long term needs were for the system filling those positions that have otherwise been empty as a large part of the operating side of the rate perspective. He stated that the other piece and the need for it was the City transferred \$2 million out of the Utility Fund to the General Fund every single year and those costs have continued to escalate. He stated that the coverage requirement was a legal mandate under the terms of the City's master bond documents and if the City failed coverage to its bondholders, the bondholders could sue the City for defaulting under its bonds. He stated that a trustee would come in and tell Council that they no longer had independent rate discretion on setting these rates. He stated that whatever Council went back to based on what that adjustment was, they needed to be cognizant of the fact that there were legitimate costs that were out there, and the City had made covenants to its bondholders that they would continue to sustain rates at a level sufficient to meet that minimum 115 coverage ratio. City Bond Attorney Flynn stated that if the City fell below that, Council would be legally mandated to do it under the terms of the City's bond documents. He said that ultimately it fell back to staff and himself to figure out how to make adjustments internally to make sure that did not happen.

City Bond Attorney Flynn reminded Council that the people paying the capacity fees were not currently customers but someone who did not currently receive utility service from the City of Cayce and so be that out of the city or inside the city, they had never paid a dime into the system. He stated what the City was trying to do was recover the cost that the people that had been here for a really long time, and had paid to create the system, had otherwise done so this was truly growth paying for growth.

He stated that if the in city payers were not paying the same thing that out of city payers were paying, Council had no way to justify how that cost was determined and that was what it ultimately came down to, an equitable determination. He stated that the reason those numbers had gone up was that the cost of utility service had exploded and the idea of potentially having to go through the process of expanding the wastewater plant, or add capacity on the water system, which was obviously a cheaper expansion, the costs had significantly escalated. He stated that it had gone from \$10 a gallon to build a new wastewater treatment plant to \$45 a gallon. He stated that the City and its partners built the wastewater treatment plant for roughly \$75 million but at today's numbers it would cost \$750 million to construct. He stated that was why those numbers had gotten the way they were, was because the City had to start absorbing that capacity on those old costs and had to be able to make up those costs in time by either raising rates or making the people that were using that capacity pay for it and that was the whole idea behind the discrepancy.

Mayor Partin stated that she had a technical question. She stated that the Master Fee Schedule was voted down and this was the first reading but by law, the City had to have a balanced budget by the end of June and the next meeting was supposed to be the second reading but technically it would be first reading since the motion at the first reading failed. City Attorney Crowe stated that was correct. Mayor Partin stated that Council would have to hold a special meeting. She asked Council if there was a way they could approve it on first reading with some changes in it so staff did not have to hold another meeting after already having four (4) work sessions on the budget alone.

City Manager Hegler stated that Council had effectively made recommendations on the Master Fee Schedule with their last motion. She stated they changed the rate increase from 25% to 10% and zeroed out the sanitation fee increase. She stated that what was in the Master Fee Schedule was virtually everything they just discussed in the budget, separate the capacity fees so they could just make those changes to the Master Fee Schedule and keep it compatible with what they did on the budget. Mayor Pro Tem James asked so it could be reflective to the budget they passed. City Manager Hegler stated that was correct with anything additional Council wanted to modify which it sounded like they might want to or they could pass it on first reading and staff could get those answers on the capacity fees to Council by second reading. Mayor Pro Tem James stated as long as it was reflective to the budget that was passed. City Manager Hegler stated that was correct and they would just say whatever they had already approved in the budget, as a fee, reflect that in the Master Fee Schedule and ask staff to bring back more information on the capacity. Mayor Pro Tem James made a motion to approve first reading of the Master Fee Schedule reflective of the budget that Council passed in the previous vote. Council Member Sox seconded the motion. Mayor Partin, Mayor Pro Tem James and Council Members Carter and Sox voted yes. Council Member Thomas voted no.

City Attorney Crowe stated that Council did not actually vote on the Budget Ordinance. Council Member Carter made a motion to approve Ordinance 2024-06 as reflected in their earlier motion and as modified in earlier motions. Mayor Pro Tem James seconded the motion. Mayor Partin called the question. Mayor Pro Tem James, Council Members Carter and Sox and Mayor Partin voted yes. Council Member Thomas voted no.

B. Discussion and Approval of Ordinance 2024-07 Amending City Code Section 28-113 ("Possession of Unlawful Weapons") – First Reading

City Manager Hegler stated that this was a required amendment to the City's Ordinance based on the recent State law change that allowed for open carry therefore the City's Ordinance needed to be amended to remove pistols from the list of things that would be unlawful for persons to have. She stated that the amended version should read "it shall be unlawful for any person to carry on or about his person, concealed or not concealed, any weapon, dirk, butcher knife, case knives six inches or longer, sword or spear, metal knuckles, razor, numb chucks (nunchaku), throwing stars, or any other weapon of offense within the corporate limits of the city". She stated that it simply removed a pistol from that list. City Manager Hegler stated that staff recommended Council approve the amendment to section 28 113 entitled possession of lawful weapons.

Council Member Sox made a motion to approve the amendment to Section 28-113. Mayor Pro Tem James seconded the motion which was unanimously approved by roll call vote.

C. Consideration and Approval of Resolution Approving Leave Policy and Procedures for Employees of the City of Cayce

City Manager Hegler stated that staff was looking for a way to be more competitive in recruitment and retention of good employees. She stated that Council had shown a track record of doing that with salaries and the parental leave that was approved recently. She stated that to continue to be competitive, staff did look at some comparisons of the City's annual leave and at the City one had to be employed for a fair amount of time to accrue leave and it was really difficult to recruit that middle management that had a lot of time at their previous place of work. City Manager Hegler stated that what was proposed was accrued annual leave that would change from five (5) days from date of hire to one year to 10 days in the first five (5) years of employment and years five (5) through 15 would increase to 15 days and after 15 years would increase to 20 days. She stated that currently the payout was a maximum of 400 hours that could have been accrued and staff was recommending reducing that to 320 hours but grandfathering the staff that already had that amount from 400 to 320. She stated that staff also recommended that bereavement leave be amended to allow for 10 days of paid leave to an employee who had lost a spouse or a child. City Manager Hegler

stated that a couple of employees had lost a spouse or child over the last few years and it was traumatic to ask them to be back to work after three (3) days. She stated that staff was also asking that when adopting the Resolution, Council also adopt the City's entire leave policy. She stated that it was currently embedded in the employee handbook, which made it difficult for her to make changes to day to day things that did not really need to come before Council.

Mayor Pro Tem James made a motion to approve the Resolution. Council Member Sox seconded the motion. Council Member Carter stated that when there was staff on annual leave obviously someone had to work for them and asked if that was buried into the budget. City Manager Hegler stated that actually was not true for most of staff. She stated that there was not someone that covered staff's shift. She stated that when she was off no one technically covered her so there was actually minimal overtime. She stated that was the same with police and fire and usually obviously it was covered by a Lieutenant on staff for someone that was not typically in the field, so there was no overtime embedded in annual leave. Council Member Thomas asked if he could ask the Police Chief or Fire Chief a question. Mayor Partin stated that he could ask City Manager Hegler a question. Council Member Thomas asked if a firefighter were to go on vacation, did another firefighter not have to take their place in case there was an emergency in the City. City Manager Hegler stated that it was not left unattended, it was covered by those that could cover it. She stated that overtime was already embedded in the budget every year and this was not something that was adding to the overtime budget. She stated that most of the employees that were salaried there was no one coming in and covering for them. She stated that there was not a cost involved in most of the labor and the way the shifts worked, they could cover them differently.

Mayor Pro Tem James stated that he would have anticipated needing a certain amount of emergency personnel and would have expected leadership to put someone in that position if someone was out for a day or a week but City Manager Hegler was saying on staff people were used to do that so it was not going to affect the overtime at all. City Manager Hegler stated that was true in most cases but she was not saying if that department was short, that person was being covered. Deputy City Manager Crosland stated that the City currently had ample enough people on shift if one should go out. Mayor Pro Tem James stated that he supported the proposed leave policy but at the same time, he was feeling that it was needed to put something in the budget to be able to cover it. He stated that the firehouse could not be down one (1) person nor could Patrol on the street so his concern was there might be an increase in the line item for overtime. Deputy City Manager Crosland stated that if that occurred staff would readjust for the next year, but staff was not anticipating those increases. Mayor Partin asked what the other cities staff reached out to said about the budget impact. City Manager Hegler stated what staff was proposing was comparable to all other places and the other cities stated that it was a benefit that they built in. Mayor Pro Tem James stated that benefits should be costly if they were good and he had no problem

whatsoever with the benefit. Mayor Partin called the question which was unanimously approved by roll call vote.

Committee Matters

- A. Approval to Enter the following Committee Approved Minutes into the City's Record
 - Cayce Housing Authority Annual Meeting – February 20, 2024
 - Cayce Housing Authority Regular Meeting – February 20, 2024
 - Museum Commission – April 3, 2024
 - Accommodations Tax Committee – April 9, 2024
 - Cayce Housing Authority Special Meeting – April 9, 2024
 - Events Committee – April 11, 2024

Council Member Carter made a motion to enter the minutes into the City's record. Council Member Sox seconded the motion which was unanimously approved by roll call vote.

City Manager's Report

City Manager Hegler stated that the complicated sewer repairs that had been going on for quite some time on Railroad Avenue near State Street were completed. She stated that it was open to travel and the pump that had been there for a while was removed. She stated that the boardwalk repairs on the Riverwalk were also completed and that section was reopening the next morning.

Council Comments

Council Member Thomas stated that he had recently spoken to some West Columbia Council Members about potentially both cities meeting at least once a year to see how the cities could continue to work better together and to see if there were any resources they could pull together to make both cities a better place to live, work and play. He stated that the West Columbia Council Members loved the idea. He stated that he would love it if City Manager Hegler could reach out to West Columbia's Town Administrator to see when that meeting could take place this year. He asked how the other members on Council felt about this. Mayor Partin stated that the meeting would have to be publicly known. City Manager Hegler asked if Council Member Thomas was asking for the Councils to meet because staff talked on a regular basis. Council Member Thomas stated that was correct.

Council Member Thomas stated that Council Member Carter was the historian on Council and asked him to tell what history he knew about Monkey Springs Branch Creek. Council Member Carter stated that the story about monkeys getting loose from

the circus was recently mentioned on social media posts and that was the first time he had heard that story. He stated that he had a map dated 1950 and Monkey Springs Branch was listed on that map but other than that he did not know what happened. Council Member Thomas stated that he reached out to SCDOT about the sign and they took it down. He stated that he wanted to make it clear to everyone that the City, nor Council and the Mayor had any jurisdiction of putting that sign up and had nothing to do with that but they did work to get it down. He stated that showed that when citizens came to Council with complaints or concerns, they took them very seriously. He asked that they continue to work together as a city to continue to improve the City of Cayce.

Mayor Partin stated that one of the City's citizens who was the most regular attendee of council meetings, invited her to go to church with him at Gannt Street Baptist Church since they had a Back the Blue service. She stated as the representative from Cayce who was there they gave her a gorgeous book that said it was prayers that shaped America and she wanted to present it to Gerald Cromer for inviting her.

Mayor Pro Tem James stated that Ms. Jennie Jordan who lived on the Avenues was voted Administrator of the Year at Cayce Elementary. He stated that Ms. Jordan worked so hard with the students there and he wanted to recognize her. He stated that Cayce Elementary Assistant Principal Ms. Ashley Caulder was voted Mrs. South Carolina America and represented South Carolina.

Council Member Thomas asked Mayor Partin what the process was to recognize amazing things like those two (2) accomplishments at Council Meetings. He stated that he would like to recognize community members that were doing amazing things in the community and asked what was the process so then their citizens would know so they could start to recognize them more at Council Meetings. Mayor Partin stated that Council Meetings were a business meeting of the Council so that was something Council could talk through.

Council Member Carter stated that he had received another email of praise for the Sanitation Department and it was one more of a long list of accolades for Thomas White and his team.

Executive Session

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege
 - 1. Update on Lexington County's Cancellation of Road Maintenance Agreement
 - 2. Claim for Improvements to Spencer Place Road

Mayor Pro Tem James made a motion to move into Executive Session. Council Member Sox seconded the motion which was unanimously approved by roll call vote.

Reconvene

After the Executive Session was concluded, Council Member Carter made a motion to reconvene the Regular meeting. Council Member Thomas seconded the motion which was unanimously approved by roll call vote. Mayor Partin announced that no vote was taken in Executive Session other than to adjourn and resume the Regular meeting.

Possible actions in follow up to Executive Session

- A. Discussion and Approval of Ordinance 2024-05 Authorizing the Sale of City-Owned Portion of Real Property at 800 Lexington Avenue

There were no follow up actions to Executive Session.

Adjourn

Mayor Pro Tem James made a motion to adjourn the meeting. Council Member Thomas seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 8:35pm.

Elise Partin, Mayor

ATTEST:

Mendy Corder, CMC, Municipal Clerk

IF YOU WOULD LIKE TO SPEAK ON A MATTER APPEARING ON THE MEETING AGENDA, PLEASE COMPLETE THE INFORMATION BELOW PRIOR TO THE START OF THE MEETING.* *THANK YOU.*

COUNCIL MEETING SPEAKERS' LIST

Date of Meeting June 4, 2024

Name	Address	Agenda Item
BRANDY GIBSON		IV. A
LARRY MACK		11

***Appearance of citizens at Council meetings - City of Cayce Code of Ordinances, Sec. 2-71.** Any citizen of the municipality may speak at a regular meeting of the council on a matter pertaining to municipal services and operation, with the exception of personnel matters, by notifying the office of the city manager at least five working days prior to the meeting and stating the subject and purpose for speaking. Additionally, during the **public comment period** as specified on the agenda of a regular meeting of the council, a member of the public may speak on a matter appearing on the meeting agenda, with the exception of personnel matters by signing a speakers list maintained by the city clerk prior to the start of the public comment period. The number of speakers at a council meeting may be limited in the discretion of the mayor or presiding officer, the length of time for any speaker's presentation is limited to a maximum of five minutes, and a presentation may be curtailed if determined to be uncivil, contentious, or disruptive in the discretion of the mayor or presiding officer or by majority of vote of council.

RECUSAL STATEMENT

Member Name: Byron Thomas

Meeting Date: June 4, 2024

Agenda Item: Section III Number B

Topic: H - Tax

The Ethics Act, SC Code §8-13-700, provides that no public official may knowingly use his office to obtain an economic interest for himself, a family member of his immediate family, an individual with whom he is associated, or a business with which he is associated. No public official may make, participate in making, or influence a governmental decision in which he or any such person or business has an economic interest. Failure to recuse oneself from an issue in which there is or may be conflict of interest is the sole responsibility of the council member (1991 Op. Atty. Gen. No. 91-37). A written statement describing the matter requiring action and the nature of the potential conflict of interest is required.

Justification to Recuse:

Professionally employed by or under contract with principal

Owns or has vested interest in principal or property

Other: Asked for H Tax funds due to Riverwalk Rabbit Run

6/4/24
Date

[Signature]
Member Signature

Approved by Parliamentarian:

RECUSAL STATEMENT

Member Name: Tim James

Meeting Date: June 4, 2024

Agenda Item: Section III. Number A & B

Topic: Approval of Accommodations Tax Committees Recommendation for Distribution for Funding for FY24/25 and Discussion and Approval for Hospitality Tax Grant Funding for FY24/25

The Ethics Act, SC Code §8-13-700, provides that no public official may knowingly use his office to obtain an economic interest for himself, a family member of his immediate family, an individual with whom he is associated, or a business with which he is associated. No public official may make, participate in making, or influence a governmental decision in which he or any such person or business has an economic interest. Failure to recuse oneself from an issue in which there is or may be conflict of interest is the sole responsibility of the council member (1991 Op. Atty. Gen. No. 91-37). A written statement describing the matter requiring action and the nature of the potential conflict of interest is required.

Justification to Recuse:

Professionally employed by or under contract with principal

Owns or has vested interest in principal or property

Other: _____

6/4/24
Date


Member Signature

Approved by Parliamentarian:





Mayor
Elise Partin

Mayor Pro-Tem
Tim James

Council Members
Phil Carter
Hunter Sox
Byron Thomas

City Manager
Tracy Hegler

Deputy City Manager
Jim Crosland
Assistant City Manager
Michael Conley

**City of Cayce
Public Hearing and Regular Council Meeting
Wednesday, June 26, 2024**

A Public Hearing was held this evening at 5:00 p.m. in Council Chambers. Those present included Mayor Elise Partin, Mayor Pro Tem Tim James and Council Members Phil Carter, Hunter Sox and Byron Thomas. City Manager Tracy Hegler, Deputy City Manager Jim Crosland, Assistant City Manager Michael Conley, Municipal Clerk Mendy Corder, Police Chief Chris Cowan, Fire Chief Steven Bullard, Finance Director Kelly McMullen, City Attorney Danny Crowe and City Bond Attorney Lawrence Flynn were also in attendance.

Mayor Partin asked if members of the press and the public were duly notified of the Public Hearing in accordance with the FOIA. Ms. Corder confirmed they were notified.

I. Opening Statement

Mayor Partin stated that Pursuant to Section 6-1-80 and Section 6-1-330 of the South Carolina Code of Laws, public notice was hereby given that the City of Cayce City Council would hold a Public Hearing on the proposed budget and establishment of fee amounts to be adopted as part of the Budget Ordinance including general fund and utility that was in the agenda packet and was also detailed in the flyers that citizens received on their roll carts. She stated that Council looked forward to hearing from the public. She stated that one did not have to sign up to speak at the public hearing and it was an opportunity for members of the public to present to the Council, their thoughts and comments on the budget. She stated that if one was there to speak, Council was glad they were there. Mayor Partin stated that she hoped the public knew all of the ways they could communicate with Council. She stated that the City had awesome customer service focused staff, many of whom were there and they always loved to hear from residents and customers. She stated that council was happy to attend neighborhood meetings and she held a monthly Meet with the Mayor. She stated that the City had multiple boards and commissions, such as the Planning Commission, that heard citizen's concerns and thoughts on items that were before the City. Mayor Partin stated that any speaking opportunities before the Council were not question and answer periods between the speaker and the Council, or the speaker and City staff. She stated that public comment should not be derogatory towards any specific individual or individuals. She asked the assembly to please remember that the meetings were recorded and were live online. She stated that public comment should be five (5) minutes or less per person. She stated that there were a lot of people who wanted to speak and Council was glad about that so they asked everyone to keep their comments concise. She stated that if someone had already said what one wanted to say to feel free to reference that without repeating it for the sake of time. She stated that the City Clerk would let each speaker know if their time got close and would let them know when

there was one (1) minute left and when there was 30 seconds left and at the five (5) minute mark, the microphone would be silenced. Mayor Partin stated at this time, anyone who would like to speak to please come forward.

II. Public Testimony

Ms. Joan Hoffman – Ms. Hoffman stated that she had been a resident with the City for over 20 years. She stated that first she wanted to thank the City for its transparency. She stated that the online meetings had been extremely helpful since she had not been able to attend a lot of meetings lately but was able to watch them. She stated that the recent flyer posted on the resident's roll carts continued to be informative. She stated that the term millage did not mean a lot to her without having to look it up so she appreciated staff including the actual dollar amounts. She stated that she wished she had the opportunity to attend the public budget work sessions since they were very informative as a citizen and that was the perfect time for council members to really work on the budget, look at it in real time, ask hard questions and adapt it and change it so they fully understood exactly what those implications meant. Ms. Hoffman stated that any increase in cost could be incredibly difficult however, she also recognized the consequences of not addressing those necessary increases, which could lead to service cuts as well as higher costs in the long run. She stated that for example, South Carolina's roads had suffered greatly because the State legislators delayed approving a gasoline tax for over a decade, the roads once considered the best in the nation were now the worst and the cost to repair them was exorbitant because the State legislators did not have the courage to make incremental increases over time that would have addressed that issue, and instead passed that responsibility on to later members of the legislature, which was unfair to them and unfair to the citizens. Ms. Hoffman stated that Cayce was currently recognized for its excellent service in sewage and water and its strong credit rating so she was surprised when she observed at the last Council Meeting that the recommended 25% increase in the sewage cost was not taken seriously by council and even more concerning was the suggestion to use the reserve fund. She stated that the reserve fund was set aside for one-time costs and using those funds for recurring costs was just not good business. She asked Council not to pass the buck to future councils, nor allow the services to erode within the City. She stated that she had been very proud to live in the City of Cayce and appreciated the services the City had. She stated that she knew Council had to make some tough decisions and appreciated the fact that they would take the courage to consider those incremental increases.

Tre Bray – Mr. Bray stated that he was there not just as a resident, but as a concerned citizen who wanted the best for Cayce. He stated that he wanted to address a few things with the proposed budget and urge a different approach, one focused on fiscal responsibility and transparency. He stated that at the end of FY23, the City's general fund reserve was at 55.86% and based off budget projections this year, that percent was going to continue to grow. He stated that GFOA and MASC both

recommended a range of 16 to 30%. He asked that Council, in the coming year, establish a formula fund balance policy outlining the factors in order to educate citizens and provide continuity for staff and Council. He stated that that Ordinance that Council could pass should define appropriate reserve levels, when to utilize them and how any surplus funds should be used. He stated that it was time for a clear roadmap, not just arbitrary and sometimes political decisions. He stated that for years, residents had been told everything was fine, only to be faced with what they called an emergency and demanding tax hike. Mr. Bray stated that the recent budget process was riddled with inconsistencies. He stated that the public notice stated 58.10 mills, which was the City's current mills, and that the budget would be \$17.9 million but then at first reading it was \$20 million and 66 mills. He stated that the notice had several other mistakes to include what the cost of a mill should be on the bottom line. He stated that the agenda packet was not designed for the average citizen to feel comfortable nor educated. Mr. Bray stated that the budget flyers that were taped to resident's roll carts came out after the first reading and presented an incomplete picture. He stated that there was no calculation anywhere explaining what the average millage was, for this year or the look back years. He stated that there was no policy or Ordinance explaining why the City used the six (6) month fund balance policy. He stated that the City's median income was \$34,568 which was significantly lower than what the City's average staff salaries were and less than a fifth of some of the highest salaries. He stated that the City could not keep raising taxes while the residents struggled. Mr. Bray stated that many residents, including him, were disheartened by the recent media portrayal of 33 City employees being let go. He stated that he and several other people spoke to Council at a prior Council Meeting and asked them to stop going to the media to fight the City's battles. He stated that his last two (2) points were the lack of tax increases last year being a politically motivated decision that led to the current situation, or that suddenly the City needed a big dire look back. He stated that responsible budgeting required long term vision, not election cycles and asked Council to break that pattern and commit to sustainable financial practices. He stated that the proposed increases were coming out of the resident's pocket and asked Council to plan a transition of the sanitation fees and millage. He stated that Cayce deserved an administration and council committed to responsible budgeting, clear communication, and prioritizing the needs of its residents. .

