

**Walterboro City Council
Work Session
Virtual Budget Meeting to Review the Amended FY 2020-2021 City Budget
September 15, 2020
5:00 P.M.**

PRESENT WERE:

Mayor Bill Young, Council Members Carl Brown, Judy Bridge, Paul Siegel, James Broderick, Greg Pryor. City Manager Jeff Molinari and Assistant City Manager Hank Amundson were also present. Councilmember Ladson was not present.

CALL TO ORDER:

Mayor Young called the meeting to order and entered into the Work Session.

CITY MANAGER REPORT:

City Manager Molinari gave an overview of the General Fund and Enterprise Fund and then went into specific detail as to each category/department of both Budgets. The General Fund Budget included expenditures in the following areas: City Council, City Manager, Finance, Public Works, Planning & Development, Police, Judicial, Fire, Parks, Tourism, and The Wildlife Center. The Enterprise/Utility Fund included expenditures in the following areas: Water, Utility Support, Sanitation, Sewer, and Sewer Support.

FY 2020-2021 AMENDED BUDGET NARRATIVE

Writing the amended budget for FY 2020-2021 has been especially challenging with the lingering uncertainty of COVID-19. Adopting a status quo budget on July 1st has given City staff valuable time to analyze and assess revenue trends to project the most accurate revenue figures possible. In the General Fund, we are forecasting modest reductions in property tax revenue, fines and fees, business license revenue, franchise fee revenue, and interest revenue. Although revenues to close out the last fiscal year were strong, staff took a conservative approach to projecting future revenues in the event of another significant Covid-19 outbreak and/or economic slowdown.

In April 2019, Willdan Financial Services presented their findings from the rate study that they conducted of the City's water, sewer, and sanitation collection operations. Staff took those recommendations and adjusted them to best meet the financial needs of the Enterprise Fund over the next five (5) years. Adjusting the rate structure in the Enterprise Fund will accomplish the following:

- Full Cost Recovery of Utility Expenditures – generate enough revenue in each system to meet the operational needs of each system (cost-based rate structure).
- Bring the City's water and sewer rate structures into compliance with the American Water Works Association (AWWA) standards.
- The implementation of a facility charge in sewer will fund the future debt service of expanding the capacity of the WWTP to 5.625 MGD and other necessary capital projects.
- Adjusting the cost of water tap fees and sewer tap fees. The current fee for water taps and sewer taps does not cover the cost of the installation and purchase of water and sewer taps.
- Incrementally adjust the fee for sanitation collection to cover the costs of providing the service.

- Equity among consumer classes – charging the same rates for both residential and commercial water and sewer customers.

FY 2020-2021 AMENDED BUDGET SUMMARY

- \$11,911,399 total City budget.
- \$7,506,569 General Fund budget.
- \$4,404,830 Enterprise Fund budget.
- No ad valorem property tax increase.
- No business license rate increase.
- Proposed increase in water bi-monthly minimum charges.
- Increase in water and sewer tap fees to cover cost of tap and labor.
- Proposed 5% increase in sewer volumetric rates.
- Implementation of a \$3.00 facility charge for sewer.
- Proposed \$3.00 increase in bi-monthly residential sanitation collection (\$18.00 annually) and \$3.18 increase in commercial roll-cart collection (\$19.08 annually).
- No increase in the employer portion of state retirement. (Per PEBA, SCRS will remain at 15.56% and PORS will remain at 18.24%)
- Proposed 1.0% cost of living adjustment for city employees retroactive to July 1, 2020.

MAYOR AND CITY COUNCIL

- Status quo.

CITY MANAGER

- Install FortiGate Firewall.

FINANCE

- Status quo.

PUBLIC WORKS

- Repairs at City Shop from April 13, 2020, tornado.

PLANNING AND DEVELOPMENT

- \$25,000 allocated for demolition of substandard properties.

POLICE

- Two (2) new vehicles.

JUDICIAL

- Status quo.

FIRE

- Status quo.

PARKS

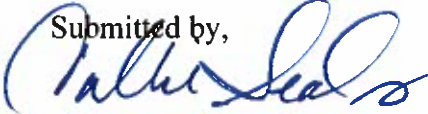
- Added part-time Animal/Reptile Keeper for the Wildlife Center.

TOURISM

- Status quo.

There being no further business to consider, a motion to adjourn the meeting was made by Councilmember Brown that the Amended FY 2020-2021 City Budget be presented to City Council, and seconded by Councilmember Bridge.

No further input was received and the meeting was adjourned.

Submitted by,


Callie Seals
City Clerk