



**City of Fountain Inn
Regular Council Meeting Minutes**

June 4, 2020 ~ 6:00 PM ~ 200 N. Main Street, Council Chambers

The meeting was open to the public, but attendance was limited to 10 members of the public at any given time. The meeting was also live streamed on the City's Facebook page

The following members of City Council were in attendance: Mayor George Patrick (GP) McLeer, Jr., Mack Blackstone, Phil Clemmer, Anjeanette (AJ) Dearybury, John Mahony and Jay Thomason

Councilmember Cunningham was not present.

Others Present: Shawn Bell, Roger Case, Greg Gordos, Michael Hamilton, David Holmes, Ronnie Myers, Eduardo Noriega, Naomi Reed, Sandra Woods

Visitors: 1

Call to Order – Mayor McLeer

Invocation – Mayor McLeer

Pledge of Allegiance

**Statement from Mayor McLeer on the death of George Floyd
(attachment #1)**

Public Hearing – FY 20/21 Proposed Budget

Mayor McLeer opened the public hearing for public comment on the FY 2020/2021 Proposed Budget.

No one signed up to speak. Mayor McLeer closed the public hearing.

Old Business

Second Reading – Ordinance 2020-002 FY 2019-2020 Budget Amendment

Mr. Bell stated this is an Ordinance to update and amend the FY 2020 Budget for the City of Fountain Inn to account for appropriations made by City Council through the fiscal year.

When a municipality adopts its annual budget ordinance, staff and elected officials are projecting receipts and expenditures of government. During a fiscal year, sometimes extenuating circumstances may make it appropriate to adopt an amendatory ordinance to reflect deviations in certain line items of the budget.

Due to the unprecedented residential growth in Fountain Inn, certain revenue line items such as Fire Service Area Revenue (+\$160,000), Laurens County Taxes (+\$68,000), Greenville County Taxes (+\$55,000), and Variance/Rezoning Fees (+\$7,500) were under budgeted, leading to an increase of \$290,500 in additional revenue. With the addition of \$115,400 from fund balance, the total revenue increase to the FY20 budget is \$405,900.

On the expenditure side, some line items were under budgeted such as payroll consultant fees (did not budget for IdealHR services to extend beyond September 2019), Police & Fire Education Incentive Pay, Special Events Marketing, and internet expenditures. In addition, a website audit was performed, and 800 Megahertz radios were purchased. These additional expenditures totaled \$405,900.

Motion by Councilmember Mahony, second by Councilmember Thomason to approve Ordinance 2020-002 FY 2019-2020 Budget Amendment on second reading. The motion carried unanimously 6/0.

New Business

First Reading – Ordinance 2020-003 FY 2020-2021 Budget

Shawn Bell reviewed FY 2020-2021 budget highlights with council.
(attachment #2)

Councilmember Thomason asked if staff could go back and increase the amount of funding to the Chamber of Commerce of Commerce from \$15,000 to \$20,000 before for 2nd reading.

Motion by Councilmember Thomason, second by Councilmember Dearybury to approve Ordinance 2020-003 FY 2020-2021 Budget on first reading. The motion carried unanimously 6/0.

City Administrator Report

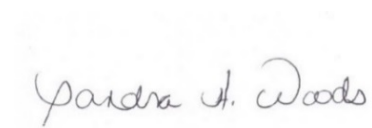
Mr. Bell mentioned that a lot of municipalities in the surrounding area s are canceling their 4th of July events. Initially, we were planning to have our July 4th event, but staff is concerned that our crowd may be larger due to the other cancellations. The concern is we may not be able to handle that many people. Staff suggests just having a fireworks show, but not have the band.

After discussion, council would like to see how the Friday night music goes this week and make a decision at the June 11th Council meeting.

Council Meeting Minutes
June 4, 2020

Motion by Councilmember Mahony, second by Councilmember Blackstone to adjourn the meeting. The motion carried 6/0.

Time: 6:27 pm

A handwritten signature in cursive script that reads "Sandra H. Woods". The ink is dark and the signature is written on a light-colored background.