Tracie Broom – Ms. Broom stated that she had been a Cayce resident and homeowner since 2011. She thanked the media for being there because media coverage yielded accountability and made it possible for more residents to understand what was going on at City Hall. She stated that she was a business owner and regularly had to dive way too deep into profit and loss statements, balance sheets and statements of cash flow. She stated that at her company, they thought a lot about how much the business needed to operate in a given month or year and how much they needed to keep in the bank in their rainy day fund as per the rules of sound financial management. She stated that she knew Council was dealing with some important priorities, some of which were at odds with one another. Ms. Broom stated that Cayce was a municipality, but it was run on the principles of sound business stewardship and

Council as the City's Board of Directors had to work with the Chief Executive, City Manager Tracy Hegler, and her executive team. She stated that Council's role was to work with the City's skilled executives, to be protectors of the long term financial health of the City. Ms. Broom stated that she did not want to see taxes go up at all, but the cost of doing business had increased for everyone, and the City had to keep up. She stated that with compassion, Council had to think about people on a fixed income. She stated that Council was probably not hearing from many constituents in favor of making increases because the budget process was hard to understand. She stated that it was Council's job to take that complex material, and work with City staff and maintain the City's long term fiscal health. She stated that if utility fees did not go up by at least 25%, the City's bond coverage was at risk and also risk potentially losing the Utility into private ownership, which no one wanted, because then prices would really go up. She stated that if utility fees and service fees did not go up, the City might have to lay off staff, which was catastrophic in a small city like Cayce. She stated that she had been assured that there was a way around this but questioned if that was true. She stated that the residents needed to know that City staff could keep their jobs, get their raises, get their PTO and get their cost of living increases just like any other employee at any other business or entity and it had to work with the budget. She stated that she had heard talk of dipping into the City's rainy day fund to balance the budget and \$9 million sounded like a lot of money when your annual budget was \$17 million but was only six (6) month's worth of operating expenses. Ms. Broom stated that she ran a small national association with 50 members and their goal was to always have six (6) to 12 months of operating expenses in the bank. She stated that if Council used savings to pay regular recurring expenses, the City's credit rating was going to go down and that was catastrophic. She asked Council to not take the City back to where it had a bad credit rating. She asked them to increase taxes and stated that it would be painful in the short term, but in the long term, it was the right decision fiscally for the health of the community.

Marie Brown – Ms. Brown stated she grew up in Cayce and was concerned. She stated that millage was new to her but she was researching it to understand it. She stated that she had learned that the City had a sanitation fee and she heard Mr. Bray talk about moving the fee to millage. She stated that if someone in her neighborhood made \$150,000 versus someone who made \$34,000 they were both paying that same fee. She stated that there were a lot of people in her neighborhood that lived on a fixed income and \$160 a year might not seem like a lot for some people, but there were people that might have to decide if they were going to buy their medication, possibly even food. She stated that some people in the community had asked her to say that some of the roads and streets were not being repaired. She stated that some residents did not receive a budget flyer on their roll cart. Ms. Brown asked why instead of an across the board salary increase why there could not be a cap put on it. She stated for example, why not just the people who made under \$40,000. She stated that she was at the Woman's Club when Mayor Partin spoke during the Mayoral campaign and Mayor Partin boasted how proud she was of how low Cayce taxes were and how she was

working to keep them low and now six (6) months later, taxes were going up. She stated that Mayor Partin gave an example of how low the taxes were and she was shocked because her small home she lived in that was built in the 1950's she paid a lot more in taxes. She stated that she did not see where it should be so high.

Jeannie Breeden – Ms. Breeden stated that she had lived in Cayce since 2017 and had lived several other places where she never had services as excellent as what she had in Cayce. She stated that her neighborhood had been having a problem with Lumos and she called the City and found out who to speak to in Code Enforcement and received a written answer that she could share with her neighborhood's Facebook group from Mr. Jarrett Epperson so she wanted to praise him. She stated that she also wanted to praise Mr. Thomas White, the City's Sanitation Manager. She stated that when her husband was hospitalized and she could not get the roll carts to the street Mr. White was always there and always there quickly. She stated that when she was out of town and asked the police to watch their home that was done. She stated that it was amazing service that the residents received in Cayce and she did not want to see them lose any of the services. She stated that she was afraid that if the taxes were not raised, and the number of City employees was cut, or salaries were cut, the City would not be competitive in hiring, then they would lose staff and Cayce was a wonderful place to live.

Ann Bailey Robinson – Ms. Robinson stated that she thought the whole budget was a disaster. She stated that she felt that was because of the way the City was going about it, it seemed like it was a big emergency and she thought that was terrible. She stated that she understood budgeting in a sense but also understood there were a lot of budgeting things going on as far as increases. She stated that Lexington County had a big increase in their millage so the City had to be careful of how much they increased. She stated that they should consider that the budgeting from the last time might not have been correct and it seemed some mistakes were made somewhere. Ms. Robinson stated that transparency was an issue. She stated that the residents had a budget flyer on their roll carts but not a hearing notice and it was hard to find it on the City's website. She stated that increases were needed in order to survive in the City but the high cost of things should be cut as well. She stated that there were high positions that made \$100,000 and maybe those should be cut as well and that would help.

Sylinda Dantzler – Ms. Dantzler stated that she was a longtime resident and she was not sure if she understood all the pros and the cons and the ins and outs to the proposed increase. She stated that she used to brag about how Cayce was one of the least expensive cities to live in and she still thought that because she saw businesses booming, residency increasing and there was construction going on all the time. She stated that made her wonder if an increase was feasible or could it be delayed. She stated that she did not want anyone to lose their job and the City of Cayce employees were hardworking employees and she had enjoyed all the services the City offered. Ms. Dantzler stated that Hemlock and Julius Felder had not been paved in a couple of

years, but other roads were being paved all the time, and even getting speed bumps and she knew the taxpayers were paying for that. She asked if the increase could be delayed or perhaps make it merit increases or performance increases. She stated that there were a lot of people that had been with the City longer than some so maybe it could be done by seniority. She stated that when it came to the paving of the roads, she would like for someone to pay attention to Hemlock and Julius Felder Streets since they were not looking good.

Danny Creamer – Mr. Creamer stated that Council had a lot of decisions to make that were going to affect each and every person in Cayce. He stated that some were on a fixed income and some were not. He stated that he was not blaming the City for the roads not being paved. He stated that Lexington County Council voted for a \$30 per car increase to all residents of Lexington County, because the citizens did not vote in a one cent sales tax and they were holding the citizens hostage. He stated that the residents had heard for years that the City had the lowest rates in water and sewer and garbage and he hoped this was not a budget to try to keep up with the Jones'. He stated that the City's expense expenditures needed to be looked at very closely. He stated that he was not one for reaching into the reserve but he was asking Council to look at the budget very closely. Mr. Creamer stated that if that meant going back to the table, then go back to the table. He asked that they be a little bit more transparent and stated that he did not understand millage and asked that Council use dollar amounts. He stated that residents put their trust not only in God but in Council.

Chip Salek – Mr. Salek stated that he had been a resident of Moss Creek for 30 years. He stated that starting at the first budget meeting and all the other information the residents had until that night, had been about raising and increasing and nothing had been talked about cutting or tightening our belts. He stated that the budget flyer that was given to each resident had information that was correct, and accurate and he was assuming that someone had been doing a good job of watching the City's money and taking care of it. He stated that if they had been doing such a good job and the City had been able to do these kinds of things without an increase, then he was not sure now was the time to do an increase until they had exhausted all efforts to try and cut costs and save expenses. He stated that everyone knew it was tough times and he read where the City's expenses had gone up with gas and water treatment chemicals but so had bread and eggs and everything else since 2019. Mr. Salek stated that not only was the municipality suffering from increases, but so were the people in the assembly and in the community. He stated that it seemed that if the \$9 or \$7 million was reevaluated and the percentage based on the budget was reevaluated, some of that money could be used for capital expenses and not for operating expenses. He stated that a reassessment was being done in 2025 so with that in mind, why would increasing millage be talked about now, instead of waiting to see what was going to happen in 2025. He stated that City cars with 100,000 miles on them were discussed and recommended that they be replaced but he did know that because the vehicle reached 100,000 miles did not mean it was not worthy anymore. He stated that they

wanted the Fire Department and Police Department to have the right kind of vehicles but if they were taken care of and the oil was changed you could get a lot more than 100,000 miles. Mr. Salek stated that it was recommended to hire an Economic Development person but if one went down 321 from the Fish Hatchery entrance into the City, or 302 into the City, that was not appealing for someone who wanted to have economic development in the City. He stated that those were the two (2) big gateways in the community and they were terrible looking. He stated he had been in the City for 30 years, and it had not changed except to get worse. He stated that all the money had been put in the area of the City over Blossom Street and State Street. He stated that the area that was annexed into the City on Bluff Road he did not know how that taxed the City's resources and if it brought any income. He stated that he did not think Council had enough information to make an educated yes vote on anything that had been proposed so far.

Charlene Frye – Ms. Frye stated that she lived at the corner of Indigo Avenue and Ninth Street and the \$10 million grant the City got for drainage improvements was not going to take care of her lot and was only going up to BC High School. She stated that she was a commercial real estate appraiser so she looked at taxes all the time and the City did have some of the lowest taxes. She stated that one of her biggest concerns was the fact that South Carolina was one of the most rapidly growing states in the country so she was concerned about how taking care of things down the road was being looked at. She stated that they could not keep kicking the can down the road with some of the things that really needed to be dealt with. She stated that she was also concerned because she heard here all the time that the City did not have any money but Washington DC was printing trillions of dollars and Columbia had hundreds of millions of dollars that suddenly appeared and no one knew who it belonged to. She stated that if the City did not have money now, how was it going to be in the future. Ms. Frye stated that Council did a great job but she wished they would take a long term look at everything and think about how it was going to be when there was even more people coming in. She stated that she would also like to request that a separate hearing be held to talk about the drainage. She stated that there were quite a few people, including herself that were absolutely shocked that they had waited more than 30 years and did not have any money. She stated that she knew Council squeezed every possible penny they could out of \$1 but sometimes they might have to say we need to spend a little bit more and take care of people and do it right.

Mike Pazery – Mr. Pazery stated that in one section of the proposed budget it stated that a property tax to cover from the first of July 2024 to the 13th of June 2025 the millage rate was 66.1 on all real estate and personal property of every description and additionally, the City would impose a 10% increase on water and sewer for all customers inside and outside of Cayce and also charge \$3.59 per household utilizing more than 7,750 gallons bimonthly. He stated that the City was also going to increase the hospitality tax which originally was supposed to be implemented to take care of the cost of the Riverwalk and the Cayce Museum. He stated that he also understood that

the proposed budget included cost of living increases for utility employees. Mr. Pazery stated that he was sure that these employees deserved every raise they could get but many elderly residents of Cayce were on fixed incomes and the squeeze kept coming financially. He stated that it was his understanding that the City currently had an overfunded fund balance of upwards of \$9 million so how could they ask the taxpayers to give more money. He stated that it did not make sense for the taxpayers to receive an increase in millage from the City of Cayce, and then to receive another millage increase when the Lexington County tax reassessment took place in 2025. He stated that elections have consequences.

III. Close Hearing

The Council Meeting immediately followed the Public Hearing at 5:47 p.m. Those present included Mayor Elise Partin, Mayor Pro Tem Tim James and Council Members Phil Carter, Hunter Sox and Byron Thomas. City Manager Tracy Hegler, Deputy City Manager Jim Crosland, Assistant City Manager Michael Conley, Municipal Clerk Mendy Corder, Police Chief Chris Cowan, Fire Chief Steven Bullard, Finance Director Kelly McMullen, City Attorney Danny Crowe and City Bond Attorney Lawrence Flynn were also in attendance.

Mayor Partin asked if members of the press and the public were duly notified of the meeting in accordance with the FOIA. Ms. Corder confirmed they were notified.

Mayor Partin called the meeting to order and Council Member Thomas gave the invocation. Mayor Partin led the assembly in the Pledge of Allegiance.

Public Comment Regarding Items on the Agenda

Kay Hutchinson, Item III. A. – Ms. Hutchinson stated that she knew that her boss and friend Betsy Catchings, had intended on speaking to Council that night. She stated that she was no Betsy but would try to make her proud. She stated that she could give Council a perspective from staff. She stated that she knew Betsy would want staff's support and never their pity. She stated that Betsy put her heart and soul into this budget preparation. She stated that she started her preparation before she even took her position. Ms. Hutchinson stated that they did not take any increase lightly. She stated that she and her staff in the Water Department were the first to hear from residents and they shielded Council from the residents. She stated that they tried to not let anything get to Council. She stated that she was a longtime Cayce resident and loved Cayce. She stated that she lived in Cayce for 50 years and her current home was serviced by the City. She stated that the proposed budget affected outside city customers even more than inside city customers, and she was one of those customers. She stated that the City had a lot of employees that lived in Cayce and within the service area that would be impacted but they were willing to take that bite out of it that they needed to. Ms. Hutchinson stated that Betsy had family and friends impacted by

the decision to raise rates. She stated that as a result of an article in the State Newspaper, there had been a buzz around the City. She stated that people were scared about losing their jobs. She stated that some staff who could retire were considering it now that would not have considered it before. She stated that others were looking at job postings. She stated that the State Newspaper article stated that Council only knew about the need for increases for three (3) months and that was a little bit misleading. She stated that Betsy laid the foundation and had an excellent presentation in last year's budget meeting. Ms. Hutchinson stated that due to schedule conflicts, not every Council Member was able to make last year's and this year's budget meeting. She stated that those meetings were something that the managers looked forward to every year to present before Council. She stated that if there were schedule conflicts in the future, it would be great if the budget work session could be rescheduled it that was going to happen. Ms. Hutchinson stated that before Betsy became the City's Utilities Director, the budget was already cut before Administration ever saw it so obviously, Council did not see it either. She stated that the Utility departments did not have fluff or extra padding in their budgets. She stated that everyone from customer service staff on the front lines, to the field crew and meter techs that were customer forward and had an excellent ability to repair things without having expensive equipment. She stated that they were the MacGyvers that were out there for the plants and support staff, that kept the system safe, drinking water safe and the wastewater clean. Ms. Hutchinson stated that she looked back at recent rates and there were times when Council had to make hard decisions and raised rates 40% after a series of five (5) years of not having rates raised before. She stated that Betsy was selfless and did not like attention. She stated that Betsy cut herself first from the budget when she realized she had to make cuts. She asked Council to not let that happen. She stated that Betsy was not replaceable. She asked Council to consider at least at a minimum option B of a 25% increase.

Mark James, Item, III. C. – Mr. James stated that he was speaking on the rezoning request for 800 Lexington Avenue which was the former Cayce Grammar School. He stated that his firm, Cyprus Development Partners, was the owner of this property that they purchased in 2018 and they were proposing a single family residential development on the property. He stated that through a variety of reasons, they never were able to see the right vision for the property and get to a place where they had something they could work on that they felt had a high probability of success and would also meet the desires of the community and the City. He stated that they had reached an agreement with the City to purchase the adjoining property. Mr. James stated that the City runs a very hard bargain and he wished that his property was worth as much as the City's on a per square foot basis. He stated that their intention was to build 12 houses that would be single family for sale. He stated that the lot sizes that they intended to build would be 50 feet wide and roughly 120 feet in depth. Mr. James stated that the proposal was going to be in compliance with all the City's existing requirements regarding architectural requirements. He stated that the homes would be hard sided with raised floor elevations, front porches and some brick accents. He

stated that the purchase price would be dictated by the market but their hope was the homes would sell for \$400,000. Mr. James stated that they were currently planning an alley between Third Avenue and Eighth Avenue that would be where the access points were to the houses and the parking would be off that alley. He stated that the development would be managed and controlled through an HOA on the property. He stated that it was a great opportunity to create and expand the tax base and do an infill development that takes use of existing infrastructure and did not put a burden on extending lines or paving new roads that then had to be maintained afterwards. He stated that he wanted to compliment Ms. Hegler, Mr. Conley and Mr. Crosland for being so good to work with and so helpful in the process.

Ordinances and Resolution

A. Discussion and Approval of Ordinance 2024-06 to Adopt an Annual Budget, Levy a Property Tax, and Provide Revenue for the City of Cayce for the Fiscal Year Ending June 30, 2025, and To Adopt and Establish Certain New Fees and Charges with Amounts – Second Reading

Ms. Hegler stated that what was before Council was a result of their first reading action on June 4, 2024. She stated that there had been four (4) work sessions leading up to first reading starting in February and many offline conversations about the budget and how they got to where they were. She stated that there was a utility and a general fund budget and a master fee and charge schedule and Council was being asked to adopt an Ordinance on those that was sort of the umbrella over them. She stated that \$19,669,557 was how the general fund budget was currently balanced and that came out of Council's actions at first reading and in doing so would require increasing the City's mills to eight (8) mills. She stated that staff did remove the sanitation fee increase that was being proposed as an action Council took during the first reading. She stated that there was a transfer from the utility fund to the general fund for indirect costs of \$2.1 million and a hospitality tax revenue transfer of \$1.1 million. Ms. Hegler stated that there was not an increase in the hospitality tax since that could not be done. She stated that it was just noting what staff was expecting to generate in the coming year and transfer over to the City.

Ms. Hegler stated that what did happen in Council's action was to continue to approve things that would then come from the City's reserve or unassigned reserve account so what was before them was \$388,000 of one time purchases and \$379,859 had transferred to recurring purchases again based on Council's last action. She stated that staff did reduce the number of vehicles they asked for from eight (8) to five (5). She stated that would require staff to purchase three (3) new replacement patrol vehicles that were well over 100,000 miles and were not operating well and two (2) replacement Fire Department vehicles and staff was proposing to fund them on a lease basis. She stated that staff proposed using some hospitality tax funding for the Museum to do some exhibit upgrades. She stated that there was in this current budget as of the last

reading two (2) new FTEs, an economic development director had been mentioned, and a new driver for the sanitation department. Ms. Hegler stated that it was requested by Council that a cost of living increase be given to all the general fund employees so staff had proposed a flat rate of \$2,550 for every employee and that averaged about 1.5% to 8% based on their actual income. She stated that staff asked Council to approve removing the City's two (2) lowest pay bands that would make the minimum starting salary for a City employee \$35,600 which had a recurring cost attached to it. She stated that there were a number of operational increases staff felt was needed in the upcoming year and the City was covering staff's insurance which had a 11% increase and then the municipal financing, and risk insurance increased by 19%.

Ms. Hegler stated that if Council wanted to talk about how staff might reduce some of the City's recurring funds coming from fund balance, there were options listed in the white paper. She stated that on the utility fund side, it was out of balance at \$2.1 million with revenues being \$40,816,365 that was assuming the increase that Council proposed at the first reading. She stated that expenses as they stand and were presented to Council then were \$43,004,761 and again, that included the rate increase that Council proposed in first reading, which effectively equaled \$3.59 a month for an average in-city user. She stated that it included many of the same expenses as the general fund and staff would want to give the utility fund employees the cost of living as well as the general fund if Council should approve that. She stated that the proposed budget did cover a 15% debt coverage, the City's bond payments and all capital that staff was requesting this year was being proposed out of reserves. She stated that would be a one-time transfer from reserves that would not be affected by any rate increase that they had been talking about unless they went way higher. She stated that the proposed budget included the insurance increases including SCMIRF and health insurance. Ms. Hegler stated that the utility fund budget was out of balance and administration was asking for guidance on how Council wished to balance that. She stated that in the agenda packet was some cost impacts to the citizens and the master fee schedule and charges that reflected everything Council adopted last time so no changes were proposed there. She stated that moving forward Council needed to take an action of the Ordinance, a second reading and then they could discuss any amendments they might want to make to it at that point.

Council Member Sox stated that he was going to split his motion in two to address the general and utility funds separately. He made a motion to approve the original presented balanced budget of \$17,904,632 presented at the general fund work session on May 15, 2024, which included current staff and salaries, increases for insurance and other fringe benefits, current level operating costs and a \$2.15 million transfer from the utility fund and to include a two mil increase to promote employees and the bottom two pay grades to \$35,600 and to authorize the City Manager to use \$236,800 from the unexpended general fund revenue for fiscal year 23-24 for a retention bonus for all general fund employees. Council Member Carter seconded the motion. Mayor Partin asked Council Member Sox to clarify his motion. Council Member

Sox stated that essentially his motion went back to the balanced budget that was presented to Council at the general fund work session with zero increases and then from there added a two (2) mil increase that would cover the promotion of the lowest two (2) pay bands, capped at \$35,600 with the promotion, which would cost approximately \$109,000. He stated that it also took from the projected funds that would not have been used by June 30th and allowed for \$236,800 to be given to general fund employees for a retention bonus. Mayor Partin stated that Council Member Sox referred to the general fund budget workshop but Council had four (4) budget workshops so which one was he referring to. Council Member Sox stated that he was referring to the May 15, 2024 budget work session. Mayor Partin asked that he was not referring to the budget that passed on first reading. Council Member Sox stated that was correct.