Sandra H. Woods, CMC
Municipal Clerk



June 4, 2020

Statement from Mayor McLeer on the Death of George Floyd

Like everyone, I am disheartened and angered by the loss of George Floyd's life. I have had words written on a page for a few days now and no matter how hard I try, none of them seem good enough to address the pain that I feel, and our country feels. We cannot and should not grow to be desensitized by the death of George Floyd and too many like him at the hands of any law enforcement agency. We cannot think that "this just happens", because it's not supposed to happen. We have had instances of tragedies like this in our own community's past, and while we may not be used to it, we are not immune to it.

Our country continues to struggle with inequity. Protesting these inequities is the right and duty of all Americans - each and every one of us. We must eliminate injustice and racism wherever it resides and not rest until all of us are treated equally under the law. This battle for equality and justice also requires participation in the democratic process; it requires dialogue and conversation; it requires listening; and it requires hard work.

It requires police departments across the country, not just in Minneapolis, to take proactive steps to ensure proper training is in place, and that relationships within the community are strengthened and made a priority, which our Police Department continuously works towards. It requires elected officials, myself included, to do a better job in listening to constituents who are unduly and negatively impacted by the laws and policies we uphold or create.

It requires us to ensure an open dialogue exists where the Constitution meets every American - Main Street.

I am proud to represent Fountain Inn. I am proud to work with great people, like our Police Chief, Michael Hamilton, who put our community first in everything they do and strive to never be complacent. I am proud to have constituents who help each of us learn and listen. And I am grateful for a community that always knows how to come together.

We are currently working on organizing a unity event for our community within the next two weeks. Please stay tuned for that announcement.

Mayor GP McLeer
City of Fountain Inn



CITY OF FOUNTAIN INN

PROPOSED ANNUAL BUDGET

FOR THE FISCAL YEAR

JULY 1, 2020 TO JUNE 30, 2021



FOUNTAIN INN

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Mayor and City Council

George Patrick McLeer, Jr., Mayor

Phil Clemmer, Mayor Pro-Tem

John Mahony, Ward 1

Daniel J. Thomason, Ward 2

Anjeanette Dearybury, Ward 3

Anthony Cunningham, Ward 5

Mack Blackstone, Ward 6



City of Fountain Inn

Staff

Shawn M. Bell	City Administrator
Naomi B. Reed	Finance Director
Sandra Woods	City Clerk
Michael Hamilton	Police Chief
Ronald Myers	Fire Chief
Roger Case	Public Works Director
Tammy Finley	Judge/Clerk of Court
Russell Haltiwanger	Recreation Director
Eduardo Noriega	Gas Manager

City Attorney

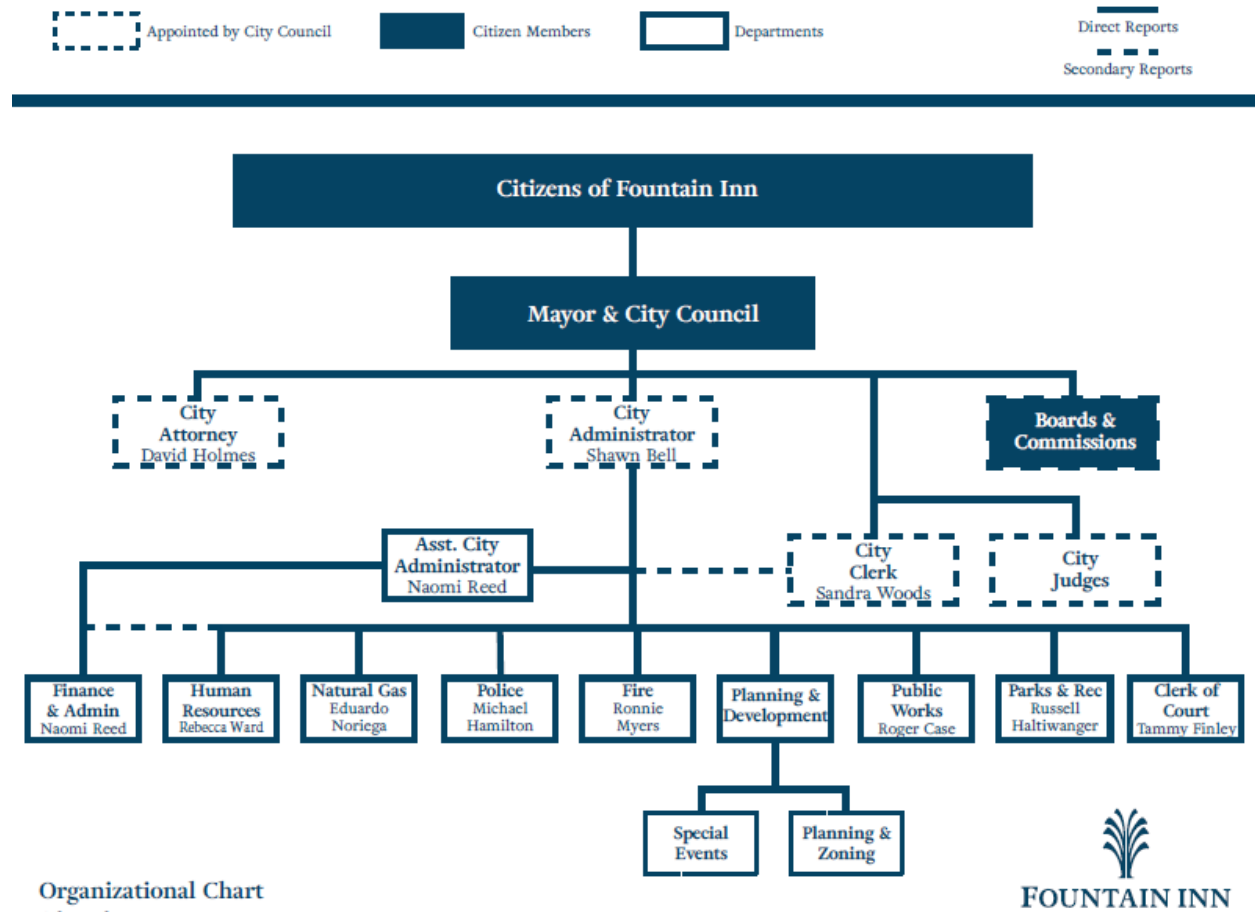
David Holmes

Municipal Court Judge

External Auditor

Manley Garvin, LLC

City of Fountain Inn Organizational Chart



To: Honorable Mayor and Members of City Council
From: Shawn M. Bell, City Administrator
Re: Proposed Budget for Fiscal Year 2021
Date: June 4, 2020

Introduction

It is my pleasure and privilege to present the FY 2021 Proposed Operating Budget, which begins on July 1, 2020. The Proposed Budget for FY 2021 is a balanced budget that represents a responsible spending plan for the upcoming fiscal year and a forward outlook to future needs. Significant work has gone into ensuring that this budget is fiscally responsible, advances City Council's vision and priorities, serves our citizens, supports our valued employees, and meet the needs of a growing community.

As proposed, the FY 2020-2021 budget totals \$21,375,249 which represents an overall budget decrease of 14% from the original adopted FY 2019-2020 budget. The decrease is directly related to the prior year issuance of the 2019 Installment Purchase Revenue Bond.

The General Fund is the primary fund for most City operations. This budget document also includes recommendations for a variety of other operating funds including the City's main Enterprise Funds: Natural Gas Operating, Sewer Operating and Solid Waste Fund Operating.

South Carolina Code of Laws 12-43-217, requires each County to reassess all property every five years. The millage rate for FY 2020-2021 is 76.1 mills, representing no change from the current year's millage. Since the five year assessment is currently concluding, equalization adjustments may be made to the current combined millage rate of 76.1. Council will be notified when this is complete and has no impact on the revenue received by the City.