City Attorney Danny Crowe stated that to the extent he functioned as the parliamentarian, he would propose that the motion was out of order. He stated that first, the budget Ordinance needed to be on the floor so a motion to approve the Ordinance was needed and then motions could be made once that motion was made and seconded, then motions could be made to amend the Ordinance or the budget attachments. Council Member Sox made a motion to approve second reading and then made a motion to amend second reading of the 24-25 general fund budget. Council Member Carter seconded the motion. Mayor Partin asked if someone could clarify for her what that meant. She asked if that was an unbalanced budget. City Manager Hegler stated that currently, yes, it was unbalanced. She stated that Council needed to be talking from an Ordinance perspective and could make whatever amendments they wanted to once you had an Ordinance and could open discussion on the floor and then they could make future amendments like the ones Council Member Sox suggested so the motion needed to be for second reading of the Ordinance.

City Manager Hegler stated that once the Ordinance was approved Council could have all the discussion they wanted in terms of how they amended it and then they would be adopting an amended Ordinance after any changes that they had made at that point. She stated that Council Member Sox had only talked about the general fund so far and what she noted earlier was the utility budget. Mayor Partin stated that if they approved it on second reading that would mean that the budget was unbalanced. City Manager Hegler stated that in that moment it would be unbalanced.

Council Member Sox made a motion to amend second reading of the fiscal year 24-25 general fund and utility budgets to approve the originally presented balanced budget of \$17,904,632 that was presented at the general fund work session on May 15, 2024, which included current staff and salaries, increases for insurance and other fringe benefits, current level operating costs and a \$2.5 million transfer from utility fund and to include a two (2) mil increase to promote all employees from the bottom two (2) pay grades to \$35,600 and to authorize the City Manager to use \$236,800 from unexpended

general fund revenue from fiscal year 23-24 for a retention bonus for all general fund employees. Council Member Carter seconded the amended motion.

Council Member Sox stated that Council heard from a lot of residents that night and appreciated them coming to the meeting. He stated that he heard many times that times were dire and neighbors were struggling. He stated that they were talking about adding a lot of new stuff to this budget, that he thought they could forego. He stated that he was a big proponent of the economic development director position but he saw that right now that should not be a priority. He stated that coupled with the fact that Council was not briefed on any budget issues until about three (3) months ago and last year, they only increased sanitation fees by \$2. He stated that he thought the City could do more with what they already had and included the minimum millage increase to take care of those lowest pay bands. He stated that many residents spoke on the fund balance and Council had reviewed it a good bit and currently the City had enough fund balance to operate for six months. Council Member Sox stated that the City's Attorney indicated 17 to 20% was the recommended minimum and the City was higher than that. He stated that he thought they could forego a little bit of that fund balance this year, not on recurring costs, such as some proposed in the amended budget and items presented to Council that night, understanding that fund balance was used for cash flow purposes. He stated that he did not want to spend all of it but would like to utilize it to take care of City employees with the retention bonus instead of throwing it back into the funds that were not expended in this year's fiscal budget which had allowed it to grow so much. Council Member Sox stated that he would like to see that used to give retention bonuses this year and with the two (2) mils, it would be enough to increase those pay bands, and bring the salaries up to \$35,600, which was covered by those mils with a little excess of that. He stated that if the two (2) mils were not used this year then the City would lose them this year and the \$236,800 of unexpended funds would give everyone covered by the general fund budget an increase of \$1,600, which is what some of the last conversations with staff were about.

Council Member Sox stated he would like to see the mils used as they were originally proposed at the budget work session, to take care of those on the lower end of the salaries. He stated that there was staff salaries on the lower end at \$35,000 and then there was staff making over \$100,000 and he would love to see those however, the City Manager would like to divvy those up, whether they be equal or whether they be regressive, or however that happened. He stated that he hoped that they honored what Council intended whenever they did that and he did not see a need for any increases above that. He stated that he did not know how they could ask residents to add recurring items like the Economic Development Director position. He stated that he would love to have a new full time Sanitation employee so there was someone to drive around the new streetsweeper but he would like to forego that position as well. He stated that maybe Council could reassess this in a couple of months and maybe projections on the general side would allow for a \$58,000 full time employee.

Council Member Carter stated that he served eight (8) years on the school board and over eight (8) years on Council and that night was the first time anyone ever spoke at a budget public hearing. He stated that the resident's engagement was appreciated and it moved his heart to see the citizens of the City so engaged. He stated that the City had a good situation with the fund balance currently. He stated that in 2014, the City had just short of \$1.1 million in the unrestricted, unassigned fund balance and that was not enough for staff to carry costs through December and January until the tax monies came in. He stated that in the last audit, which ended in fiscal year 23, there was \$9.3 million in fund balance. He stated that the numbers for this past year looking at the monthly numbers it looked like there might be a touch of surplus. He asked what number should the fund balance be. He stated that it was a matter of opinion, some said anywhere from 18 to 20%, to where the City was at 47 - 50%. Council Member Carter stated that he was going to challenge Council and charge staff that by mid-January that Council would have come up with a policy as to how to handle surplus. He stated that they had to be careful with recurring costs, but it was not unprecedented to put little chunks in recurring goals. He stated that it was not a great idea but was not unprecedented. Council Member Carter stated that the City needed a policy. He stated that in 2006-2007 the fund balance was in the negative and that was turned around from good staff, good city management, good upper level management, good decisions by Council, they turned a minus \$14,000 into a \$9.5 million fund balance. He stated that in a perfect world, one would spend the same amount of money every day but no one did that. He stated that the City never ran short on money but sometimes had a cash flow crunch in December and January before the tax monies came in. He stated that the City had a good situation on the fund balance and Council needed to make the necessary adjustments. He stated that he concurred with Councilman Sox that someone's wants and wishes would have to be sacrificed since the City did not have the resources to do it.

Council Member Carter stated that the situation the City was in did not shock him. He stated that he had been reaching for lack of a better term for several years. He stated that many years ago before three (3) of the Council Members were on Council, they had a council workshop and the former administration gave Council long term 10 year projections and that chart basically showed that the City's revenues were going to flatline. He stated that expenditures were certainly not going to flatline. He stated that he had been asking Council to look into the thing for years and it had fallen on deaf ears and here they were today. He stated with that being said, the fact that this Council, did not plan properly for the future that was mentioned, he was not going to burden the taxpayers with exorbitant increases right off the bat. He stated that they would incrementally do some things to get where they needed to be.

Mayor Pro Tem James thanked everyone for being there. He stated that he appreciated the phone calls and the talks that he had with many of the people sitting in the room over the last couple of weeks. He stated that one common denominator was that no one had the answer and the other common denominator that he wanted to focus

on, was the history of the City of Cayce, the history of this council, and how it has always taken care of its citizens and its employees. He stated not to focus on the fear that might have been spread out about what could come out of that night's meeting, but to focus on history because history was where the proof was. He stated that the City had always taken good care of their employees and done the right thing and that would not stop that night. Mayor Pro Tem James stated that not everyone was going to love it but Council was going to try to do the right thing. He stated that he had heard so much about the fund balance and how it could negatively impact the City's rating on bonds. He stated that was just one contributing factor, many that Council could not control. He stated that the City's attorneys were in attendance and one could ask them the question in case he was off track but the fact remained that there were many other contributing factors that affected bond ratings, versus just that of using a portion thereof, of the fund balance. He stated that the other thing he heard someone say that night was that fund balance should be for an emergency and if you walked the streets like he did over the past couple of weeks and talked to people, \$100 to them was an emergency. He stated that if Council could utilize some of those funds to help them through to where everything did not come down in one year on a citizen, then he was happy to do that. Mayor Pro Tem James stated that it was important to him that Council serve all citizens of the City of Cayce and not just those who could easily afford it. He stated that there were many students in local schools that did not even have funding for lunch. He stated that there was a lady that he spoke to on her front porch that was drinking water out of a cup and went back inside to get more water where he was used to a bottle of water. He stated that the May 15 balanced budget did take in employing all current staff and asked Council Member Sox if he was saying the two mil increase would be able to cover increases to staff as well as take out the bottom two pay grades which were pretty close to poverty. Council Member Sox stated that the two mils at \$67,000 would cover the \$109,000 needed to do that that was presented to Council. He stated that the unexpended revenues from the general fund based on the monthly expense reports Council received about a week and a half ago and based on conversations he had any other unexpected costs that one would not see in there would remain enough money to cover the \$236,800 from unexpended items in this year's budget. He stated that a good chunk was carried over last year as well and put back into that unassigned balance.

Mayor Pro Tem James stated that Council Member Sox referred to a retention bonus versus COLA. Council Member Sox stated that a COLA would need to be indexed as a cost of living increase and he thought based on some of the decisions Council was having to make it was a good compromise this year to be able to take care of staff with a retention bonus rather than a salary increase other than the two (2) that will be covered by the millage increase.

Council Member Thomas thanked everyone for attending the meeting. He stated that he always loved seeing a beautiful, packed house and it was their house. He also thanked everyone that had called or texted him in regard to the budget and stated that he wanted to be a councilman that people knew that when they contacted him, he would

call them back because transparency meant the most to him and communication. He stated that he supported his fellow council members regarding the small millage increase they were proposing, which he did believe was fair. He stated that in regard to the utilities increase, at this time, it was not needed so he would be voting no. He stated that hopefully in the future, they could find ways to separate the two. He stated that he received so many calls and texts from constituents who were living paycheck to paycheck or on fixed incomes. Council Member Thomas stated that constituents had told him District Two had been left behind and neglected. He stated that Mayor Pro Tem James saw it firsthand when he walked with him and spoke with constituents in his district. He thanked Mayor Pro Tem James for going with him. He stated that for years, the City's rhetoric had bragged about the City's cost of living being one of the lowest in Lexington County. He stated that Cayce was not the lowest in Lexington County regarding its poverty rate, which was currently 17.9%. He stated that Lexington County's poverty rate was 11% and the state of South Carolina's poverty rate was 14%. Council Member Thomas stated that must change and Council should not be in a position of having to make massive increases. He stated not being proactive and making incremental increases along the way had put them in this position and therefore they should not burden the taxpayers with a massive increase. He stated that he believed they should do whatever it took to do the minimum increases on their citizens and stay transparent with where they were headed. He stated that he would rather work harder to figure out solutions so his constituents could have a fighting chance.

City Manager Hegler stated she had some questions for clarification. She stated that if Council was making a motion on potential leftover monies from this fiscal year that would not be trued up until the City received final invoices in September and October and then of course the audit was after that. She stated that those potential increases would not happen until the City trued up its books this year or they should not in her opinion. Council Member Sox asked if she was saying that the retention bonus would come through whenever the books were freed up after October after taxes. City Manager Hegler stated that was what she would recommend. City Manager Hegler asked if Council Member Sox wanted to apply the two (2) mils to removing the lowest pay grades and did have that as being \$109,000. She stated that she thought that number was high. Council Member Sox asked what were the mils the City would lose this year. City Manager Hegler stated that if he was referring to the look back it was 137. Council Member Sox asked Council if they wanted to go with the two. Mayor Pro Tem James stated that he did not want to assume he understood what City Manager Hegler's question was but he thought she was just being frank and honest in letting Council Member Sox know that the 109 that he suggested was a good bit more than probably what it would cost. He stated that he thought it was nice to be able to have some extra funding in that.

Mayor Partin stated that she was still confused. She stated that she knew transparency was an important word but Council had four (4) budget workshops and most municipalities did not even have one (1). She stated that the fourth budget

workshop was for Council to do what they were trying to do on the fly right then, without giving staff or even apparently, the rest of our council members, the transparency, the camaraderie, and the ability to make sure they were are doing the right thing for you. She stated that this was not what good governance looked like. She stated that good governance did not come up with an answer in the ninth hour. She stated that at that fourth budget workshop, she literally had to pull answers out of Council. She stated that the City's Director of Finance had a really helpful app where she could toggle and show the impact of each decision. She stated that to try to look at it now when that was not even what was passed on first reading. She asked if that meant that they even had a balanced budget because May 15th was not a balanced budget. City Manager Hegler stated that she relayed to Council that even though there was no action staff could balance without any increases in the general fund. She stated that the utility fund was unbalanced. Mayor Partin stated that she thought at first reading there was an increase of eight (8) mils. City Manager Hegler stated that was correct. Mayor Partin stated that now they were discussing an increase of two (2) mils. Mayor Pro Tem James stated that the motion was two (2) mils. He stated that if he was understanding Council Member Sox correctly, he was going back to the May 15 presentation, which was a balanced budget with the exception of certain things but he was going to utilize some surplus to put those things in that they knew were a priority for staff.

Council Member Sox stated that was correct. He stated that Council was presented a balanced budget with no increases across the board that could operate as a bare bones budget and they were starting back there because it was not until about a week and a half ago that Council received the expenditure report on monthly expenditures for the past year to review. He stated that Council did not get any sort of description of a millage or fee increase until they received the white paper for first reading. Council Member Sox stated that they did have a couple of work sessions – one was a utility work session where they heard from Raftelis, one was a work session for the general fund, one for the utility fund and a separate one. He stated they had one other one starting back in February that was the original rate study work session. Council Member Sox stated that a lot of City Councils had work sessions every month. He stated that he appreciated staff taking the time to set the third meeting for Council for the past couple of months. He stated that based on these new figures and digging into the City's costs and the fact that they were not even fully utilizing what they had and asking for more on the general fund side, he did not see a need to increase to eight (8) mils this year. He stated that he did not feel like they should based on a lot of the things they had heard from residents that had reached out and how dire the economic climate was in Cayce currently.

City Manager Hegler stated that the City had not closed out its books for this year and still received invoices until October so she did not want to be misleading that staff had not spent certain things since they would spend more money than what Council saw in the reports. Council Member Sox stated that what City Manager Helger was saying then is that money that would have come in in July would have been used, just

like it was used this past year, next year, as well so they were adding one (1) more month so that would mean that last year's budget as well would have had that same situation where you have more money, a few things staff had to close out. He stated that he believed there were a couple of different items that needed to be closed out and about \$800,000 in Axon payment they needed to make that were the biggest payments that needed to be made outside of regular expenses. Mayor Partin asked if that made the budget balanced. City Manager Hegler stated it only balanced the general fund. Mayor Partin stated that if they were not increasing to the eight (8) mils, then something was being cut. Council Member Sox stated that nothing was getting cut, the bottom pay bands were getting increased and staff would get a one-time retention bonus. Mayor Partin stated that there had to be something in six mils since staff did not make that up.

City Manager Hegler stated that within the white papers, everything that the eight (8) mils would have funded was detailed. She stated that her understanding from Council Member Sox's motion was that he was going back to May where staff presented a bare bones budget with no increases. She stated that there were no additional operation costs and there was no capital. She stated that she had not heard an answer on capital, but the cost of living was lower and it was now a retention bonus of whatever staff could make work out of what was left over from this year. Mayor Partin asked if there would be much left over from this year. City Manager Helger stated that she thought staff could get pretty close. Mayor Partin stated that there was not much left for staff at all. City Manager Hegler stated that they had a couple months to figure that out. She stated that they discussed a lot of increases in the May meeting and even discussed those increases at the last Council Meeting and that was what led to the eight (8) mils proposal. She stated that they were going back to a bare bones budget and only adding, as she was understanding it, the reduction or the elimination of the two lowest pay bands and then \$230,000 worth of retention bonuses.

Council Member Sox stated that was correct. He stated that of as the end of May, the general fund budget had 85% of its budgeted to use expended based on the average monthly amount that had been expended for each line item taking out the \$800,000 for Axon and the general fund. He stated that based on his calculations, there would potentially be over \$600,000 remaining and based on that estimate, he felt that there would be enough for retention bonuses from this fund and if it was not, then Council could go back and address it. He stated that he felt confident that they could address it and pull it back out of the fund that it was going into. He stated that money where staff had been over on these funds had just been going into that unassigned fund so he would rather see that money go ahead and be used instead of going back into that fund that had been built up. Council Member Sox stated that he knew that a lot of that was built up from the fact that the City was able to use ARPA funds to make capital purchases. He stated that that there had been hundreds of thousands of dollars from some of these budgets every year that had just rolled over into that unassigned balance so he would like to see the City utilize those funds this year since it was such a tough and tight year instead of doing an across the board COLA doing a retention bonus.

City Manager Hegler stated that if Council looked at the white paper, what was being removed from first reading were the two (2) new full time employees, and Council Member Sox, acknowledged that there was additional operational expenses of \$121,325 for supplies, uniforms, travel, \$10,000 additional in the facade grant program, \$15,000 additional in the demolition program so all of these items were being removed and that was how Council Member Sox was balancing the removal of six (6) mills. Council Member Sox stated that he thought that whatever the overage was, now that City Manager Hegler had indicated, they were going to have to use as much money to bring up the two pay bands, he thought as the CEO, she could figure out how she wanted to divvy that up based on some of these items since it seemed that a few could be purchased with that. He stated that they would leave that to her discretion.

Mayor Partin stated that there would be no management training for two employees, who were probably managers and no increase in auto operating expenses for the police and fire. She asked what that meant. City Manager Hegler stated that was the increases in operating the City vehicles. She asked Mr. Bill Clark, the City's Fleet Manager, to address that. Mr. Clark stated that the new Tahoe's front brake job was about \$450 and the brakes were only lasting about 10,000 miles. He stated that it was a known problem with the Tahoe SUVs, but there was no fix for it yet. City Manager Hegler stated that the \$10,000 in the proposed budget was for that. Mayor Partin stated so they would not be able to fix those brakes. Council Member Sox stated that the \$10,000 could be covered at the City Manager's discretion based on the leftover money, which sounded like it was almost double and would be almost one full mil leftover. He stated that back to the employee trainings, it looked like there was \$3,800 for employee trainings in last year's budget and as of May only 44% of it had been used so however City Manager Hegler thought as the CEO would be best, he trusted her judgment. Mayor Partin asked what supplies and uniform increases and additional travel and training for the police department meant. City Manager Hegler stated that the uniform increase for the police of \$7,000 and additional training for the School Resource Officers was \$11,000. Mayor Partin stated that the School Resource Officers would not get training that they needed and some officers would be without uniforms. She asked what service contract increases in medical supplies for the Fire Department covered. Fire Chief Bullard stated that currently the Fire Department borrowed equipment from Lexington County EMS and the Cayce Fire Department was trying to become a more certified agency so they could provide better care to the community and that entailed getting a certification through DEHC becoming a BLS agency and that required certain medical equipment that the department had to have to get that. City Manager Hegler stated that cost was \$20,350.

Mayor Partin asked what the Planning Department's training entailed. City Manager Hegler stated additional training for staff. Mayor Partin stated she was assuming that they were receiving training to help them make zoning decisions and those kinds of things. She asked what the additional auto operating expenses and equipment repairs were for the Sanitation Department. City Manager Hegler stated that

was related to additional training on the street sweeper and that was just for travel since the training was free. Council Member Sox asked if it was additional training for the one (1) employee that was certified to drive it. City Manager Hegler stated that the training was for working on the street sweeper. Mayor Partin stated that without a regular driver and then without the training, the cyclists were not going to be able to have a clean road to ride on. Council Member Sox asked if staff had the data on or the amount of days the street sweeper was in operation. Mayor Partin asked what the additional tree removal funds and special supplies for the Parks Department entailed. City Manager Hegler stated that staff was having to remove more and more trees every time there was a weather event so \$5,000 was built in for that. Mayor Partin stated that the Facade Grant Program was a program for small businesses to make their street fronts attractive and to bring business in and additional funding would not be budgeted for that. She stated that the demolition program was a code enforcement issue. She stated years ago, there was a house that was dilapidated and someone got murdered in it but there would not be funding for doing some of that. Mayor Partin asked if that covered the things that were not going to happen. City Manager Hegler stated that she believed so based on the motion. Mayor Partin stated that Council was proposing using recurring funds for the lower band salary increases

Mayor Partin stated that she wanted to address some of the things that were said during the public hearing comments because they were somewhat germane to the conversation. She stated that regarding the comment that only some people got budget flyers on their roll carts, the City's sanitation team, the employees that residents raved to Council all the time about how awesome they were, they were the ones who put those budget flyers on all the roll carts. She stated that the sanitation team was amazing and they went above and beyond in doing that every single year. She stated that it was a really creative and inexpensive way to make sure that citizens knew the budget information. She stated that while the sanitation team could not control the wind, they took pride in being a part of that extra communication that the City offered citizens and they would never do anything but their best to make sure that every household received a budget flyer. Mayor Partin stated that at the top of the budget flyer it said the public hearing and second reading of the budget was at five o'clock and listed the details of the meeting. She stated that it was said earlier that it was not on the budget flyer, but it absolutely was. She stated that there was a comment about the cost of living raise included for staff but that cost of living raise did not include the City Manager. She stated that employee recruitment and retention was something that the entire council had said was incredibly important to them and making sure to retain the City's phenomenal employees was critical. She stated that the City Manager suggested that that cost of living increase not include anyone with a salary above \$70,000 this year, but some council members wanted to make sure that included everyone. She stated that the City Manager was still not included in that increase.

Mayor Partin stated that cuts had been suggested by many people, and even by Council. She stated that there were many staff members in attendance, much more

than normal. She stated that earlier they heard Miss Hutchison speak and many people might not know that she was a City employee. She stated that Ms. Hutchinson was not being histrionic when she said that employees might not stay after this. She stated that she was not making up that some who would have stayed with the City for several more years were going to look at retirement earlier. She stated that the actions by Council in the 11th hour, without having sat down with staff and without taken advantage of the great app the Finance Director put together. She stated that someone said during public comment that she said she would not increase rates. Mayor Partin stated that those words never came out of her mouth because no sane businessperson would ever say that and that was what Council was doing, running a business. She stated that no sane businessperson ever said they would never increase fees because if they did, they would be out of business. She stated that she never said that. She stated if there was confusion about a tax bill, it was because someone might have looked at the entire tax bill since the City was the smallest part of the property tax so that small number she gave during that citizen involvement was in fact true. She stated that the School District was planning to increase its mils by 21 mils this year. She asked if there was an emergency or something going on that all of a sudden, they needed 21 mils. She stated no there was not an emergency but the increase in 21 mils affected everyone and affected renters the worst.

Mayor Partin stated that during the public hearing comments people talked about the roads and streets. She stated that the City always wanted to make sure that people had all the facts. She stated that the City did not have any jurisdiction over any roads or streets and they were maintained by the County or the State. She stated that staff would look up the street for anyone and let them know if it was maintained by the County or State. She stated that staff would also call the County or the State for a resident but the City had been told by the State that if a resident called they were required to respond and fix that road faster for the resident than for the City. She stated that Council talked about if there was anything they could do to not be in this position and there was. She stated that staff asked Council to raise the rates. She stated that it was not staff's fault that they were in this position and it was not a surprise that they were in this position. Mayor Partin stated that citizens could be proud of the fact that the City had some of the lowest taxes and fees in the entire region with the highest quality of service. She stated that Council had done an amazing job of really being careful about threading that needle, to make sure that if we need to raise they do it so they can take care of City employees.

Mayor Partin stated that the City had the best employees and she was watching them hang their head when Council said certain things. She stated that Council had to make the tough decisions sometimes. She stated that residents stood before Council that night and said how thankful they were for the City's team and how thankful they were for the City's customer service. She stated that maybe the City could get by without the eight (8) mils but what were they impacting in the meantime. She stated that staff did not just make that recommendation and it was not as though staff did not

know how to look at the monthly reports. She stated that Council implied that staff was padding the numbers a little bit and there was not a single staff member who padded anything in the budget and Council knew it. Mayor Partin stated that Council got together for budget workshops where they were focused solely on this budget and had extra work shops this year because they were careful, thoughtful, and prepared. She stated that anyone on Council who said they were not prepared was lying. She stated that they had rate experts and all kinds of attorneys there and amazing staff who went out of their way with pride to provide excellent service to citizens. She stated that it brought them joy and they could make more money in the private sector, but they loved the City and the culture that had been created there.

Mayor Partin stated that Council was asked to raise last year and did not. She stated that if they got by with two (2) mills this year, what were they going to do next year. She stated that two (2) years ago, she brought an idea to Council that came from national experts, at no cost to the City. She stated that the advice was an opportunity to bring in more business, more revenue, more jobs to the City, so it was not on the backs of taxpayers. She stated that it was an opportunity for building owners to do something fun and creative, make money for themselves, bring more small businesses that everyone could enjoy. She stated that Council voted that down and that was certainly their prerogative but in two (2) years what ideas had they come up with.

Council Member Carter stated that if he was reading this white paper correctly, all the items together were approximately \$121,000. City Manager Hegler stated that was correct. Council Member Carter stated if they went from two (2) mills to four (4) mills, two (2) mills was worth about \$135,000 and that would cover the nine (9) bullet points listed on the white paper. City Manager Hegler stated she thought that was correct. Council Member Carter stated that it looked to him that four (4) mills would cost a homeowner that had a \$250,000 assessed value on their home \$3.33 a month. He stated that was based on assessed value, not what they could sell their house for. He stated that there was going to be a reassessment in a year and a half but he would be willing to go to four (4) mills to cover the nine bullet points. Council Member Sox asked how many of the nine (9) items could be pulled from fund balance. He stated that it looked like classes were not recurring and the additional funding for the demolition program and facade program. He asked if those were recurring expenses or were they looking for that to be a recurring expense. He asked if they could make it work with three (3) and fund things like service contract increases for medical supplies that would need to stay the same and the operating auto operating equipment repairs for sanitation or were of the items in the 121 able to be funded through the balance. City Manager Hegler stated that they could because they were not necessarily rollover salaries so they would be presented to Council as itemized items next year that Council could choose not to fund. She stated that it was likely things like the cost of service contracts and repairs would continue, but they would be itemized in future years. She stated that it was not a rollover of salaries or benefits that continue on, so they could not be taken away but Council could choose not to do these in the future.

Council Member Sox asked how many hours the street sweeper had on it and how many applications did staff process for the facade grant program in the past year. Assistant City Manager Conley stated that staff processed one or two applications. City Manager Hegler stated that used all the money for the program because it was a small fund and the goal was to do more of them. Council Member Sox asked if the proposed \$10,000 would be recurring. He stated that he would like to make the 121 work with three (3) mils and then what could be pulled for the fund balance. City Manager Hegler stated that three (3) mils would net \$203,742 and the value of one mil was \$67,000. Council Member Sox asked City Manager Hegler if she would be willing to come back to Council with one time capital expenditures and tell Council what she thought based on what was an absolute need. He stated maybe not just in this, but with others. He stated that he thought it deserved a little bit more eyes if they were going to consider any of them together and on both budgets based on what they passed that night. City Manager Hegler stated that she would certainly do what was Council's will. Council Member Sox asked if they could be approved at any time. City Manager Hegler stated that was correct and she would have done that because there were some capital expenditures that had always been proposed for out of fund balance that she would still want to bring forward. She stated that some repairs were needed to the firehouse and the kitchen there and these were things that if Council did not approve them that night, she was going to bring them back to Council at a subsequent meeting as a one-time purchase anyway. She stated that there were some items Council needed to consider because they were capital and staff could bring that back at a later date if it was not being funded that night.

Council Member Sox stated that he was there to look out for the citizens of Cayce and then staff and he believed the proposal he put forward that they had adjusted a little bit. He stated that he guessed he had not made the motion yet so he rephrased that to adjust anything if they could make three (3) work. He stated that was a conservative budget that he was confident they could make work. Mayor Pro Tem James asked if he was willing to amend his motion. Council Member Sox stated that he was willing to consider three (3) mils if it covered the items that were reoccurring that Council Member Carter would like to see covered. Mayor Pro Tem James stated that he would like to see Council move forward with that if Council agreed and hoped that even newly elected Council Member Thomas saw fit in a small increase with the millage.

Mayor Partin asked if she could get some more guidance from staff on the impact of two (2) mils on the general fund. She stated that she regretted that a council member had not bothered to sit down with staff and ask if their information was correct to make sure they were understanding the monthly reports. City Manager Hegler asked if she was asking about the predictability of the closeout for the current fiscal year. Mayor Partin stated yes and where did that leave the fund balance. City Manager Hegler stated that CFO McMullen could give Council a snapshot of percentages spent but most of the departments were at 96%, which was where they should be at this point. Mayor

Partin stated that she did not want to put staff on the spot since they had not had time to look through the information and that was what the budget workshops were for. City Manager Hegler stated that she could not refute Council Member Sox's total estimate that the City was at 85% of the total. She stated that the City received a lot of bills in the last few months of the fiscal year so she was certainly happy to have Ms. McMullen go department by department with Council. She stated that she did not know which particular line item Council Member Sox had looked at and added up to 230. Council Member Sox stated it was 236 and he added all of them up and averaged all the months out and he took out items that he contacted staff about to see where major items would come out, which led him to realize that they had \$800,000 in Axon, which was quadruple what they paid for with ARPA funds but it was coming out. He stated that when you took that out and took all of the averages and put them together, you were left with more than half a million dollars in the green. He stated that based on these calculations, and he noted that he had the sheet for under a week and a half, but at the moment, based on through May, they had expended 85% of the budget which would leave \$2.99 million remaining. He stated that there were big chunks that had to come out of that but based on what he was looking at, and the fact that they had so much in similar fashion last year, one could presume that \$236,000 would be remaining to be able to fund a retention bonus for all general fund employees based on the numbers. City Manager Hegler asked CFO McMullen where the City currently stood.

Ms. McMullen stated that first she wanted to caution Council about using a budget to actual. She stated that when the budget was processed in 2024 it was based on the anticipation of several grants, many of which the City did not get. She stated that budget to actual was just what staff thought was going to happen in a moment in time and comparing it to what actually did happen. She stated that she would recommend Council look at more of a revenue and expense line item detail. She stated that if one was looking at the City's currently, the revenues versus the expenditures on the general fund side, it was \$50,000 away from zero. Council Member Sox stated that today compared to a week and a half ago where it was 16. He stated that he understood Ms. McMullen's spreadsheet was probably a lot more accurate and taking in items since the end of May but there was \$3 million extra sitting there less than 26 days ago. Ms. McMullen asked if he was referring to the budget to actual. Council Member Sox stated that he was referring to what the City Manager sent Council and he converted it into an Excel spreadsheet. City Manager Hegler stated that he was looking at expense actuals at that time. Ms. McMullen stated that should have been based on anticipated grant revenues of around \$2.3 million which many of them the City did not get. Council Member Sox stated that staff would have hung on to the match that was set aside at that point. Ms. McMullen stated that they would not have spent the money because they did not receive the grant. Council Member Sox stated so essentially, without the grant money they did not expend, there was more money that was not expended, because they did not get the grant.

Ms. McMullen stated that was correct and that was why it was important to look at revenues and expense, as opposed to a budget versus an actual because the budget was going to change year to year. She stated that anticipated grants for this year were not even close to as high as last year so it was going to cause that to go up and down and be very fluid but the income statement was always going to be on par with where the City was sitting as far as health in the moment. City Manager Hegler stated that the annual actuals were always in the budgets too from the prior year that was last audited, so that was always a helpful figure too. Council Member Sox stated that he would amend the motion whenever they did it to pull whatever they were able to at the max from what was not expended and this year's unexpended general fund and then the rest of the retention bonus could come from the nine plus million dollar fund balance unassigned fund balance. He stated that he would amend that to that and then do that whenever they adjusted for a millage. He asked Council Members Cater and James if they would consider three (3) mils if it was able to cover the 121 items that would be recurring and then take the items out that would not be recurring from the 92.

Council Member Thomas stated that during public comment, a lot of people stated that they did not understand what a millage was and asked City Manager Hegler to breakdown 3% and 4% on a monthly basis on how much that would be for a \$100,000 house. City Manager Hegler stated that four (4) mils on a \$100,000 home was \$16 a year. She stated that they hoped to see what three mils was two thirds of three fourths and they were talking dollars a month on a \$100,000 home for each mil increment. Council Member Thomas asked if they did four (4) would that get them to the finish line where they were trying to get to. City Manager Hegler stated that her finish line was eight (8). She stated that Council Member Sox made the comment that if you wish to fund these operational expenses, and just articulate them as one time, you may choose to pull them out of fund balance and not change your mill. She stated that then staff would just come to Council next year as actual different items they could do. She stated that there might be a reason they did not have to fund some of them next year. She stated that one (1) mil would only fund about half of everything that was on the list as operational expenses and they had not talked anything about capital. She stated that it was Council's call how many mils they wanted to do. She stated that she understood two (2) mils was for eliminating the bottom two pay band grades. City Manager Hegler stated that if Council wished to fund \$121,000 of the operating expenses that were good things for staff and things that were needed for the departments, they could choose to do that via a mil or could take it from the fund balance and it would come back to them next year as a single purpose item. She stated that again, she would reiterate that there were capital items in there that she would still wish to pursue if Council wanted to entertain that then or at a later date.

Council Member Sox stated that three (3) mils would leave about \$138,000 with the new lowest starting salary numbers that was indicated that were about \$64,000. Council Member Carter stated that at the top of page two on the white paper there was \$132,300 for software purchase utilizing income earned from ARPA interest so that was

not the \$800,000 for Axon. City Manager Hegler stated that the \$800,000 was the cost of that contract and always had been. She stated that they funded one year of a multi-year contract out of ARPA and the City received a grant to fund the rest, but staff held it on the books because it was income in and then it came out. She stated that it was not a payment and Council was not deceived in any way. She stated that staff was proposing to purchase software for the Finance Department with pure interest at no cost to the City since interest on ARPA had been sitting in the bank. Council Member Carter asked if it was just a one shot \$130,000 or was it in perpetuity. City Manager Hegler stated that it was a one shot purchase but there would be additional maintenance fees throughout the years that would be mobilized in future budgets.

Mayor Partin asked Ms. McMullen if she had any other information she wanted to share with Council. Ms. McMullen stated that there might be additional information that could be related to the reassessment next year that was brought up. She stated that they heard from citizens that the City should just wait for next year for reassessment and she wanted to clarify just a little bit of information for Council as well as the citizens themselves. She stated that the reassessment year would be tax year 2025 and would fall in the City's fiscal year 26, which was next year. She stated that when a reassessment was done they looked at everyone's market value of their homes, and they redefine those assessment values. She stated that however, if that did increase, the City was not allowed to have a windfall created from reassessment and that was where the rollback millage came into place, which was a State mandate that the City was required to follow. She stated that the mandate dictated that the tax income, the tax revenues that the City received in the upcoming year that Council was currently budgeting for, the City could not receive any more than that next year based on new values. She stated that in order to combat the raise assessments, the City would have to decrease its millage to even them out so she would not rely on anticipated assessment increases in the next year.

Mayor Partin called the question on the two (2) mil increase. City Manager Hegler asked if it was two (2) or three (3). Mayor Partin stated that the motion on the floor was two (2). Council Member Carter stated that it was four (4) because of the potential surplus being less. Mayor Partin called the question. Mayor Pro Tem James, Council Members Carter and Thomas voted yes. Council Member Sox voted no. Council Member Carter asked if Council Member Sox was going to amend his motion then shouldn't he have amended it. Mayor Pro Tem James asked City Attorney Crowe if he could give Council a little direction. City Attorney Crowe stated that Council Member Sox could voluntarily amend his own motion. Mayor Partin stated that the maker of the motion could amend the motion so he was allowed to change his motion, but he already voted against this motion. Council Member Sox stated that in lieu of conversations he made a motion to approve the originally presented balanced budget of \$17,904,632 presented at the general fund work session on May 15, 2024, which included current staff and salaries, increases for insurance and other fringe benefits, current level operating costs and a \$2.5 million transfer from the utility fund and to

include a four (4) mil increase to promote all employees from the bottom two (2) pay grades, and allow the City Manager to use the excess to fund recurring items presented at her discretion and to use all remaining unexpended general fund revenue from the fiscal year 2023-2024, and whatever was needed from the unassigned fund balance to give \$236,800 to a retention bonus program for general fund employees. Council Member Carter seconded the motion. Mayor Partin called the question which was unanimously approved by roll call vote.

Mayor Partin stated that she still needed to take action on the rest of the Ordinance which was the other half of the budget. Council Member Sox made a motion to approve the utility fund budget with a 10% utility rate increase and authorize the City Manager to use any remaining unexpended utility fund revenue and fund balance. He asked Council to disregard that since that rewrite was based on some of the projections. He then made a motion to approve the utility fund budget with a 10% utility rate increase and authorize the City Manager to use unexpended utility fund revenue from the fiscal year 2023-2024 and any funds needed to make up \$126,400 from the reserve fund to create a retention bonus program for utility fund employees. Council Member Carter seconded the motion. Mayor Partin stated that she believed that meant they did not have a funded, balanced budget. City Manager Hegler stated that she would say it was still unbalanced but would have to do the math. Mayor Partin asked for some guidance on what happened with an unbalanced budget.

City Attorney Crowe stated that if Council intentionally passed a budget that included an unbalanced utility enterprise fund budget, then the City was subjected to potential legal challenge and legal risks because it jeopardized among other things, the City's debt coverage covenants in the bonds. He stated that the City had obligations under the covenants or promises of the bond, that they would maintain certain debt coverages. City Bond Attorney Flynn stated that the Constitution actually required that Council adopt a budget that had properly balanced revenues and expenses. He stated that it did not say those revenues and expenses had to come from the same source but they could not have a budget that was not in balance, it violated the terms of the Constitution. He stated that with respect to coverage, the City did have minimum coverage requirements under its master bond Ordinance and as they had talked about before, that was 1.1 times net earnings over debt service and was obviously a number before the transfers over to the general fund were made. City Attorney Flynn stated that the issue with budgeting versus actuals, was the coverage was calculated on the basis of actuals so it could only be ran on the basis of the numbers that were finalized.

City Attorney Flynn stated that they would not know whether the City was in coverage compliance for fiscal year 24, until the audit financial statements for fiscal year 24 were finalized. He stated that the projections were showing that the City was going to be underfunded with respect to coverage and would not meet the mandatory minimum coverage ratio and that was the reason the rate consultants had proposed doing a 40% rate increase to be able to make sure that the system sustained itself in

compliance with coverage requirements. He stated that they would not know for another six (6) to 10 months how it was going to turn out. He stated that the revenues that they were planning to put in place through the budget amendment would not be known until the end of fiscal year 25 because they would not take effect until this year. He stated that if the City failed coverage compliance, it was an event of default under their bond documents, in which case, the trustee would then come in and step in and in order to protect bondholders the trustee would increase the City's rates up to a level sufficient to be able to make sure that the City could run and operate the system on an efficient basis and continue to make debt service. He stated that it was a double edged sword, because the City had a constitutional requirement to pass a balanced budget, after proper notice, but Article 10, Section 7 of the Constitution required a properly balanced budget, that did not require the City to have a budget where revenues explicitly met expenditures. He stated that Council could move money from fund balance but that was not a great budget practice and that would typically violate the terms of what they would say is best to have a balanced budget, but it might not be a fiscally sustainable budget.

Council Member Sox asked Attorney Flynn if he was saying they would not know the full impact of 10%, or any percent increase for over another year. Attorney Flynn stated that there were projections that had been done by the City's independent rate consultants that were projecting that in the absence of the 40% rate increase that was originally proposed, Council was at risk of violating the City's bond covenants. Council Member Sox asked if the primary driver of the downward credit pressure was a reduction in debt service coverage, due to the fund transfer that the City was making. City Attorney Flynn stated that it was a variety of factors and the City's credit pressures were not due solely, and they were not solely attributable to the issues associated with coverage. He stated that the demographics of the community, the size of the system, the fact that the City had major capital needs that were upcoming, the fact that Council had not put a rate increase in place in five (5) years, the fact that they were dealing with 20% inflationary costs on insurance costs, that the City had seen across the board increases in chemical costs, declining trends on fund balance and reducing trends on debt to equity ratios. He stated that all of those things were part of the package that they were going to look to.

City Attorney Flynn stated that the business operation of running a water and sewer system and then also the demographic and financial information associated with running that system in the City of Cayce and the surrounding areas that the City served and all of those things became part of the greater package of taking a look to say, are we in a position that your credit rating would be sustained. He stated that the credit rating was really, as a bond counsel, it was irrelevant to where the City stood currently because they were not actually in the market of issuing debt. He stated that the credit rating affected the City's ability to borrow money in the future and that was certainly things that needed to be thought through as Council started looking through the City's dynamics for improvements that were needed to be made to the system. He stated

that it was going to increase the City's borrowing costs, if they needed to make expansions to the treatment plant or the wastewater treatment plant. He stated that the real boots on the ground, important criteria that they were trying to reach and the reason for the cost of services analysis, and the rate study that was otherwise performed by Raftelis was taking an aggregate look at the City's system, recognizing that the City did have declining trends on coverage and trying to address those declining trends through rate adjustments. He stated that there was only two (2) ways to increase coverage, since the debt service was fixed, either raise revenues or reduce expenses. He stated that in the absence of being able to reduce expenses and recognizing that the City had lots of open positions in the utility department, the only way to cover that was through making incremental rate adjustments, and they were big rate adjustments, and they certainly recognized that. He stated that 10% was not sufficient to be able to sustain coverage into next year.

Ms. Mihaela Coopersmith, a Consultant with Raftelis, stated that a 10% increase was about a \$760,000 increase in revenues because the increase did not apply across the board. She stated that it only applied to the retail water and sewer rates. She stated that the wholesale sewer rates were separate. Council Member Sox asked if the \$12 million that was generated from that year, if Ms. Coopersmith was then taking out the cost to treat the waters to get to seven. Ms. Coopersmith stated that they were only focusing on the on the \$7 million that the City received from retail customers. She stated that the \$5 million that were from the City's wholesale partners were calculated separately and was a contractually based rate. Council Member Sox asked if the Industrial Park was separate. Ms. Coopersmith stated that the Industrial Park would be within the sewer inside or outside and the wholesale had to do with the Town of Lexington and the Joint Municipal Sewer and Water Commission. Council Member Sox asked what was the exact dollar figure on the 7. Ms. Coopersmith stated \$758,289 based on their projections. Council Member Sox stated that he appreciated them walking through this with him and asked if the money in the account this year to cover all of this with the rate that was not going to change was that how short it was looking for this year or were they saying three to five years down the line. Ms. Coopersmith stated that they were looking at being short for fiscal 2025. She stated that her understanding from staff was urgency in understanding this year and making sure to find all the proposed expenses for fiscal year 25. She stated that the options Raftelis provided to Council was the 40% increase which would then ensure that the City had enough revenues to go to what they called annual maintenance rate increases after that, which used to be 2 to 3% but currently inflation was more like 4 to 5%. She stated that a 25% increase would be the bare bones minimum followed by a 20% and a 10% increase to get the City to those inflationary increases. She stated again, those applied to the City's water and sewer rates, not to all of the revenue line items.

Council Member Sox asked City Manager Hegler about the first utility budget that was presented to Council which was 41.7, then the last one was 42.9 and now this was 43. She stated that she did not know which version he was referencing. He stated the

515. She stated that when Council and staff met on May 15, staff was presenting Council options, what percentage increases they would entertain so those numbers would change depending on what percentage increase they were talking about. She stated that night's white paper referred to the 10% action from Council the prior week with no changes to expenses. She stated that to Ms. Coopersmith's point any incremental increases of 10% was about \$760,000 incrementally so based on the motion Council Member Sox just made he funded certain items for staff but did not close the deficit that was before Council. Mayor Pro Tem James asked City Attorney Flynn for clarification on some items. He stated that Mr. Flynn commented on the tail wagging the dog, expectations versus expenses but then followed up with balanced, but yet maybe not even a physically sustainable budget and then Ms. Coopersmith was talking about staff giving direction in reference to expenses and getting prepared for future expenses, which he thought was a keen idea however, all of that and taken into consideration that the best predictor for the expenses of next year would be the expenses of last year and the City was coming in under budget. He asked Mr. Flynn to help him understand why. He stated that the thought that increases could go sky high, needed to be balanced on the back of the taxpayers before it did go up. He stated that he was asking Mr. Flynn to think way outside the box. He asked was there not something Council could do to tell residents that they held off until the expenses did go up and they put something in place versus telling residents they raised rates thinking maybe they had to go up because that was the position Council was in.