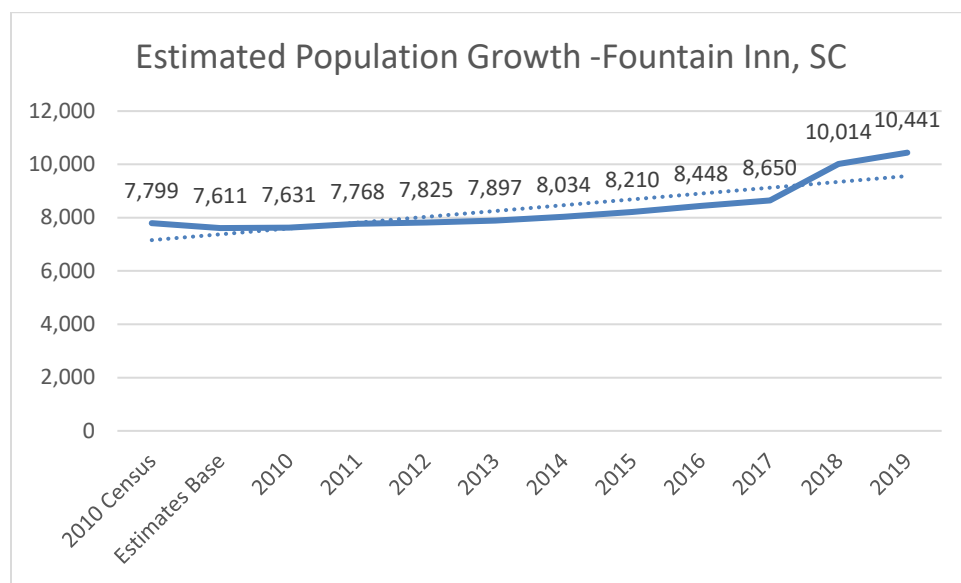
Recommended funding levels are also provided for a variety of special revenue funds to help account for special activities such as Hospitality Tax Fund, Road Improvement, and Victims Services Fund.

Budget Considerations and Factors

Every budget year offers new challenges, and this year was no exception. During the planning and development of the proposed FY 2020-2021 City staff, along with the rest of the world was faced with the challenges of COVID-19. The full economic impact this virus will have on our community will take months to fully quantify but staff has made revenue and expenditure assumptions based on data readily available at the time.

Fortunately for Fountain Inn, a healthy fund balance, stable cash flow and increased revenue and population growth carried us through the first quarter of FY 2020.

Between 2017 and 2018, the City of Fountain Inn was reported as the second fastest growing city in all of South Carolina, going up from an estimated 8,854 to 10,019 people or 15.77%. The quality of life, location, and low taxes remain attractive to businesses and residents. The annual budget process reflects the City's efforts to maintain and improve our services and infrastructure in a growing City.



City's growth and stable economy drive increased revenues, which help fund the majority of the growth in this proposed budget. The recommended budget also continues to strategically utilize the City's fund balance to meet the City's ongoing capital needs.

The City's continued growth due to increased annexations has increased the demand for City services. One of the challenges facing the City is continuing to provide these necessary services in an efficient and economical manner. While tax millage remains unchanged, the City will continue to explore new methods of obtaining financial resources and controlling costs.

Council Priorities

Each year staff creates a budget that supports Council's goals and initiative as discussed during the annual council goal setting retreat. Those goals and initiative identified are:

Must Do

- Focus on Economic Development Efforts in terms of recruitment, retention, promotion, and product development.
- Identify funding and financing options for implementing facility and equipment upgrades, along with increasing personnel and their pay, and initiatives proposed in classification & compensation plan
- Focus on making Fountain Inn a destination in terms of stepping up marketing, upgraded gateways, and related physical improvements
- Evaluate insurance, fringe benefits, and compensation levels for City employees; the competitiveness of the City's Classification & Compensation plan; where things stand with Phase 2 of implementing the plan; and a recommendation of a timeline for full implementation

Should Do

- Review and revise the City's zoning ordinances, land development regulations, and other related standards. Conduct by staff, bring recommendations to council. Engage consultant if deemed necessary.
- Evaluate options for establishing a municipal center to house all municipal operations. The Police and Fire Department buildings should stand out and have a better appearance.
- Controlling growth – balancing economic development with preservation of Fountain Inn's traditional hometown feel.
- Update the City's web presence, have a secure platform for paying natural gas bills, incorporate marketing strategies, brand equity, use as a tool for community engagement and communication

Could Do

- Make improvements in accessibility (sidewalks and parking facilities) to support downtown. Sidewalks should be safe and accessible along corridors. Add additional handicap parking spaces in downtown, find alternatives to parallel parking, and increase multi-modal means of transportation
- More cooperative initiatives between the City and Chamber of Commerce to plan, promote, and coordinate special events. Engage the Chamber of Commerce in existing events.
- Invest in public safety equipment and additional personnel in fire and police to meet the public safety demands of a rapidly growing city.
- More diversity; promote in multi-faceted manner. Incorporate diversity concepts into event conceptualization, planning, and promotion.

- Increase budget for employee professional development. Encourage City employees to be the best in their fields.
- Make plans and participate in the extension of the Swamp Rabbit Trail into Fountain Inn and fully capitalize on the project.
- Enhance quality of life in Fountain Inn through further development and improve Parks & Recreation facilities.
- Improve employee retention.

A large majority of initiatives in each category have been addressed in whole or in part in the proposed budget without negatively impacting the City's financial position.

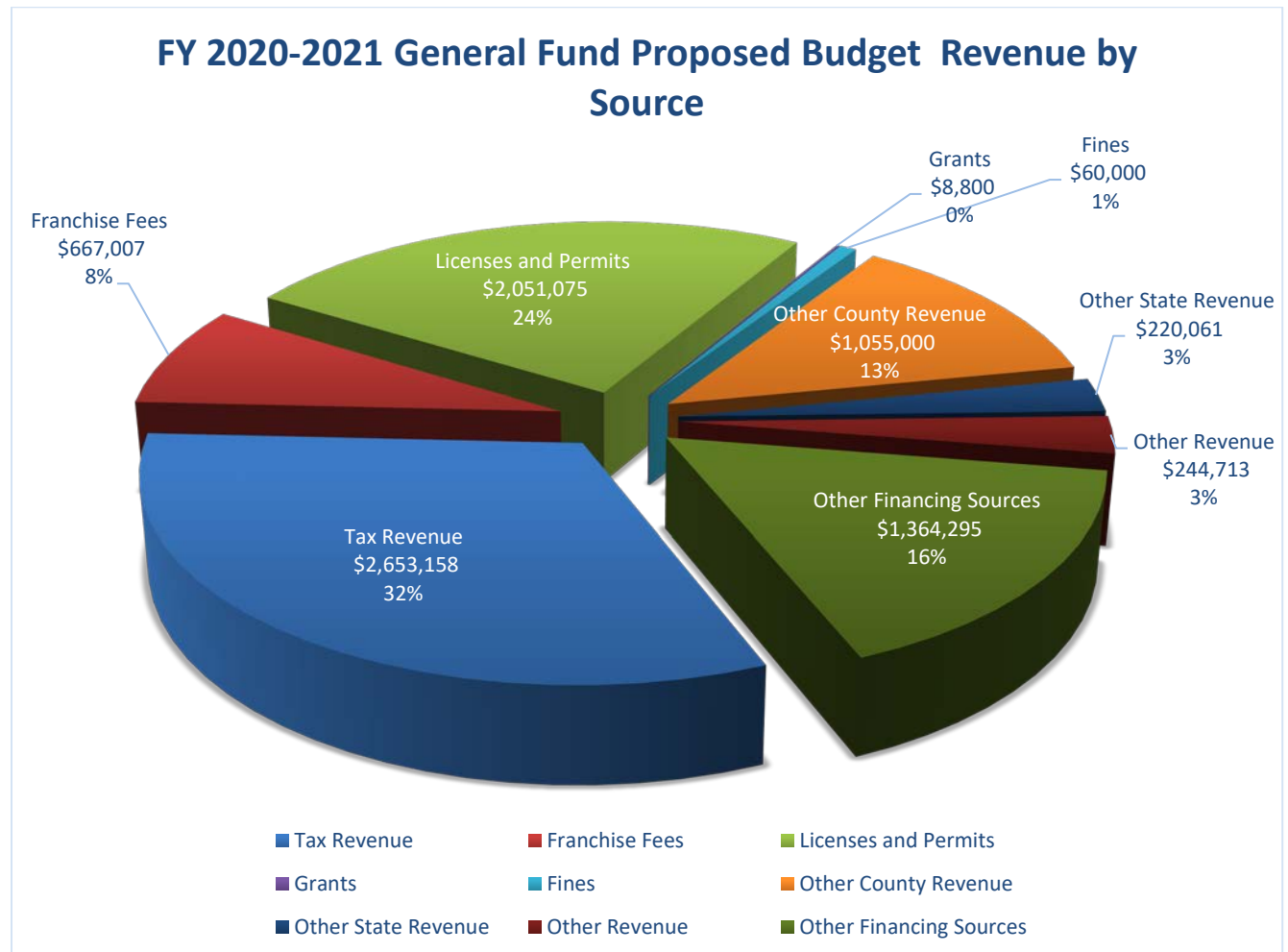
Budget Highlights – General Fund

Revenue

The proposed FY 2021 General Fund Budget totals 8,324,109 which represents an increase of 3.5% compared to FY2020. The slight increase is primarily due to three major factors that offset one another:

- FY 2020 Capital Projects Fund was established to track all expenditures related to the issuance of the 2019 Installment Purchase Revenue Bond. The FY2021 capital projects and equipment acquisitions are reflected in the General Fund Budget.
- Reallocated expenditures related to sanitation services and dissolved the Streets Department. Expenditures are properly classified and budgeted in the Solid Waste Fund requiring a transfer from General Fund to the Solid Waste Fund totaling \$431,797
- Usage of Fund Balance for Capital which totals \$438,302 is now recognized in the financial statements as a transfer and reflected as such.
- Projecting 18.99% increase over the Original Adopted FY2020 Budget in Fire Service Area Revenue (FSA) and 6% increase over the Original Adopted FY2020 Budget in Total Tax Revenue due to rapid growth.

The chart below represents the various sources of revenue to fund operating costs projected for FY2021.



The Proposed FY2021 total Tax Revenue is 6.11% higher compared to Original Adopted FY2019-2020 Budget. Due to uncertainties of future Franchise Fee and License and Permit Revenue staff is recommending a 2% increase in franchise fees and a 1.69% increase in Licenses and Permits.

Grant revenue declined significantly as a result of the uncertainties of the global health pandemic and agencies lack of funding for certain projects historically funded by grants proceeds.

Staff is recommending a 20% reduction in revenue received from police fines in anticipation of individuals with reduced or income due to job loss inability to pay for fines. Staff will continue to monitor throughout the fiscal year.

Due to growth, staff is proposing a 19% increase in revenue received from Greenville County Fire Service Area Fees (FSA) compared to the Original FY 2019-2020 budget.

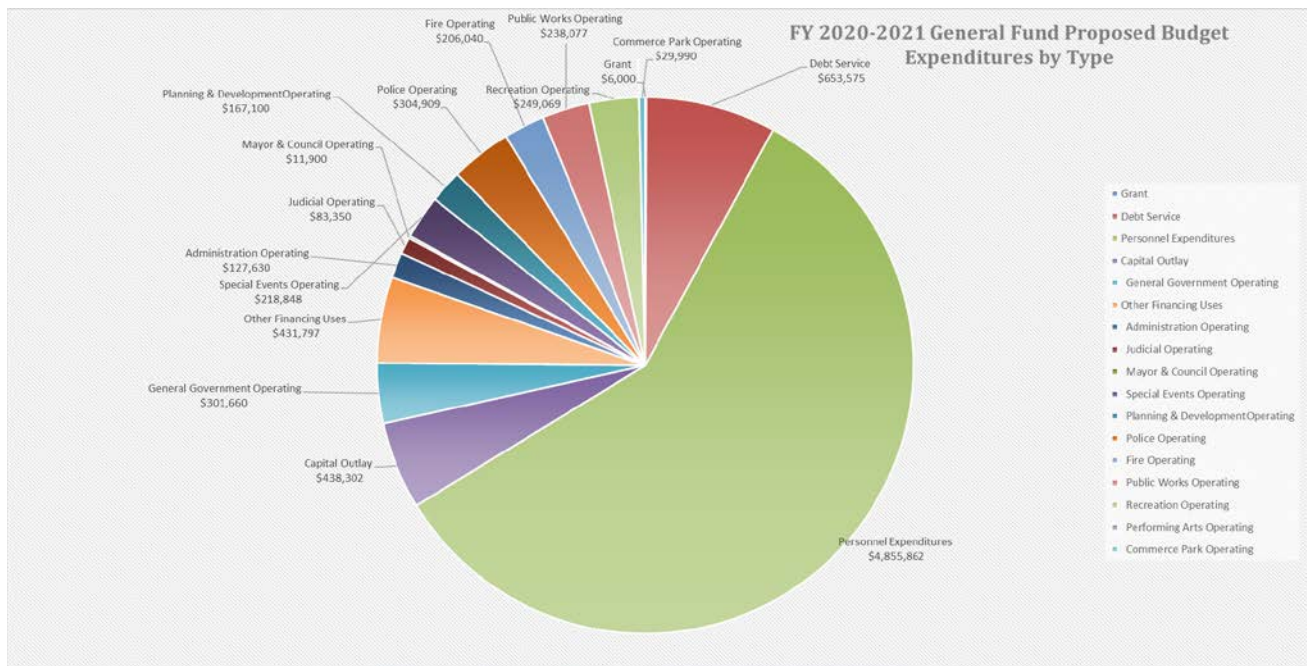
Revenues received from Other State and Intergovernmental revenue sources is proposed to generate a 4.8% or \$10,013 in revenue as compared to FY2019-2020.