Mr. Flynn stated that he was a bond lawyer so he dealt in actual numbers, not projection numbers, so he was going to back to Ms. Coopersmith to be able to fill in the gaps on why the numbers were necessary for fiscal 25. He stated that Mayor Pro Tem James asked how they could potentially make certain adjustments, so that it was not a static percentage. He stated that in the electric utility rate context, there was somewhat of an analogue, but he thought the City could potentially extrapolate into their rate structuring but it would take some time and would certainly be a lot of work on staff. He stated that one potential option was to establish an upper end threshold for where the rate should otherwise be because at the end of the day, you could not assign the discretion to make rate determinations to any other body except yourself but if they put a cap in place and gave the authorization to staff to give up to 40% rate increase through this budget and then look at the rates or look at the pro forma, or actual revenues and expenses as they come in month over month. He stated that they could put on the 10% rate increase effective July 1 and then do a month over month look through the fiscal year to make a determination as to whether or not rate increases were indeed necessary based on actuals in the current year, so they were at least making incremental or instantaneous adjustments, as they saw potential losses coming into effect. Mr. Flynn stated that what he needed as Bond Counsel was to be able to say, are you living within the parameters of the covenants of your bond documents that would allow you to make sure that you meet those coverage thresholds because that was the concern that he ultimately had as Bond Counsel, was whether or not the City

had sufficient revenues to be able to meet that coverage ratio because of that default risk.

Mr. Flynn stated that as long as the City was doing something where they were proactively adjusting, or potentially making those adjustments on a forward looking or on an instantaneous basis, up to some threshold that Council identified as the cap, that certainly could be an option. He stated that it would need to be worked out with the rate consultants to figure out exactly how to implement that. He stated that it could result in some fluctuation on bills in order to get to a place where it stabilized, but it would at least get the City to a place where they could make that adjustment and then make incremental adjustments through the fiscal year as needed to be able to capture those calls. He stated that the issue they would run into when you run a water and sewer system was there were bigger revenues in the summertime because people were watering their lawns and you see all that offsetting increase on the sewer as well and in the winter months people used less water so there was a little bit of fluctuation on the revenues. Mayor Pro Tem James thanked Mr. Flynn for his non-traditional thought process because everyone just thought the best thing to do was just put it on the back of the taxpayers and get the money. He stated that Council could set a threshold, and as the City leadership recognized, was meeting that threshold, or meeting somewhere between what they approved of that threshold, and they were able to move to that, but only when the expense negates it or expects it. He asked Mr. Flynn as an attorney, did he support something like that. Mr. Flynn stated that he liked black and white, if one knew what the rates were going to be, it was much easier to otherwise identify that. He stated that there was software that could certainly allow staff to make immediate changes but that might put a lot of pressure on staff to be able to figure out how to make those financial adjustments. He stated that they would have to apply those adjustments as they otherwise needed to, to be able to make the initial 10% increase that was currently on the table. He stated that it was one of those things that needed open dialogue and in depth transparency on how revenues were coming in visa vie expenses, that was the only way something like that would work.

Mayor Pro Tem James asked Ms. Coopersmith if a program could be put into place that would suffice. Ms. Coopersmith stated that Mr. Flynn said up to 40% and that would be what Council would need to allow staff to raise the rates to the expenses needed. She stated that would be a very difficult challenge on both the billing and financial staff. Mayor Pro Tem James stated that he had heard that three times but the City had a very competent staff who was very good and did not mind working for the citizens. He stated that if it saved money he thought they would be willing to do that. Ms. Coopersmith stated that ultimately, that was Council's decision. She stated that she wanted to point out that the last time Council did a rate increase in the water and sewer rates was 2019 and since 2021 to the 2024 budget, the City's expenses had gone up about 50%. She stated that it was not just the water and sewer utility fund, everyone's budget had gone up, and that was part of what was driving the need for the rate increase from their last look at the City's current year to date. She stated that it

looked like the City would be close to meeting budget this year and they did not see a significant chance of being under budget and they thought that the 2025 budget that staff provided was conservative but tight and there was not a lot of room there for adjustments.

Mayor Pro Tem James stated that he would like for Council to give some type of consideration if they were to ask staff to come back to them with the incremental plan. He asked if they needed to defer. Mayor Partin stated that Council was not legally allowed to defer. She stated that by law, and Council knew this, because they had been around long enough to know they had to have a balanced budget by July 1. She stated that the City was not like the State or Federal government, the City had to provide a balanced budget by the end of the fiscal year, which was in four days. She stated that Council should know their job.

Mayor Pro Tem James stated that he would like for Council to explore what Mr. Flynn spoke of again, since he was thinking not traditional. Mayor Partin asked City Manager Hegler if she could help Council with what that motion might look like. City Manager Hegler stated that staff actually discussed that earlier with Mr. Flynn as an option. She told Mayor Pro Tem James he could make a motion that night to do what he just described and an incremental increase would be the action. She stated that was incredibly staff intensive and they would have to figure out how to do that. Mayor Partin asked Mr. Flynn if he would like to offer that possible potential motion. Mr. Flynn stated that he moved that Council amend the utility fund budget to authorize a maximum cumulative 40% rate increase to be implemented throughout fiscal year 2025 where upon water and sewer rates would be initially increased by 10% on July 1, and incrementally thereafter based on actual expenses. He stated however, to the extent the City was determined to be generating water and sewer revenue in excess of those required under the City's utility bond covenants based on actual revenues and expenses for the prior month as confirmed by the City's Finance Department. He stated that implementation of each plan rate increase should be deferred by staff until the following month, or until such time as the accumulated excess water and sewer revenues were exhausted.

Council Member Sox made a motion to amend the utility fund budget to authorize a maximum cumulative 40% rate increase to be implemented throughout fiscal-year 2025 whereupon water and sewer rates would be initially increased 10% on July 1 and incrementally thereafter based on actual expenses. He stated however, to the extent the City was determined to be generating water and sewer revenue in excess of those required under the City's utility bond covenants, based on actual revenues and expenses from the prior month as confirmed by the City's Finance Department, implementation of each planned rate increase shall be deferred by staff until the following month, or until such time as the accumulated excess water and sewer revenues were exhausted and authorize the City Manager to utilize remaining unexpended utility fund revenue from the fiscal year 2023-2024 and any necessary

funds from the utility fund balance to create a retention bonus program for utility fund employees not to exceed \$126,400. Mayor Pro Tem James seconded the motion. Mayor Partin stated that she believed Council Member Carter had the second. She asked him if he was good with that. Council Member Carter stated that he needed some clarification. He asked if that meant potentially in the next 12 months, the increase could get to the 40% which was Option A and what Raffelis told them a couple of months ago and which was the larger increase up front and in the long term was a little less so Council Member Sox's motion was potentially 40% over a 12 month period. Council Member Sox stated that was correct, to generate what was needed to be able to meet those financials. Mayor Partin asked Council Member Carter if he would second the motion since he was the original second. He stated that he would second the motion. Mayor Partin asked if there was any discussion. Mayor Pro Tem James asked if they needed to grow the increase to 25% or 40%. He asked if Mr. Flynn really thought it was going to grow to 40% within a year or was 25% going to be where it grew and if it went further than that did Council have an option at that time to come back to the table and grow it.

Mr. Flynn stated that Council was the independent rate purveyors for the City and that would allow them to basically do it on a dynamic basis up to that 40%, which was the number that had been proposed by the City's independent consultants. He stated that if they did not go all the way to the 40% in fiscal year 25, he felt staff was going to come back to Council again and make another request for an increase in fiscal year 26. He stated that gave Council the flexibility to do it on a dynamic basis so that if the City's expenses really did come in as proposed or as projected, they could move very quickly so they were not putting the utility at risk. Mayor Pro Tem James stated that Council met twice a month so they could react pretty quickly. Mayor Partin stated that she thought that would require a public hearing notice, just like they did today, if they were going to increase rates again. Mr. Flynn stated that Council had put the cumulative rate authorization at 40% but if they dropped it to 25% but then needed to get to 40%, they would need to go through the full blown rate adjustment process which required public notice and two readings. Mayor Partin stated that the motion meant if rates only needed to be increased by 25% then it was only going to 25%. City Manager Hegler reminded Council that the reason for the difference percentage options from the beginning was that 25% was what had been determined to keep O & M going if those basic thresholds were met and the additional helped staff to start rebuilding reserves and work on capital items that had been deferred so that was the difference between the two. City Manager Hegler stated that one option got them there faster and the City could start to rebuild reserves and work on routine maintenance issues and the other was keeping steady and keeping pace. She stated that Mr. Flynn was right, that in every scenario proposed, 25% was not the final need for the full capital of the system. She stated that the other thing she would note was the City billed bi-monthly so that would be a little bit of a trick of how staff could deal with that motion but she thought they could figure that out.

Mayor Pro Tem James asked Mr. Flynn if Council started with the 10% increase and staff came back and said it was time to increase it was that a full council vote. Mr. Flynn stated that no, it would be done by staff since Council had delegated that function to staff and established the threshold cap. He stated that he did not think staff would make a rate increase in implementation without informing Council but that was the discretion that was being done. He stated otherwise, if Council put the 10% in place, then they would have to go through the full process, and they did not have the dynamic ability to make the adjustment on a regular billing cycle, because they would have to hold a public hearing and have two readings. Mayor Pro Tem James asked if they would still have to do that even though they had given that range. Mr. Flynn stated that if they gave the range and could maintain that discretion than any subsequent increase would be done by resolution. Mayor Pro Tem James stated that he did not know that he fully understand that or either he was just uncomfortable with it. Mayor Partin stated that what she was understanding is if Council went this route it was similar, because it was just raising 10% now but if they went with what Mr. Flynn was saying, that meant the City's credit rating would not drop because they had sent a message that Council was serious, and whatever their expenses were, they would handle that and it protected the credit rating. Mr. Flynn stated that was correct because they were effectively doing dynamic billing, as they saw costs and expenses that were necessary to be adjusted, they were striving to maintain those coverage requirements.

Council Member Thomas stated that it would be in staffs hands and asked if they raised it, how many days would the public be notified before that. Mr. Flynn stated that was an internal question that was not addressed in the motion. City Manager Hegler stated that none of it was going to move as fast as it sounded. She stated that it was just a promise to get where you need to get because the City billed bi-monthly and Council was asking staff to review actuals, predict expenses, and then raise where they needed to. She stated that it could be in billing statements but otherwise, staff would be bringing it back to Council every single time, which was the reason staff proposed options A, B and C from the beginning. She stated that she would have to think through how staff could build in notification and it was not going to be as fluid as it sounded. She stated that she thought it was fine for the purposes of that night if Council needed to balance a budget, but Council would have to work with her to figure out how to do that best. She stated that they were probably going to have to go up in the next month again, that was the point of the study and the numbers they had been talking about.

Council member Thomas stated that currently the 10% increase was \$3.59 and asked if it jumped to the 40%, how much more would that be on top of that because their constituents needed to know that. City Manager Hegler stated that staff put that out before but she thought the difference was \$3.50. Mayor Partin stated that knowing that the room was actually fuller with employees than with citizens because staff cared about what happened in the budget and she was sure Council recognized how many of staff was there. She stated that Ms. Coopersmith just said since 2021 costs had gone up 50% and Council was told that back then. She stated that the City's budget was the

same as any business. She stated that they did not have a choice to pay for chlorine in any amount other than what they were being charged for chlorine. She stated that they knew if a business did not cover its expenses, it did not stay open. She stated that Cayce was a full service city and that was something they should take immense pride in. She stated that making the right decision that night meant that they got to do what they had done for so many years, which was to have some of the lowest rates and fees in the entire region while having the highest quality of life. She stated that the Joint Municipal Water and Sewer Commission charged double what the City's rates were and they raised them every single year. She stated that they could not let that independence be taken away. She stated that national corporations and even nearby political jurisdictions would start licking their chops based on this vote by council if they did not do the right thing, because they knew, it meant that City employees were no longer valued. She stated that in fact, those other entities started doing that as soon as Council signaled that the City was unserious or even half-hearted about controlling their own water and sewer. Mayor Partin stated that if someone was told that there was a way to keep your cost low, without losing quality, then they were lied to. She stated that if someone was told that there was a way for the City to keep using its savings, to pay salaries, and that we could continue to do that year after year, then they were lied to. She stated that she believed that the City's savings would run out in two years. She stated that if someone was told that the City could not raise rates, and it would be better for the citizens, then they were lied to. She stated that she implored Council to do something that made the City whole or otherwise, resident's costs were going to be increased astronomically and their service would be lowered. Mayor Partin stated that Council was told clearly by the Director of Utilities last year and before that, that adjustments were needed. She stated that it was in the Council Meeting minutes. She stated that Council had been working on the budget with staff since February and if some people missed those meetings that was on them. She stated that for five months, Council had the opportunity to work hard for citizens and staff, to delve into this budget and to learn just as our citizens had because everything that they did was open to the public.

Mayor Partin stated that there was not fluff in this budget and it was disingenuous for anyone to say that. She stated that the City's Director of Utilities was not sitting on funds that she could be paying her people more with or buy the equipment that was needed. She stated that if Council stayed with what passed on first reading, which was only a 10% increase, after five months of Council being told what that minimum increase was and that minimum increase was 25%. She stated that somewhere out of a hat came 10% and if that 10% went through, instead of what made the City whole, then that meant general fund employees, which were paid out of property taxes, would get a cost of living raise but the utility fund employees who were paid out of water and sewer fees would not. She stated that if the City lost employees because Council could not put their heads together with staff to come up with an answer to make sure that they were not missing something with a last minute drastic change, they would never get

those employees back. She stated that would be on Council and it would not be administration's fault.

Mayor Partin stated that regardless of what Council did, the City still had some of the lowest taxes and fees in the entire region and they could all be proud of that because it really took everyone to make that happen. She stated that citizens told Council how great staff was and how much they loved the City's utilities, sanitation team, fire fighters and police officers and how amazing they were. She stated that meant Council had to pay them and give them the budget to do their job and to get the equipment to do the things Council was asking them to do. Mayor Partin stated that when she was first elected, over half of the public safety fleet of cars had over 100,000 miles or more. She stated that they literally had officers on the way to a call and one would break down on the way. She stated that the sanitation team did not have rain gear and the fire team did not have a hose dryer. She stated that Council fixed all of that and that was something they should be proud of. She stated that no one wanted to raise the rates on people. She stated that not one staff member said let me ask for more than I actually need. Mayor Partin stated that the citizens in attendance were probably surrounded by employees and should talk to them before they left. She stated that if they did not know them already, they would be enamored. She stated that the City had a team that cared and they had created a culture that made a positive difference.

Mayor Partin asked if there was any further discussion. Council Member Sox asked City Attorney Crow if he wanted to amend his motion did the original Council Member who seconded it need to second the amended motion. Mr. Crowe stated yes, if he wanted to amend his substituted motion, he could just say that. Council Member Sox asked if he needed to read the whole motion or could he move to change part of the motion. Mr. Crowe stated that he could change part of it as long as everybody understood the motion. Mayor Pro Tem James stated that he would like for it to be read if there was going to be a change. Council Member Sox stated that he thought they needed to change the increase to the 25% and that would keep the City in line with what was needed and it was a little bit easier to swallow than the 40% on the backs of the taxpayers. He stated that 25% was where they needed to be and if it maxed out at that, that was what it maxed out at instead of 40.

Mayor Pro Tem James stated that there was not anything that said he could not come back if more was needed. Council Member Sox stated that he would take it on an as needed basis. Council Member Carter stated that Council Member Sox's original motion was 10%. He asked if that was off the table. Council Member Sox stated that was correct. He stated that there would be a 10% increase starting July 1 with a 25% cap and Council could address it anytime pending the reading, posting the notice, a public hearing and two readings. Mayor Partin stated staff was careful so could they not leave it at the 40% knowing that if they did not need to go there, staff would not. Council Member Sox stated that 25% would get them there and that was what was in

the budget. Mayor Partin stated that 25% was more palatable for the citizens but cost them more in the long run. She stated that if staff did not need to get to 40%, then they would not. Council Member Sox stated that the way he understood the motion it was just for fiscal year 2025. Ms. Coopersmith stated that 25% was the bare minimum needed if implemented July 1 and if they implemented that throughout the year the City would lose revenue, because that was actually the bare minimum proposed before the City got the latest increases from its State mandated insurance and a few other pieces they were waiting on from Finance. She stated that it was more like 27 ½% now. Council Member Carter asked if she was saying that option C was really not an option anymore. City Manager Hegler stated that 25% would work with underfunding of certain things. Council Member Carter asked if 25% on an incremental basis would work. City Manager Hegler stated that would not work. She stated that 25% was the bare minimum needed to get through the year and she did not see how if they did that on July 1 how they could make the money projected they would need by the end of the year. She stated that it was a compounded thing so if Council wanted to implement an increment, it would need to be greater than 25% by the end of the year.

Ms. Coopersmith stated that was the same reason why the 40% this year would be equivalent to 25% this year and 20% next year. She stated that they could not just do 20% then 20% because they would lose the cumulative. City Manager Hegler stated that if Council did an incremental increase and only ended at 25% there was still the threat of having a problem because it had not started on day one of accumulating that much revenue. Council Member Thomas asked what was the likelihood that it would get to 40%. City Manager Hegler stated there was not a likelihood. She stated that if they started July 1 with a 25% increase their experts had told them that they would meet all of the minimum operating they needed, expenses, debt coverage and paying the City's bonds. She stated that the 40% increase allowed the City to put money back. She stated they were putting nothing in reserves and in fact the motion takes any overage from the current year and uses it. She stated that the City had minimal reserves so 40% allowed the City to purchase capital and build more money into the reserves. She stated that Ms. Coopersmith was saying is if Council was incrementing their way up to 25% being the answer at the end of the year, they would be short.

City Manager Hegler stated that if Council chose the 40% increase the City would hit higher than 25% and would have to throughout the year to have 25% by the end of the year. She stated that somewhere there had to be trust in that number because it was a matter of projecting expenses and then basing your revenues on meeting that expense. She stated that there could be a business that comes into the City that staff did not anticipate that made up some difference but 25% today was not the same thing as 10, 10, 10 and 5. She stated that it did not add up that way so there was not a likelihood of meeting 40%. She stated that if they went with 40% that day they would be doing everything they needed to do plus some. She stated that they would be putting money in reserves, saving more for a rainy day and taking care of more deferred maintenance. She stated that if Council wanted to go with the minimum

to make sure the City was meeting its coverage and all the things that had to be funded next year, it had to start on July 1 at 25%. She stated that the motion to go up to 40 just built in that lag to get to what the City needed by the end of the year and staff would be calibrating that as they went.

Mayor Pro Tem James asked if they had taken using any fund balance off the table completely. City Manager Hegler stated that the motion had some in there and any capital that was funded would be out of fund balance. Council Member Sox asked if that depended on Council and any potential carryover. City Manager Hegler stated that there was not any capital in a 25% increase and it was all reserve, one time, so they would be depleting that even further. She stated that was why the 40% was a more ideal number from a budgetary perspective. Ms. Coopersmith stated the 40% that they were recommending, they would still be using some of the City's reserves to fund capital. She stated that it did not 100% cover everything.

Mayor Partin asked if there was any other discussion. Council Member Sox stated that he had not formally amended his motion and the one on the table currently was 40% and they were discussing 25%. Mayor Pro Tem James asked what part of having to have a public hearing again caused a problem. He asked why would they not stand on being transparent and allow the people knowledge of why they were raising it. He stated that they would embrace it versus the rates just going up throughout the year, because they had given that latitude to staff. City Manager Hegler stated that she did not have a problem with public hearings. Mayor Partin stated that she was not sure she understood Mayor Pro Tem James question. He stated that he had no problem with coming before the community just like they did that night, if they had to move from 25 to 40 and having a public hearing to make sure that the public understood why they were moving from 25 to 40. Mayor Partin asked if he was saying go ahead and do the flat 25% increase. Mayor Pro Tem James stated that he was not saying go with the flat 25. He stated that was not the motion on the floor and he was asking for alternatives.

Mayor Partin asked if she was correct that to protect the City's credit rating, so they did not hurt the citizens further. Mayor Pro Tem James stated that was not the only thing that could affect credit rating. He wanted to make sure everyone understood that. Mayor Partin stated that for the City to be able to bear loans their options to do that would be the flat 25% or flat 40% increase which was a little bit more now but cost the citizens less in the long run, or the motion that was on the table right now. She asked if that was correct. She stated that there was not an option to go incrementally to 25%. Council Member Sox stated that he had a few questions for clarification. He stated that the City must have 25% to be able to make the bond payment or to be able to put aside money to keep the credit rating up but as he understood it the credit rating would not change until they went to the market and he did not think they were planning to go to the market anytime soon. Mr. Flynn stated that the credit rating was a factor for when the City went out and was selling new debt. He stated that the independent credit rating agencies assigned a credit rating based on some indicative criteria that said the

City was currently a double A or an A plus and they could benchmark that against said similar situated utilities across the country. He stated that outside of that there were some annual covenants in the City's master bond resolution, which was the master document that controlled the issuance of debt and the City had made covenants to its bondholders. He stated that the City had five series of current outstanding revenue bonds and had told them that they would maintain rates at a level so that the revenues of the system, less the expenses that they would have to pay, adding back in depreciation, which was non-cash, to come up with basically a net profit number for the system. Mr. Flynn stated that the net profit number had to be at least 1.1 times the annual debt service and the City's annual debt service in its bonds was about \$4.5 million a year and in order to meet that number, they had to make sure they had at a minimum net profit of about \$4.8 million. He stated that was the threshold that they were solving and the math that Raftelis had run to come up with those rate criteria and those rates. He stated that if the City did not meet those numbers and failed its coverage was a technical default under its bonds and the trustee who was the third party fiduciary that acted on behalf of bondholders can mandamus the court which basically was bringing an action in the courts to make the trustee raise the rates, independent of any action that Council was taking. He stated they thought that the City still had enough money to generate money to pay debt service, because the City still made that transfer to the general fund. He stated that the City had enough money to pay debt service but would fail its coverage ratio. Mr. Flynn stated that coverage ratio was a legal requirement and the City's bond documents made sure they were creating enough fund balance surplus revenues to pay on the system as they moved forward. He stated that the minimum legal requirements was a 1.1 times coverage requirement so net profit over debt service had to be at least 1.1 times at all times otherwise it was in default.

Council Member Sox stated that currently the City's was 1.18 going by what had been sent to Council. Mr. Flynn stated that was correct and incrementally if it dropped by \$200,000 the City would fall below that threshold. Council Member Sox asked if the City could use any of the ARPA funds that were expended or hold on to them. Mr. Flynn stated that was not possible and whatever the City generated from selling water and sewer and tap fees, any of those things were treated as year-end revenues, actual cash in the year of collections is what was otherwise permissible. Mayor Pro Tem James stated that talking in percentages was scarier than talking in dollar amounts and asked that they discuss what a 25% really meant to a household. City Manager Hegler stated that within city limits, the average home used 3,750 gallons per month and that was \$75.50 bi-monthly and an additional 25% would be \$8.97 per month and the City continued even at 25% to be the second lowest provider. Ms. Coopersmith stated that the City continued to be the second lowest in the region based on everyone's current rates and they knew that everyone was likely to implement July 1 rate increases.

City Manager Hegler stated that at the 40% increase the difference was \$14.35 and the difference between 25% to 40% was about \$5. Council Member Thomas stated

that it sounded like the 25% increase was out and they were handcuffed to the 40%. Ms. Coopersmith stated that the 25% on July 1 would be what Raftelis recommended so the City could make sure to meet its minimum requirements, not the progressive increase. Council Member Thomas asked so they would not have to make any recommendations or increases throughout the year if it was capped at 25%. Ms. Coopersmith stated that was correct unless there was some sort of major emergency that was not planned for. She stated that meant Council would have to have this discussion again with her next year. Council Member Thomas stated that he thought next year was the 20% increase. She stated that was correct and it was not going to be the 5% increase. Council Member Thomas stated that he had constituents that were living day by day so he was very sensitive to making sure that they could survive.

Mayor Partin stated that they would not be doing their citizens a service if they let them have unclean water. She stated that staff was already doing a lot with a little and maybe there was an opportunity for Council Member Thomas' boss Congressman Joe Wilson to work at the Federal government level to get some more assistance for Medicaid and advocate to the School District to see if a 21 mils increase was really needed. She stated that the cuts did not necessarily need to happen on the local level since they were the lowest taxing entity. Council Member Sox asked at what point would Council have to do another rate study. Ms. Coopersmith stated that they typically recommended an annual update. She stated that the initial study was the big engagement to try to get everything together and doing an annual update was just Raftelis checking in with staff, updating the City's revenues and making sure their projections still made sense and validating the rate increases they recommended still made sense, or making adjustments as needed. She stated that they typically always recommended a small annual increase since it was better to do a small annual increase than not to do one at all.

Mayor Pro Tem James asked what the current motion was. Council Member Sox stated that he appreciated everyone being there to give Council all of this information and be able to talk through everything. He stated that he knew they came and presented to Council at earlier council meetings but at that point in time, they were months out from having to do this and a lot of the questions had not started to salivate. He stated that he would rather see the 25% increase starting July 1 than doing a 10% increase July 1 and having to jump to 40% pretty quickly so he would like to take his motion off the table. Mayor Partin asked if Council Member Sox needed to do anything more than just the 25% increase for utility fund. City Manager Hegler stated that she did not think so since he was working on doing some staff increases, those would be built into the 25%. Council Member Sox asked if they could make sure those were identical to what the general fund was getting. City Manager Hegler stated that it would even help because it was probably going to be less than what was built into it since staff was trying to make a \$2,550 per person bonus work but since they were going to do less than that, it was going to be fine.

City Manager Hegler stated that capital was also on the table and it was not included in the \$25 increase so Council was either approving the capital out of reserves as presented or would be cutting something if they did not want it for some reason. Council Member Sox stated that City Manager Hegler indicated in the general fund discussions that she was going to have to come back to Council with one time capital purchases. He asked if they could do capital items for both funds at the same time so they were not going line item by line item not knowing which one costs which. City Manager Hegler stated that it would affect what they did with the purchasers on the sewer plant because it was a circular budget. She stated that the City, through its purchasers agreement with the Town of Lexington and the Joint Municipal, charged them for their share of the expenses and had to give them those numbers by July 1. Council Member Sox asked if the motion needed to be to approve the utility fund budget as proposed at first reading with a 25% increase. City Manager Hegler stated that effectively doing that would make the revenues match the expenses. Council Member Sox stated that his first reading motion was the 2024-2025 utility fund budget was currently balanced at \$42,904,761 which included a 25% rate increase for water and sewer customers inside and outside of the city. He stated that he could amend the cost of living to state just to match what they were giving general fund employees, 15% debt coverage for the City's utility fund debt, the bond payments for all bonds and then that would also include the FTE's with the 25%. City Manager Hegler stated no, she thought the FTE's were taken out.

Council Member Sox stated so he would just make the motion that did not include the FTE's and the cost of living increase of \$2,550 and the language would just be to not exceed a certain dollar figure. He stated that they could say the match because he thought that was \$1,600, which was what was starting to be floated around, and he had a dollar amount for that and if it was not that \$1,600 average, the discretion was City Manager Hegler's to give however she saw fit, based on their conversations at the budget work session. City Manager Hegler stated that he also had to include capital, to be funded out of reserves. He stated and to include approving the capital items. He asked if he needed to say all capital purchase funded out of reserves for a total of \$2,280,515. He asked if City Manager Hegler wanted to refrain from taking so much from reserves. She stated that she did not want to but these were items that Utilities Director Catchings felt they absolutely had to have. Mayor Pro Tem James asked what the total was. City Manager Hegler stated that total capital was \$2.28 million, \$600,000 of that would come from the wastewater renewal and replacement reserve fund, \$784,000 of that would come from a capital equipment reserve fund and \$895,000 of that would come from the water sewer capacity reserve fund. Mayor Pro Tem James asked if the City came under budget this year, would the excess money go back into fund balance. City Manager Hegler stated that was correct. She stated that they would not need to make any motion to address any overages, which she did not think there was going to be many, but they would go into those accounts appropriately.

Council Member Sox made a motion to approve the 2024-2025 utility budget balance at \$42,904,761, including a 25% rate increase for water and sewer for all customers inside and outside of the city. Mayor Partin asked if 42 was the right number and did that need to be said as part of the motion because she did not want that to throw things off. Council Member Sox stated that was the number presented to Council with a 25% increase. City Manager Hegler stated that he could just say the 25% increase and that would make the expenses match the revenues. Council Member Sox made a motion to approve the 2024-2025 utility fund budget to be balanced and to include a 25% rate increase for water and sewer for all customers inside and outside the city, a retention bonus to match the general fund employee retention bonus, 15% debt coverage for the city's utility fund debt, bond payments for all bonds and all capital purchases funded out of reserves proposed by staff. City Attorney Crowe asked Council Member Carter if he accepted the substitute motion. Council Member Carter stated yes, he seconded the motion. Mayor Partin called the question. Mayor Pro Tem James and Council Members Carter and Sox voted yes. Mayor Partin and Council Member Thomas voted no.

City Manager Hegler stated that the master fee schedule would be updated to include all of the actions that were just taken so when Council approved the Ordinances it would capture all of those things. Mayor Pro Tem James made a motion to approve Ordinance 2024-06 to adopt an annual budget, levy a property tax and provide revenue for the City of Cayce for the fiscal year ending June 30, 2025 and to adopt and establish certain new fees and charges as discussed with the prior two motions. Council Member Sox seconded the motion. Mayor Pro Tem James and Council Members Carter and Sox voted yes. Mayor Partin and Council Member Thomas voted no.

B. Discussion and Approval of Ordinance 2024-08 Amending Article 6 District Regulations to Add Language to Create the RS-4A Single-Family Zoning District Along with Accompanying Regulations – First Reading

Council Member Sox apologized for interrupting but asked if Council needed to approve the master fee schedule as well. City Manager Hegler stated no, the master fee schedule and the budget were all under the Ordinance umbrella so the master fee schedule would get updated based on all the motions Council just made unless there was something else he wanted to address. Council Member Sox stated that he did want to address something there and asked if it could be done at the next council meeting. City Manager Hegler stated a public hearing was necessary to amend a fee and asked if there was something he wanted to amend within what they just did. Mayor Partin stated that they were on a separate item now.

Mayor Partin stated that Council had before them a recommendation from the Planning Commission. She stated that they unanimously voted to recommend that Council approve the first reading of an Ordinance amending Article Six district regulations to create the new RS-4A zoning district with the following revisions to staffs

draft document - remove duplexes from allowed uses which was a unanimous vote from the Planning Commission, remove accessory apartments and accessory dwelling units from allowed uses which four voted in favor and two against. She stated that the majority of the Planning Commission agreed that accessory apartment accessory dwelling units should not be allowed in the RS-4A district because of the higher density lots and because that use was not permitted in any other single family zoning district.

City Manager Hegler stated that staff proposed a text amendment to create this new zoning district which was a single family zoning district but they were calling it RS-4A single family, small lots, urban did have associated regulations with it. The proposed amendment would create a zoning district that was similar to the existing RS-4 zoning district with the only noticeable difference being that their setbacks requirement for the front and back on the RS-4A would be somewhat smaller. She stated that it was also being proposed that it would allow an accessory dwelling unit and the Planning Commission had a lot of discussion about that. She stated that single family detached homes with front yard setbacks of 25 or 30 feet made up the majority of the stock in Cayce and currently ADU accessory dwelling units were not allowed. She stated that RS-4 was looking at that as a need for some additional style of housing and development that the City currently did not allow for and would allow for that slightly higher density housing while retaining the single family residential uses and would not be exempt from other land development regulations such as sidewalks, streets, trees, requirements for open spaces and would also be subject to the City's infill Ordinance if it applied for that.

City Manager Hegler stated that the proposed text amendment to add this single family zoning district was in compliance with the comprehensive plan since the goals of the comprehensive plan related to housing were to meet the future housing needs of the City and to review and update the zoning Ordinance as needed to ensure the availability of diverse housing types which staff thought this would do. She stated that the Planning Commission met and voted to amend Article Six which was the action to create this new RS-4A zoning district. She stated that several members of the public were in the audience but no one spoke for or against it. She stated that the Planning Commission did discuss making some amendments to it and they wished to remove the duplexes from the allowed uses which were still single family but were just attached and that was a unanimous vote of the Planning Commission and then in a vote of four to two they also wanted to remove those accessory dwelling units because that was a use the City currently did not have and they were often found within those types of zoning districts. She stated that after that change, the Planning Commission had a split vote on whether or not to recommend the new district to Council so it was three to three with those changes to approve it. She stated that Council did not have a recommendation from the Planning Commission but staff supported and believed that it was in line with the City's comprehensive plan and future growth needs.

Mayor Pro Tem James made a motion to support staff's recommendation. Council Member Sox seconded the motion. City Attorney Crowe stated that the Planning Commission recommended to not permit accessory apartments and duplexes. Mayor Pro Tem James stated that was why his motion was to go with staff's recommendation. Mr. Crowe stated so they would allow duplex accessory apartments. Mayor Pro Tem James stated that the City Manager and Assistant City Manager were excellent in zoning so he was going with their recommendation. Mayor Partin called the question which was unanimously approved by roll call vote.

C. Discussion and Approval of Ordinance 2024-09 Amending the Zoning Map and Rezoning Properties Located at 800 Lexington Avenue (Tax Map Number 05769-04-001 and Tax Map Number 005769-04-004) from RS-3 to RS-4A – First Reading

City Manager Hegler stated that based on the development of this new zoning district there was an applicant that was interested in applying for it and also went before the Planning Commission at the same meeting. She stated that she was referring to 800 Lexington Avenue and the property owners were requesting a map amendment that would then rezone the property to RS-4A. She stated that it did not outright comply with the comprehensive plan because the comprehensive plan did not have RS-4A in it but it did discuss transitional areas that staff would suggest did comply with the plan. She stated therefore staff's opinion was that RS-4A was a compatible zoning district for this site within the area that it is located. She stated that when the Planning Commission met there were several members of the public there and one spoke against the map amendment. She stated that he stated that he felt the proposed regulations did not make sense for the area because there was no houses in the area with small setbacks. City Manager Hegler apologized and stated that she misspoke earlier: She stated that the Planning Commission had a split vote and did not come to a decision on a recommendation for this change by a vote of three in favor of the change of the zoning and three against. She stated that the motion to recommend approval of the map amendment failed. She stated that those in favor of the map amendment stated that they believed the proposed development at 800 Lexington Avenue would be an enhancement to the neighborhood and stated that the property had been in the same state for decades. She stated that those against the map amendment stated they were concerned about the setback requirements and not happy with the density of proposed development and were not comfortable with voting on the map amendment before Council made the decision on the RS-4A zoning district.

Council Member Thomas made a motion to approve rezoning the property from RS-3 to RS-4A at 800 Lexington Avenue. Mayor Pro Tem James seconded the motion which was unanimously approved by roll call vote.

D. Consideration and Approval of Resolution Providing Certifications of Abandoned Buildings and Abandoned Building Sites at 800 Lexington Avenue Pursuant to the South Carolina Abandoned Buildings Revitalization Act

City Manager Hegler stated that this item was just a formality and it was a coincidence that it was the site they were just talking about. She stated that it was the intent of the owner of 800 Lexington Avenue to utilize an incentive for the rehabilitation, renovation and redevelopment of abandoned buildings under the South Carolina Abandoned Buildings Revitalization Act. She stated that for that purpose they needed from the City certification that this building had been abandoned for not less than five years. She stated that it was a formality anyone could ask for and it had to be done via a Resolution. She stated that staff confirmed that those buildings had been abandoned so they would recommend City Council approve the Resolution, which provided certification that the building at 800 Lexington Avenue has been abandoned for more than five years.

Council Member Carter made a motion to approve the Resolution providing certifications of abandoned buildings and building sites at 800 Lexington Avenue. Council Member Thomas seconded the motion which was unanimously approved by roll call vote.

Items for Discussion and Possible Approval

A. Discussion and Approval to Enter into an Agreement for Fire Dispatch Consolidation with Lexington County

City Manager Hegler stated that currently the Fire Department was dispatched by the City's dispatch center, which was also responsible for dispatching police. She stated that since 2020, the Fire Department's call volume had increased by 89.6% and the Police Department's calls had increased 15%. She stated that the transition that staff was proposing would allow the dispatcher to focus more on police procedures and not have to worry about also juggling that with fire operations. She stated that consolidating dispatch centers with the County would increase the Fire Department's level of service and efficiency by truly being part of automatic aid instead of mutual aid. She stated that automatic aid allowed for the closest unit to be dispatched along with other supporting units in the area automatically whereas mutual aid required phone calls and coordination between the units and dispatch centers costing time and resources.

City Manager Hegler stated that the City was trying to get to a point of automated versus mutual by having this shared dispatch center with Lexington County. She stated that there was an agreement that had been recently approved by Lexington County Council. She stated that Lexington County communications was funded through the Lexington County general fund and all agencies dispatched with County Communications were not required to contribute funding or pay for the services of the

communication department. She stated that each agency was however required to maintain their own equipment within their agency in order to receive and transmit effectively with the 911 dispatch center and the City already had everything needed to do this. City Manager Hegler stated that there was no request for funding and the agreement contained a five (5) day termination clause that could be exercised by either party. She stated that staff believed that consolidation would improve the City's ISO rating.

Mayor Pro Tem James made a motion to approve the request to enter into an agreement with Lexington County Communications for the purposes of dispatching the Fire Department. Council Member Sox seconded the motion. Mayor Pro Tem James stated that he liked the fact that the City could pull out at any time if they decided to do so. Mayor Partin stated that the ISO rating was part of what helped residents to have a lower insurance rate for their home. She stated that the City made sure they were paying their employees, giving them the equipment they needed to do the job that they were asking them to do but also doing unique things like this, it helped to create the best ISO rating. She stated that was a really cool thing Council did to help control costs that were not theirs. She stated that she did not have a whole lot of comfort with County Council and most municipalities in the county did not right now because of what they had been doing with the roads but she was fully supportive. She asked for an update in three months on how it was going. She called the question which was unanimously approved by roll call vote.

B. Consideration and Approval of Addendum for South Carolina Public Employee Benefit Authority (PEBA)

City Manager Hegler stated that PEBA currently required that council members be considered full time eligible city employees for the purposes of participation in the medical insurance program and they were now offering to participating counties and municipalities an amendment to exercise a one-time irrevocable option to exclude council members from that definition of employee for insurance participation purposes. She stated that this election to exercise the option to exclude council members would apply to all members of the council and was irrevocable for the duration of the City's coverage in the state insurance program. She stated that councils of current participating municipalities would need to vote to remain eligible in the state insurance program or to be excluded, so an action had to be taken either way. She stated that this did not affect council members participation in the retirement system. City Manager Hegler stated that if Council elected to exclude council members from coverage currently enrolled council members would lose all coverage under the state insurance benefits program on the effective date of the addendum and any loss of coverage due to the selection was not a qualifying event under COBRA. She stated that those council members who lose coverage would not be offered or eligible to enroll in the COBRA program. She stated that the City actually had an Ordinance that addressed this. She stated that Section 2-121 stated that council members shall reimburse the city on a

monthly basis for their participation in that program so she thought the City had a good process in place for how to deal with what had probably been a problem for other municipalities.

City Manager Hegler stated that Council's options were to make that change and continue to use the coverage or make a change, meaning that council members would no longer be considered employees for the purposes of medical insurance with PEBA. She stated that action would actually require an Ordinance and then follow up requirements for going into effect after the next election in two (2) readings. She stated that staff really did not have a recommendation but it was probably smoothest for Council to make no change as long as the City had an Ordinance that addressed any concerns about salaries. Council Member Carter recused himself from this issue since he currently utilized some of the PEBA coverage (his recusal form is attached).

Mayor Pro Tem James made a motion that Council make no change. Council Member Sox seconded the motion. Mayor Pro Tem James stated that he thought it was important to make sure that the community understood this was revenue neutral and cost the City nothing. He stated that anything that was a benefit to the council member that may be in it was paid for by that council member. Mayor Partin stated that there was a time when council members got that benefit on the taxpayers dime and so they did change that. She called the question which was unanimously approved by roll call vote.

City Manager's Report

Ms. Hegler stated that she did not have any comments.

Council Comments

Council Member Thomas asked everyone to continue to pray for Betsy and her family. City Manager Hegler stated there had to be six (6) days between a first and second reading so any items moving forward as a second reading from that night would violate it. Mayor Pro Tem James made a motion to cancel the July 2, 2024 Council Meeting and stated that the next Council Meeting would be July 17, 2024. Council Member Carter seconded the motion which was unanimously approved by roll call vote.

Mayor Pro Tem James thanked staff and the community that was there. He stated that what they saw was Council working through something that was very tough in a very transparent way. He stated that at the end of the day, focus on the past, and it always proved what the future was going to be. He stated that he thought it came out as well as possibly could be expected and it was a good balance for the citizens, as well as for the City.

Mayor Partin stated that staff had not just held four (4) budget workshops and met with Council but administration had answered 17,000 phone calls and sent 15,000 emails and this was the most well informed council that probably existed. She stated that she would like to ask Council that they not do this again and that out of respect for staff that they work together and figure this out ahead of time next year, and not wait till the 11th and a half hour.

Executive Session

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege

There were no items to discuss in Executive Session.

Adjourn

Mayor Pro Tem James made a motion to adjourn the meeting. Council Member Sox seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 9:24 p.m.

Elise Partin, Mayor

ATTEST:

Mendy Corder, CMC, Municipal Clerk

IF YOU WOULD LIKE TO SPEAK ON A MATTER APPEARING ON THE MEETING AGENDA, PLEASE COMPLETE THE INFORMATION BELOW PRIOR TO THE START OF THE MEETING.* THANK YOU.

COUNCIL MEETING SPEAKERS' LIST

Date of Meeting June 26, 2024

Name	Address	Agenda Item
Mark James <i>Becky</i>		
Kay Hutchinson	1774 Hammerwood	III A
Mark James	3101 Devine St.	III C

***Appearance of citizens at Council meetings - City of Cayce Code of Ordinances, Sec. 2-71.** Any citizen of the municipality may speak at a regular meeting of the council on a matter pertaining to municipal services and operation, with the exception of personnel matters, by notifying the office of the city manager at least five working days prior to the meeting and stating the subject and purpose for speaking. Additionally, during the **public comment period** as specified on the agenda of a regular meeting of the council, a member of the public may speak on a matter appearing on the meeting agenda, with the exception of personnel matters by signing a speakers list maintained by the city clerk prior to the start of the public comment period. The number of speakers at a council meeting may be limited in the discretion of the mayor or presiding officer, the length of time for any speaker's presentation is limited to a maximum of five minutes, and a presentation may be curtailed if determined to be uncivil, contentious, or disruptive in the discretion of the mayor or presiding officer or by majority of vote of council.

RECUSAL STATEMENT

Member Name: PHILLIP CARTER

Meeting Date: JUNE 26, 2024

Agenda Item: Section B Number _____

Topic: CONSIDERATION AND APPROVAL OF ADDENDUM FOR SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY (PEBA)

The Ethics Act, SC Code §8-13-700, provides that no public official may knowingly use his office to obtain an economic interest for himself, a family member of his immediate family, an individual with whom he is associated, or a business with which he is associated. No public official may make, participate in making, or influence a governmental decision in which he or any such person or business has an economic interest. Failure to recuse oneself from an issue in which there is or may be conflict of interest is the sole responsibility of the council member (1991 Op. Atty. Gen. No. 91-37). A written statement describing the matter requiring action and the nature of the potential conflict of interest is required.

Justification to Recuse:

Professionally employed by or under contract with principal

Owns or has vested interest in principal or property

Other: PERSONAL PARTICIPATION IN HEALTH INSURANCE BENEFIT PROGRAM

6-26-24 Phillip Carter
Date Member Signature

Approved by Parliamentarian:

Memorandum

To: Mayor and Council
From: Tracy Hegler, City Manager
Date: July 17, 2024
Subject: Vendor for Station Alerting

ISSUE

City Council approval is requested to select Purvis Systems to install the Fire Department's Alerting System

DISCUSSION

Council approved the use of \$60,000 in ARPA funds in FY24 to purchase a station alerting system for the Fire Department. After extensive research, staff requests selecting Purvis Systems and waiving the formal bid process, as this is the vendor that is used by Lexington County.

Purvis Systems is a vendor that provides automated dispatching systems, servers, station, radio, and mobile alerting for fire, EMS, and military applications. In 2022, Lexington County Fire and EMS purchased the PURVIS Computer Aided Dispatch System. Selecting them to install an updated system will ensure compatibility with County Dispatching Services.

RECOMMENDATION

Staff recommends approval for Council to waive the formal bidding process and select Purvis Systems in the amount of \$52,540.19 to install the Fire Department's station alerting system. This system will be fully compatible with the Lexington County Communications Center.

PURVIS SYSTEMS

PURVIS PRICE QUOTATION

ITEM IV. A.

88 Silva Ln
Middletown, RI 02842
Sales: J. Mascola 401-862-1184
jmascola@purvis.com
Contracts: D Flynn 401-845-8432
DFlynn@purvis.com

Tax ID #: 11-2299301

Date: July 1, 2024
Quote #: PC2024-227r1
Customer: Cayce Fire Department
Address: 1800 12th St
Cayce, SC 29033
Customer POC: Ryan Gates, Asst Chief
E-mail: Rgates@CayceSC.gov
Phone #: 803-422-9097

TASK:

Procurement and implementation of the PURVIS Fire Station Alerting System™ (PURVIS FSAS™) for the Cayce Fire Department. Please refer to the attached "PURVIS Fire Station Alerting System SOW Cayce Fire Department R3" for additional details associated with our quote.

HARDWARE:

Item	PURVIS Part #	Qty	Unit Price	Adjusted Unit Price	Extended Price
Station Control Unit (SCU)	315-030005-131-NN	1	\$18,000.00	\$17,460.00	\$17,460.00
24 Port Unmanaged Network Switch	315-290005-131-LAN	1	\$225.00	\$218.25	\$218.25
Uninterruptible Power Supply (UPS) - 2U - Line Interactive 1500VA	315-040308-131	1	\$1,120.00	\$1,086.40	\$1,086.40
Recessed Speaker, 8" (25/70v)	315-130401-131-SO	6	\$75.00	\$72.75	\$436.50
Recessed Speaker, 8" with Red/White LED Ring (25/70v)	315-141001-131-RW	3	\$395.00	\$383.15	\$1,149.45
Recessed Speaker Mount	315-130360-131	9	\$35.00	\$33.95	\$305.55
Outdoor/Bay Speaker (25/70v) 15w	315-150408-131	3	\$160.00	\$155.20	\$465.60
Amplifier 1 Ch (25/70v) 250w	315-070304-131	1	\$1,410.00	\$1,367.70	\$1,367.70
Volume Control Switch (25/70v) 100w	315-110003-131	1	\$55.00	\$53.35	\$53.35
TOTAL					\$22,542.80
Sales and Use Tax				7%	\$1,578.00
TOTAL HARDWARE					\$24,120.80

Hardware Prices do not include installation or any system configuration, if applicable. Any applicable manufacturer warranties will be extended to the customer.

Hardware lead time is at least 12 weeks after receipt of order (ARO)

SOFTWARE:

Item	PURVIS Part #	Qty	Unit Price	Adjusted Unit Price	Extended Price
Text-to-Speech (TTS) Voice Module					
Software License (Annual)	315-990400-120	1	\$1,410.00	\$1,367.70	\$1,367.70
Station Control Unit (SCU) FSAS Software License (Perpetual)	315-990300-120	1	\$500.00	\$485.00	\$485.00
TOTAL					\$1,852.70
Sales and Use Tax				7%	\$129.69
TOTAL SOFTWARE					\$1,982.39

FIXED PRICE SERVICES:

Description	Unit Price	Adjusted Unit Price	Price
Implementation Services (Project Management, Configuration, Integration, Test, & Training)	\$7,500.00	\$7,275.00	\$7,275.00
Installation Services	\$14,750.00	\$14,307.50	\$14,307.50
Lift Rental	\$2,600.00	\$2,522.00	\$2,522.00
Freight/Shipping & Handling		\$250.00	\$250.00
1 Year Warranty & Maintenance		Included	\$0.00
TOTAL SERVICES			\$24,354.50

GRAND TOTAL \$50,457.69

PAYMENT MILESTONES:

Key Milestone	Deliverable	Payment Amount
Milestone # 1	Delivery and installation of FSAS Hardware	\$46,000.00
Milestone # 2	Final Testing and Cutover	\$4,457.69
GRAND TOTAL		\$50,457.69

POST WARRANTY, MAINTENANCE & SUPPORT:

Description	Qty	Unit Price	Adjusted Unit Price	Extended Price
Annual Post Warranty, Maintenance and Support (Remote Only - 24/7/365) (Coverage begins upon the expiration of the initial one-year Warranty period)	1	\$2,000.00	\$1,940.00	\$1,940.00
Text-to-Speech (TTS) Voice Module Software (Annual)	1	\$250.00	\$242.50	\$242.50
TOTAL POST WARRANTY, MAINTENANCE & SUPPORT and SOFTWARE FEES				\$2,182.50

SALES AND USE TAX: Any required sales and use tax not identified in this quote is responsibility of the quote recipient or Fire Station Alerting System end-user. PURVIS is not responsible for the collection of any required taxes and payments to any tax collection agencies.

BONDS: Quote does not include any bid, payment, or performance bonds.

PERMITS: Quote does not include any permits that may be required

PREVAILING WAGE RATES: Pricing is not based on prevailing wage rates.

PAYMENT TERMS: Net 30

VALIDITY: This FFP Quote is valid for 90 days

WARRANTY: First Year Remote Warranty & Maintenance begins upon Functional System Validation conducted jointly by PURVIS and the customer using standard PURVIS FSAS manual alerting tools.

PURVIS AGREEMENTS: The PURVIS FSAS Standard License Agreement and the PURVIS FSAS Maintenance Agreement must be signed and returned to PURVIS Systems with any initial orders placed for the PURVIS Fire Station Alerting System.

EXPORT CONTROL: Products purchased or received under any resulting Sale may be subject to export control laws, restrictions, regulations, and orders of the United States. Customer agrees to comply with all applicable export laws, restrictions and regulations of the United States or foreign agencies or authorities, and shall not export, or transfer for the purpose of re-export any product to any prohibited or embargoed country or to any denied, blocked or designated person or entity as mentioned in any United States or foreign law or regulation.

Memorandum

To: Mayor and Council

From: Tracy Hegler, City Manager

Date: July 17, 2024

Subject: Intergovernmental Agreement with the Town of Springdale for the Regional Gateways Project

ISSUE

Council approval is needed for an Intergovernmental Agreement with the Town of Springdale for the Regional Gateways Project along Airport Boulevard.

DISCUSSION

For several years, the City of Cayce has been working with the Midlands Business Leadership Group (MBLG) to establish regional gateways, which was identified by the MBLG as an area of the midlands that is affecting its overall business competitiveness. Other local municipalities and Richland and Lexington Counties were also involved. The team further identified two priority projects for which to begin: Airport Boulevard and Ft. Jackson Gateways.

The LandPlan Group has completed the original scope (construction drawings and maintenance schedule), funded by MBLG. For the work to continue, an encroachment permit must be submitted to SCDOT for the project to work inside of the DOT right-of-way along Airport Boulevard. SCDOT requires one permit holder, but the project area encompasses the jurisdictions of the City of Cayce and Town of Springdale. This agreement will allow Cayce to be the single permit holder over the entire project, if Council so agrees, and establishes the responsibility of each party. Particularly, as the permit holder, contractor procurement and construction oversight would route through the City of Cayce, supported by a project manager hired by MBLG, Mickey Layden CEO of LCK. LCK is a professional project manager group located in Columbia. Springdale has signed the IGA allowing for Cayce to carry out the project and encroachment permit on Springdale's behalf.

There is no cost associated with this agreement. Funds for construction and project management are being provided by MBLG.

The City's legal counsel has reviewed and approved the IGA. The document is attached for your review.

RECOMMENDATION

Staff recommends Council approve the Intergovernmental Agreement with the Town of Springdale for the Regional Gateways Project and authorize the City Manager to execute.

**INTERGOVERNMENTAL AGREEMENT
FOR
AIRPORT BOULEVARD CORRIDOR IMPROVEMENTS**

The AGREEMENT, made the 2nd day of July, 2024, by and between the City of Cayce and Town of Springdale.

WHEREAS the parties to the Agreement have the authority pursuant to the South Carolina Home Rule Act, to enter into intergovernmental agreements for the purpose of providing any service or performing any function which they can perform individually;

WHEREAS the parties to this Agreement desire to cooperate in developing and carrying out the Airport Boulevard Corridor Improvements herein referred to as ("the Gateway Project") for which Construction Documents have been prepared by The LandPlan Group South;

WHEREAS the Gateway Project encompasses property in control of and under the jurisdiction of the County of Lexington ("The County"), the City of Cayce, the Town of Springdale and the South Carolina Department of Transportation, (collectively the "Project Stakeholders");

WHEREAS the parties acknowledge that Midlands Business Leadership Group ("MBLG") has raised financial support from private donors and The County has contributed public funding for the Gateway Project;

WHEREAS, the Central Midlands Council of Governments ("the COG") has been designated by MBLG and the County to hold the funds raised and contributed for the Gateway Project and to dispense such funds for design and construction services associated with the Gateway Project as appropriately approved invoices are submitted for payment;

WHEREAS, the parties to this Agreement desire to clearly define each party's roles, responsibilities, and expectations necessary to successfully implement the project;

WHEREAS, the local government parties to this Agreement desire to delegate planning, design, procurement and construction management authority to the City of Cayce;

NOW, THEREFORE, in consideration of the representations set forth herein, the parties hereby mutually agree as follows:

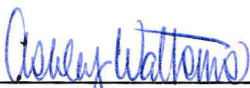
1. The Town of Springdale hereby authorizes the City of Cayce to proceed with the implementation of The Gateway Project as defined in The LandPlan Group South construction documents incorporated herein as Exhibit A. The Town of Springdale further acknowledges that by authorizing the City of Cayce to proceed, the City of Cayce shall procure the services of a contractor to deliver the work and shall oversee the execution of the work by the contractor.

2. The Town of Springdale hereby acknowledges that the scope of the work includes the installation of plants and an irrigation system in the right of way along Airport Boulevard which falls in the Town of Springdale and grants permission to the City of Cayce and its selected contractor, architect and project manager to execute the work in accordance with the plans and specifications referenced herein. Upon completion of the work, funding for ongoing maintenance will be provided through annual contributions from each unit of local government party to this agreement and each unit of local government party to a separate MOU with CMCOG. Ongoing maintenance funding commitments will be based on the following requirements:

- The cost share for each participating unit of local government will be based upon their percentage share of the IGA area's total population.
- Each county government's share will be based on their full county population less the population of any participating municipalities.
- The total annual maintenance cost for each project, from which the pro rata shares will be calculated, will include a repair and replacement contingency fee reflecting 10% of the original construction contract price.
- CMCOG will invoice local governments for their annual contribution after the start of each fiscal year.
- Maintenance costs will be reassessed on an annual basis.

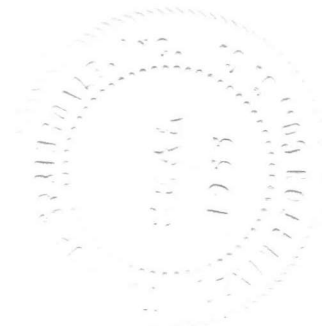
If a local government declines to participate, then the pro rata share for the remaining jurisdictions will be re-assessed.

3. The City of Cayce shall routinely communicate with The Town of Springdale and other Project Stakeholders regarding the progress of the work.



Ashley Watkins, Town Administrator
On behalf of Springdale Town Council

Tracy Hegler, City Manager
On behalf of Cayce City Council



Memorandum

To: Mayor and Council

From: Tracy Hegler, City Manager

Date: July 17, 2024

Subject: Second Reading of an Ordinance Amending **Article 6 District Regulations** to add language to create an additional Single-Family zoning district (RS-4A), along with its associated regulations.

Issue

Council approval is needed for the second reading of an ordinance amending **Article 6 District Regulations** to create an additional Single-Family zoning district (RS-4A), along with its associated regulations.

Discussion

The text amendment request is to amend Zoning Ordinance Article 6 District Regulations to add language to create a new single-family zoning district (RS-4A Single-Family, Small Lots, Urban), along with its associated regulations.

The proposed amendment will create a zoning district that is similar to the existing RS-4 zoning district. The only noticeable differences between the current RS-4 and RS-4A will be the reduction in setback requirements and the permissance of a dwelling unit as an accessory (ADU) to the principal structure. Single-family detached homes with front yard setbacks of 25 or 30 feet make up the majority of the housing stock in Cayce and accessory apartments/ADUs are not permitted in single-family residential districts. ADUs may also be known as mother-in-law suites.

This RS-4A zoning district will allow slightly higher-density housing while retaining single-family residential uses. The district will not be exempt from land development regulations - sidewalks, street trees, and parks or open spaces are required for RS-4A developments. It will not be exempt from the Infill Development Ordinance - any new home must have design elements that are similar to houses near it, regardless of the zoning district.

The proposed text amendment is in compliance with the Comprehensive Plan. Goals of the Comprehensive Plan, related to housing, are to meet the future housing needs of the city and to review and update the zoning ordinance, as needed, to ensure availability of diverse housing types. The RS-4A zoning district is intended to meet the future housing needs of the city by allowing housing diversity.

The Planning Commission held a regularly scheduled meeting on June 17, 2024, and voted on amending **Article 6 District Regulations** to add language to create the RS-4A zoning district along with its associated regulations. There were several members of the public in the audience but no one spoke against the text amendment. One resident stated that he is not against the zoning district but that he would like to see duplexes removed from the type of houses that can be permitted in this district.

Recommendation

The Planning Commission unanimously voted to recommend that the Council approve the first reading of an ordinance amending **Article 6 District Regulations** to create the new RS-4A zoning district with the following revisions to staff's draft document:

- 1.** Remove duplexes from allowed uses (unanimous vote from Planning Commission)
- 2.** Remove accessory apartments/accessory dwelling units from allowed uses (four votes in favor of removal, 2 against).

The majority of the Planning Commission agreed that accessory apartment/accessory dwelling units should not be allowed in the RS-4A district because of the higher density lots and because this use is not permitted in any other single-family zoning districts.

Note, City Council gave first reading approval of the new ordinance at its meeting on June 26, 2024 as submitted by staff, with no amendments. Staff recommends giving second reading approval to an ordinance amending Article 6 District Regulations to create the new RS-4A zoning district.

STATE OF SOUTH CAROLINA	)	ORDINANCE 2024-08
	)	Amending Article 6 District
COUNTY OF LEXINGTON	)	Regulations to Add Language to
	)	Create the RS-4A Single-Family
CITY OF CAYCE	)	Zoning District Along With
	)	Accompanying Regulations

WHEREAS, Council has determined that it is in the best interest of the public to amend Article 6 District Regulations to add language to create the RS-4A zoning district along with the accompanying regulations for said district;

WHEREAS, the Planning Commission held a regularly scheduled public hearing on this request to receive comments from the public; and

WHEREAS, the Planning Commission met on June 17, 2024, to review public comments and vote on recommending the amended Article 6 District Regulations of the Cayce Zoning Ordinance and that they do recommend this amendment with revisions made to the draft document as shown on the attached pages,

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Cayce, in Council, duly assembled, that Article 6 District Regulations is hereby amended as shown on the attached document.

This Ordinance shall be effective from the date of second reading approval by Council.

DONE IN MEETING DULY ASSEMBLED, this _____ day of _____ 2024.

Elise Partin, Mayor

Attest:

Mendy Corder, CMC, Municipal Clerk

First Reading: _____

Second Reading and Adoption: _____

Approved as to form: _____
Danny C. Crowe, City Attorney

**ARTICLE 6
DISTRICT REGULATIONS**

Section 6.1 Establishment of Districts

For purposes of this Ordinance, the following zoning districts are hereby established:

Residential Districts	Commercial Districts	Industrial Districts	Special Purpose Districts
RS-1, Single-Family, Large lots	C-1, Office and Institutional	M-1, Light	PDD, Planned Development
RS-2, Single-Family, Medium lots	C-2, Neighborhood	M-2, Heavy	FH, Flood Hazard
RS-3, RS-4 Single-Family, Small lots <u>RS-4A Single-Family, Small Lots, Urban</u>	C-3 Central		D-1, Development
RG-1, General Residential	C-4, Highway		DO-1 Design Overlay
RG-2, General Residential, High Rise			

Section 6.2 Purpose of Districts

Collectively, these districts are intended to advance the purposes of this Ordinance, as stated in Article 1. Individually, each district is designed and intended to accomplish the following more specific objectives.

Residential Districts

RS-1, RS-2, RS-3 and RS-4 and RS-4A Single-Family Residential Districts: These districts are intended to foster, sustain, and protect areas in which the principal use of land is for single-family dwellings and related support uses. Densities are designed to vary from district to district.

RG-1 General Residential District: This district is intended to promote and accommodate residential development consisting of a variety of housing styles, types and densities (i.e. single family, manufactured, multi family, townhouses, etc.) consistent with the Comprehensive Plan and appropriate standards of public health, safety and welfare, and aesthetics. This District is further intended to provide land to accommodate housing units which meet the diverse economic and social needs of the resident population, while retaining the scale and character of existing neighborhoods.

Section 6.5 Table I, Schedule Of Uses And Off-Street Parking Requirements for Residential Districts

	NAICS	RS-1	RS-2	RS-3	RS-4	RS-4A	RG-1	RG-2	Off -Street Parking Requirements
Residential Uses									
Site Built Dwellings									
Single-family detached	81411	P	P	P	P	<u>P</u>	P	P	2.0 spaces per unit
Duplex	81411	N	N	N	P	P	P	P	2.0 spaces per unit
Townhouse (Sec. 7.1)	81411	N	N	N	C	<u>C</u>	C	C	2.0 spaces per unit
Patio Home (Sec. 7.2)	81411	S	S	S	C	<u>C</u>	C	C	2.0 spaces per unit
Triplex	81411	N	N	N	N	<u>N</u>	P	P	2.0 spaces per unit
Quadraplex	81411	N	N	N	N	<u>N</u>	P	P	1.5 spaces per unit
Multi-family	81411	N	N	N	N	<u>N</u>	P	P	1.5 spaces per unit
Bed and Breakfast Inns (Sec. 7.3)	721191	S	S	S	S	<u>S</u>	C	C	1.0 space per bedroom
Rooming & boarding houses	72131	N	N	N	N	<u>N</u>	P	P	1.0 space per bedroom
Manufactured Dwellings									
Modular home	81411	P	P	P	P	<u>P</u>	P	P	2.0 spaces per unit
Manufactured Home Park (Sec. 7.6)	53119	N	N	N	N	<u>N</u>	N	S	2.0 spaces per unit
Accessory Uses (Sec. 5.6)									
Bathhouses, cabanas	NA	P	P	P	P	<u>P</u>	P	P	None
Domestic animal shelters	NA	P	P	P	P	<u>P</u>	P	P	None
Child day care services	6244	P	P	P	P	<u>P</u>	P	P	None
Satellite dishes/antennas	NA	P	P	P	P	<u>P</u>	P	P	None
Accessory Apartment (Sec. 7.4)	NA	N	N	N	N	C	C	C	Sec. 7.7
Coin operated laundries & dry cleaners	81231	N	N	N	N	<u>N</u>	P	P	None
Non-commercial greenhouse	NA	P	P	P	P	<u>P</u>	P	P	None
Private garage & carport	NA	P	P	P	P	<u>P</u>	P	P	None
Storage building	NA	P	P	P	P	<u>P</u>	P	P	None
Swimming pool, tennis courts	NA	P	P	P	P	<u>P</u>	P	P	None
Auxiliary shed, work shop	NA	P	P	P	P	<u>P</u>	P	P	None

Commented [M08]: By a unanimous vote, the Planning Commission recommends changing staff's draft to Not Permitted for duplexes in the RS-4A district

Commented [M09]: By a count of 4 to 2, the Planning Commission recommends changing staff's draft to Not Permitted for accessory apartments or ADUs in the RS-4A district

	NAICS	RS-1	RS-2	RS-3	RS-4	RS-4A	RG-1	RG-2	Off -Street Parking Requirements
Home Occupation (Sec. 7.7)	NA	C	C	C	C	<u>C</u>	C	C	None
Horticulture, gardening	NA	P	P	P	P	<u>P</u>	P	P	None
Signs - See Article V									
Support Uses									
Recreational									
Public parks, playgrounds, & community centers	71394	P	P	P	P	<u>P</u>	P	P	1.0 per 250 GFA activity buildings, 1% land area to parks
Golf courses, public & private	71391	P	P	P	P	<u>P</u>	P	P	5.0 spaces for each hole
Swimming & tennis clubs	71394	P	P	P	P	<u>P</u>	P	P	1.0 space for each 200 s.f. GFA
Educational									
Elementary schools	6111	P	P	P	P	<u>P</u>	P	P	1.5 spaces per classroom, plus 5.0 admin. spaces
Secondary schools	6111	P	P	P	P	<u>P</u>	P	P	5.0 spaces per classroom, plus 10 admin. spaces
Social									
Nursing & residential care facilities	623	N	N	N	N	<u>N</u>	P	P	0.4 per bed, plus 1.0 space per 500 s.f. GFA
Day care services	62441	N	N	N	N	<u>N</u>	P	P	1.0 space per 200 s.f. GFA
Religious organizations	81311	P	P	P	P	<u>P</u>	P	P	0.3 spaces per seat, main seating
Utilities									
Communication transmission only, except towers/antennas	5133	P	P	P	P	<u>P</u>	P	P	None
Communication towers & antennas (Sec. 7.8)	51332	SE	SE	SE	SE	<u>SE</u>	SE	SE	None
Electric, gas, transmission only	221121	P	P	P	P	<u>P</u>	P	P	None
Sewerage treatment facilities	22132	P	P	P	P	<u>P</u>	P	P	None
Water supply & irrigation systems	22131	P	P	P	P	<u>P</u>	P	P	None
Public Order & Safety	9221	P	P	P	P	<u>P</u>	P	P	1.0 space per 350 s.f. GFA
Fire Protection	92216	P	P	P	P	<u>P</u>	P	P	4.0 spaces per bay
Temporary Uses									
Temporary Uses (Sec. 7.5)		C	C	C	C	<u>C</u>	C	C	By individual review

Section 6.7 Table 3, Schedule of Lot Area, Setbacks, Height, & Lot Coverage Requirements, by Zoning Districts

District	Minimum Lot Area (a)		Min. Lot Width (ft.)	Minimum Building Setbacks Front Yard Setback (b)	Side Yard Setback		Rear Yard Setback		Maximum Height (ft.) (c)	Maximum Lot Coverage Ratio (%)	Design Standards
	Residential	Non-Residential			Res.	Non-Res.	Res.	Non-Res.			
RS-1	12,000	24,000	80	35	9	30	25	50	35	35	(i)
RS-2	9,450	18,000	70	35	6	30	20	40	35	35	(i)
RS-3	7,200	12,000	60	25	5	25	20	30	35	35	(i)
RS-4	(d)	10,000	(g)	25	5	25	15	30	35	35	(i)
RS-4A	(d)	10,000	(g)	5	5	25	5	30	35	35	(i)
RG-1	(d)	10,000	(g)	25	5	25	15	30	(e)	40	(i)
RG-2	(d)	10,000	(g)	25	5	25	15	30	(e)	40	(i)
C-1	(d)	6,000	(g)	25	5	5	10	10	(e)	50	(i)
C-2	0	0	0	25	(h)	(h)	10	10	(e)	NA	(i)
C-3	0	0	0	(f)	(h)	(h)	10	10	None	NA	(i)
C-4	0	0	0	25	5	5	20	20	(e)	NA	(i)
M-1	NA	0	0	25	NA	10	NA	25	(e)	NA	(i)
M-2	NA	0	0	25	NA	10	NA	25	(e)	NA	(i)
D-1	40,000	40,000	150	35	8	16	15	30	35	35	(i)

Notes To Table 3

- a - Lot area is expressed in square feet.
- b - Measurement from front property line.
- c - Measurement from average elevation of finished grade of the front of the structure.
- d - Minimum lot area based on number and type of units.
 - Single-family Detached: 5,000 Sq. Ft.
 - Duplex Units: 7,500 Sq. Ft.
 - Triplex, Quadraplexs, multifamily apts. Efficiency: 5,000 Sq. Ft. + 1,500 Sq. Ft. per each additional unit
 - 1 Bedroom: 5,000 Sq. Ft. + 2,000 Sq. Ft. per each additional unit
 - 2 Bedroom: 5,000 Sq. Ft. + 2,500 Sq. Ft. per each additional unit
 - 3 Bedroom: 5,000 Sq. Ft. + 3,000 Sq. Ft. per each additional unit
- e - There is no maximum; provided side and rear yard setbacks shall be increased by one foot for each three feet in building height, over 35 feet.
- f - Maximum setback is 20 feet; no minimum. Buildings may extend to the front property line.
- g - 50 feet for single family, duplex and nonresidential uses; 150 for multifamily uses.
- h - No side yard required; however where building is not built to property line, not less than three foot setback is required.
- i - Properties located on an existing street and surrounded on at least two (2) sides by existing residential development must meet design standards in accordance with Section 6.12 Residential Infill Development Design Standards.

In the case of corner lots, the yards remaining after full and half-depth front yards have been established shall be considered to be the side yards. There will be no required rear yard.

SUMMARY

RS-4A Single Family, Small Lots, Urban

Lot size 5000 sf

Lot width 50'

Setbacks:

- Front 5'
- Side 5'
- Rear 5'

Height 35'

Lot coverage 35%

Detached Garage/ ADU permitted

DRAFT

**ARTICLE 6
DISTRICT REGULATIONS**

Section 6.1 Establishment of Districts

For purposes of this Ordinance, the following zoning districts are hereby established:

Residential Districts	Commercial Districts	Industrial Districts	Special Purpose Districts
RS-1, Single-Family, Large lots	C-1, Office and Institutional	M-1, Light	PDD, Planned Development
RS-2, Single-Family, Medium lots	C-2, Neighborhood	M-2, Heavy	FH, Flood Hazard
RS-3, RS-4 Single-Family, Small lots <u>RS-4A Single-Family, Small Lots, Urban</u>	C-3 Central		D-1, Development
RG-1, General Residential	C-4, Highway		DO-1 Design Overlay
RG-2, General Residential, High Rise			

Section 6.2 Purpose of Districts

Collectively, these districts are intended to advance the purposes of this Ordinance, as stated in Article 1. Individually, each district is designed and intended to accomplish the following more specific objectives.

Residential Districts

RS-1, RS-2, RS-3 and RS-4 and RS-4A Single-Family Residential Districts: These districts are intended to foster, sustain, and protect areas in which the principal use of land is for single-family dwellings and related support uses. Densities are designed to vary from district to district.

RG-1 General Residential District: This district is intended to promote and accommodate residential development consisting of a variety of housing styles, types and densities (i.e. single family, manufactured, multi family, townhouses, etc.) consistent with the Comprehensive Plan and appropriate standards of public health, safety and welfare, and aesthetics. This District is further intended to provide land to accommodate housing units which meet the diverse economic and social needs of the resident population, while retaining the scale and character of existing neighborhoods.

Section 6.5 Table I, Schedule Of Uses And Off-Street Parking Requirements for Residential Districts

	NAICS	RS-1	RS-2	RS-3	RS-4	RS-4A	RG-1	RG-2	Off -Street Parking Requirements
Residential Uses									
Site Built Dwellings									
Single-family detached	81411	P	P	P	P	<u>P</u>	P	P	2.0 spaces per unit
Duplex	81411	N	N	N	P	P	P	P	2.0 spaces per unit
Townhouse (Sec. 7.1)	81411	N	N	N	C	<u>C</u>	C	C	2.0 spaces per unit
Patio Home (Sec. 7.2)	81411	S	S	S	C	<u>C</u>	C	C	2.0 spaces per unit
Triplex	81411	N	N	N	N	<u>N</u>	P	P	2.0 spaces per unit
Quadraplex	81411	N	N	N	N	<u>N</u>	P	P	1.5 spaces per unit
Multi-family	81411	N	N	N	N	<u>N</u>	P	P	1.5 spaces per unit
Bed and Breakfast Inns (Sec. 7.3)	721191	S	S	S	S	<u>S</u>	C	C	1.0 space per bedroom
Rooming & boarding houses	72131	N	N	N	N	<u>N</u>	P	P	1.0 space per bedroom
Manufactured Dwellings									
Modular home	81411	P	P	P	P	<u>P</u>	P	P	2.0 spaces per unit
Manufactured Home Park (Sec. 7.6)	53119	N	N	N	N	<u>N</u>	N	S	2.0 spaces per unit
Accessory Uses (Sec. 5.6)									
Bathhouses, cabanas	NA	P	P	P	P	<u>P</u>	P	P	None
Domestic animal shelters	NA	P	P	P	P	<u>P</u>	P	P	None
Child day care services	6244	P	P	P	P	<u>P</u>	P	P	None
Satellite dishes/antennas	NA	P	P	P	P	<u>P</u>	P	P	None
Accessory Apartment (Sec. 7.4)	NA	N	N	N	N	C	C	C	Sec. 7.7
Coin operated laundries & dry cleaners	81231	N	N	N	N	<u>N</u>	P	P	None
Non-commercial greenhouse	NA	P	P	P	P	<u>P</u>	P	P	None
Private garage & carport	NA	P	P	P	P	<u>P</u>	P	P	None
Storage building	NA	P	P	P	P	<u>P</u>	P	P	None
Swimming pool, tennis courts	NA	P	P	P	P	<u>P</u>	P	P	None
Auxiliary shed, work shop	NA	P	P	P	P	<u>P</u>	P	P	None

Commented [M08]: By a unanimous vote, the Planning Commission recommends changing staff's draft to Not Permitted for duplexes in the RS-4A district

Commented [M09]: By a count of 4 to 2, the Planning Commission recommends changing staff's draft to Not Permitted for accessory apartments or ADUs in the RS-4A district

	NAICS	RS-1	RS-2	RS-3	RS-4	RS-4A	RG-1	RG-2	Off -Street Parking Requirements
Home Occupation (Sec. 7.7)	NA	C	C	C	C	<u>C</u>	C	C	None
Horticulture, gardening	NA	P	P	P	P	<u>P</u>	P	P	None
Signs - See Article V									
Support Uses									
Recreational									
Public parks, playgrounds, & community centers	71394	P	P	P	P	<u>P</u>	P	P	1.0 per 250 GFA activity buildings, 1% land area to parks
Golf courses, public & private	71391	P	P	P	P	<u>P</u>	P	P	5.0 spaces for each hole
Swimming & tennis clubs	71394	P	P	P	P	<u>P</u>	P	P	1.0 space for each 200 s.f. GFA
Educational									
Elementary schools	6111	P	P	P	P	<u>P</u>	P	P	1.5 spaces per classroom, plus 5.0 admin. spaces
Secondary schools	6111	P	P	P	P	<u>P</u>	P	P	5.0 spaces per classroom, plus 10 admin. spaces
Social									
Nursing & residential care facilities	623	N	N	N	N	<u>N</u>	P	P	0.4 per bed, plus 1.0 space per 500 s.f. GFA
Day care services	62441	N	N	N	N	<u>N</u>	P	P	1.0 space per 200 s.f. GFA
Religious organizations	81311	P	P	P	P	<u>P</u>	P	P	0.3 spaces per seat, main seating
Utilities									
Communication transmission only, except towers/antennas	5133	P	P	P	P	<u>P</u>	P	P	None
Communication towers & antennas (Sec. 7.8)	51332	SE	SE	SE	SE	<u>SE</u>	SE	SE	None
Electric, gas, transmission only	221121	P	P	P	P	<u>P</u>	P	P	None
Sewerage treatment facilities	22132	P	P	P	P	<u>P</u>	P	P	None
Water supply & irrigation systems	22131	P	P	P	P	<u>P</u>	P	P	None
Public Order & Safety	9221	P	P	P	P	<u>P</u>	P	P	1.0 space per 350 s.f. GFA
Fire Protection	92216	P	P	P	P	<u>P</u>	P	P	4.0 spaces per bay
Temporary Uses									
Temporary Uses (Sec. 7.5)		C	C	C	C	<u>C</u>	C	C	By individual review

Section 6.7 Table 3, Schedule of Lot Area, Setbacks, Height, & Lot Coverage Requirements, by Zoning Districts

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	Residential	Non-Residential			Res.	Non-Res.	Res.	Non-Res.			
RS-1	12,000	24,000	80	35	9	30	25	50	35	35	(i)
RS-2	9,450	18,000	70	35	6	30	20	40	35	35	(i)
RS-3	7,200	12,000	60	25	5	25	20	30	35	35	(i)
RS-4	(d)	10,000	(g)	25	5	25	15	30	35	35	(i)
RS-4A	(d)	10,000	(g)	5	5	25	5	30	35	35	(i)
RG-1	(d)	10,000	(g)	25	5	25	15	30	(e)	40	(i)
RG-2	(d)	10,000	(g)	25	5	25	15	30	(e)	40	(i)
C-1	(d)	6,000	(g)	25	5	5	10	10	(e)	50	(i)
C-2	0	0	0	25	(h)	(h)	10	10	(e)	NA	(i)
C-3	0	0	0	(f)	(h)	(h)	10	10	None	NA	(i)
C-4	0	0	0	25	5	5	20	20	(e)	NA	(i)
M-1	NA	0	0	25	NA	10	NA	25	(e)	NA	(i)
M-2	NA	0	0	25	NA	10	NA	25	(e)	NA	(i)
D-1	40,000	40,000	150	35	8	16	15	30	35	35	(i)

Notes To Table 3

- a - Lot area is expressed in square feet.
- b - Measurement from front property line.
- c - Measurement from average elevation of finished grade of the front of the structure.
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 - Single-family Detached: 5,000 Sq. Ft.
 - Duplex Units: 7,500 Sq. Ft.
 - Triplex, Quadraplexs, multifamily apts.
 - Efficiency: 5,000 Sq. Ft. + 1,500 Sq. Ft. per each additional unit
 - 1 Bedroom: 5,000 Sq. Ft. + 2,000 Sq. Ft. per each additional unit
 - 2 Bedroom: 5,000 Sq. Ft. + 2,500 Sq. Ft. per each additional unit
 - 3 Bedroom: 5,000 Sq. Ft. + 3,000 Sq. Ft. per each additional unit
- e - There is no maximum; provided side and rear yard setbacks shall be increased by one foot for each three feet in building height, over 35 feet.
- f - Maximum setback is 20 feet; no minimum. Buildings may extend to the front property line.
- g - 50 feet for single family, duplex and nonresidential uses; 150 for multifamily uses.
- h - No side yard required; however where building is not built to property line, not less than three foot setback is required.
- i - Properties located on an existing street and surrounded on at least two (2) sides by existing residential development must meet design standards in accordance with Section 6.12 Residential Infill Development Design Standards.

In the case of corner lots, the yards remaining after full and half-depth front yards have been established shall be considered to be the side yards. There will be no required rear yard.

Memorandum

To: Mayor and Council

From: Tracy Hegler, City Manager
Monique Ocean, Planning & Zoning Administrator

Date: July 17, 2024

Subject: Second Reading of an ordinance to rezone properties from RS-3(Single-Family Residential) to RS-4A (Single-Family, Small Lots, Urban). The properties are located at 800 Lexington Avenue (Tax Map Number 005769-04-001 and 005769-04- 004).

Issue

Council approval is needed for the second reading of an ordinance to rezone properties from RS-3 to RS-4A. The properties are located at 800 Lexington Avenue (Tax Map Number 005769-04-001 and 005769-04- 004).

Discussion

The owner, Broad Brook-CT, LLC is requesting a map amendment to rezone properties located at 800 Lexington Avenue from RS-3 to RS-4A. The RS-4A zoning district is a new district to be added to **Zoning Ordinance Article 6 District Regulations**. The Planning Commission also held a public hearing June 17, 2024, to hear public comments on the new zoning district and to decide on a recommendation to Council.

The RS-4A zoning district is described as single-family, small urban lots. The RS-4A zoning district will allow higher-density single-family detached residential units. The applicant proposes to subdivide the property into 12 individual lots. The proposed development must comply with the infill development ordinance and land development regulations.

The proposed map amendment does not outright comply with the Comprehensive Plan because it is a new district. Although the property is located in the Transition Area (TA) of the Future Land Use Map it is close enough to the Residential Conservation/Infill (RC) Area to blend in. The Transition area is compatible with general residential zoning districts (RG-1 and RG-2). The Residential Conservation/Infill area is compatible with the single-family zoning districts (RS-1, RS-2, RS-3 and RS-4). The RG zoning districts allow for multi-family units whereas the RS

zoning districts do not. It is staff's opinion that the RS-4A zoning district is compatible with the area and could bring in single-family homes that are well-suited to the area.

The Planning Commission held a regularly scheduled meeting on June 17, 2024, and voted on the map amendment to rezone the properties at 800 Lexington Avenue from RS-3 (Single-Family, Small Lots) to RS-4A (Single-Family, Small Lots, Urban). There were several members of the public in the audience, and one spoke against the map amendment. One resident stated that he felt the proposed regulations for the RS-4A zoning district did not make sense for the area. He stated that there were no houses in the area with such a small setback.

Recommendation

The Planning Commission could not come to a decision on a recommendation for this change to the existing zoning. By a vote of three in favor of the change to the existing zoning and three against the change, the motion to recommend approval of the map amendment failed. Those in favor of the map amendment stated that they believe the proposed development at 800 Lexington would be an enhancement to the neighborhood. They stated that the property has been in the same state for decades. Those against the map amendment stated they were concerned about the setback requirements and not happy with the density of the proposed development. They also stated that they were not comfortable voting on the map amendment before Council made a decision about the RS-4A zoning district.

Note, City Council gave first reading approval to this map amendment at its meeting on June 26, 2024 (4/1). Staff recommends giving second reading approval of an ordinance to rezone properties from RS-3 to RS-4A. The properties are located at 800 Lexington Avenue (Tax Map Number 005769-04-001 and 005769-04- 004).

STATE OF SOUTH CAROLINA	)	ORDINANCE 2024-09
	)	Amending the Zoning Map and
COUNTY OF LEXINGTON	)	Rezoning Properties Located at 800
	)	Lexington Avenue (Tax Map Number
CITY OF CAYCE	)	005769-04-001 and Tax Map Number
	)	005769-04-004) from RS-3 to RS-4A

WHEREAS, the Owner/Applicant requested that the City of Cayce amend the Zoning Map to re-designate the properties comprising and shown at 800 Lexington Avenue (Tax Map Number 005769-04-001 and Tax Map Number 005769-04-004) from RS-3 (Single-Family, Small Lots) to RS-4A (Single-Family, Small Lots, Urban; and

WHEREAS, the Planning Commission held a public hearing on this request to receive comments from the public and adjacent property owners; and

WHEREAS, the Planning Commission met on June 17, 2024, to receive public comments and vote on whether to recommend the rezoning request. By a vote of three in favor of the change to the existing zoning and three against the change to the existing zoning, the Planning Commission could not come to a decision on a recommendation for this change to the existing zoning,

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Cayce, in Council, duly assembled, that the properties hereinafter listed, and as shown on the attached sketch, are hereby rezoned and reclassified on the Zoning Map of the City of Cayce as RS-4A (Single-Family Residential, Small Lots, Urban):

Tax Map Numbers 005769-04-001 and 005769-04-004
800 Lexington Avenue

This Ordinance shall be effective from the date of second reading approval by Council.

DONE IN MEETING DULY ASSEMBLED, this _____ day of _____ 2024.

Elise Partin, Mayor

Attest:

Mendy Corder, CMC, Municipal Clerk

First Reading: _____

Second Reading and Adoption: _____

Approved as to form: _____
Danny C. Crowe, City Attorney

MA001-24
800 Lexington Avenue
Current Zoning

ITEM V. B.

Legend

-  200' Buffer
-  Property Lines





Mayor
Elise Partin

Mayor Pro-Tem
Tim James

Council Members
Phil Carter
Hunter Sox
Byron Thomas

City Manager
Tracy Hegler

Deputy City Manager
Jim Crosland
Assistant City Manager
Michael Conley

**APPROVED MINUTES
PLANNING COMMISSION
MONDAY, MAY 20, 2024
CAYCE CITY HALL - 1800 12th Street
6:30 PM**

I. CALL TO ORDER

The meeting was called to order at 6:30 P.M. by Chair Richard Boiteau. Robert Power, Patty Foy, Michael Wuest, Nancy-Stone Collum, and Danny Creamer were present for the meeting. Michael Mahoney was absent. Michael Conley and Monique Ocean were present as Staff.

II. APPROVAL OF MINUTES

Robert Power made a motion to approve the minutes of the March 18, 2024, Planning Commission meeting. Michael Wuest seconded the motion. All were in favor.

III. STATEMENT OF NOTIFICATION

Monique Ocean confirmed that the public and media were made of aware of the meeting.

IV. DISCUSSION ITEMS

A. Update on Planning Commission's previous recommendations to Council.

Michael Conley stated that the Council had voted in favor of the Planning Commission's recommendation to approve the amendments to the City's Overlay Districts with one exception. Mr. Conley stated that Council decided it would be beneficial to continuing prohibiting uses such as distilling, refining, smelting, and mining operation.

B. **Review of priorities, objectives, and plans for the PC in upcoming months.**

Michael Conley mentioned that he had received an email with questions about 800 Lexington Avenue. Mr Conley stated that the city had come to an agreement with Broad Brook -CT LLC to sell the City owned portion of 800 Lexington Avenue. Mr. Conley stated that the City has not received any plans from the developer, but it is the developer intention to build single family homes on the property. Mr. Conley explained that an amended zoning district may be needed for future development of the property and the amendment request would need to come before the Planning Commission first.

Mr. Conley explained that the Zoning Ordinance and Land Development Manual needs to be updated. Mr. Conley stated that staff is in the process of creating a request for proposals (RFP) to find a company that is able to make the updates. Mr. Conley stated it could be an 18-month process to get the updates completed and the Planning Commission will be involved.

V. NEW BUSINESS

A. **Possible comments from staff**

There were no more comments from staff.

VI. ADJOURNMENT

Nancy Stone-Collum made a motion to adjourn. Michael Wuest seconded the motion. All were in favor.