Staff is projecting a decline in certain revenues received from Other Charges and Fees due to anticipated participation in recreation sports programming, rental income, and sponsorships in response to the uncertainties of COVID-19 and capacity restrictions that may continue to be recommended by the Center for Disease Control (CDC).

Budgeted Use of Fund Balance

The City judiciously uses fund balance to offset the costs of ongoing capital improvements and other one-time expenditures. The various capital improvements include continuation of projects such as Phase II of the Wayfinding Sign Project, IT upgrades across departments, vehicles for new employees, public safety equipment and building improvements which total \$438,302.

General Fund Expenditure Summary

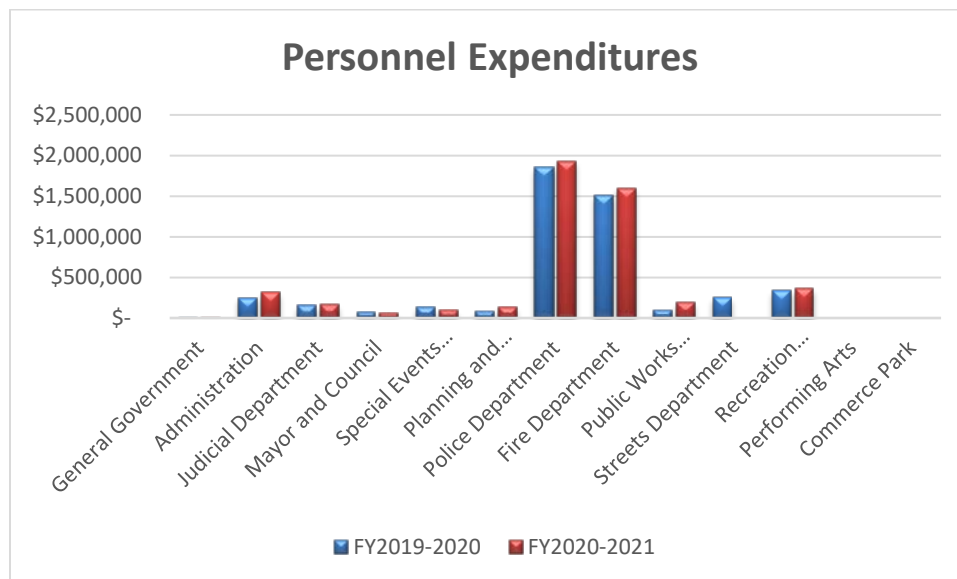


Salary and Related Personnel Expenditures

The Proposed Budget for FY 2020 includes funding for a 3% cost of living increase effective on the first full pay period in July. Increased pay is essential to maintaining the

City's competitive position in the labor marketplace, both in terms of recruitment and retention. The total cost of the adjustment totals \$255,680 which includes salaries, insurance, workers compensation, payroll taxes and insurance. The total increase in salaries alone total \$175,600.

Personnel expenditures make up over half of the Proposed FY2020-2021 Budget. Public Safety personnel expenditures make up 73% or \$3,531,697 of the \$4,855,862 annual budget.



The City of Fountain Inn is a member of the South Carolina State Retirement System (SCRS) and the Police Officers Retirement System (PORS). The City's current rate, known as the "employer contribution," for FY2020-2021 is 16.56% (SCRS) and 19.24%(PORS) which is a 1% increase over prior year. All eligible employees also pay a "member contribution," which is set at 9% of their salary.

The City of Fountain Inn increased the employer contribution for dependant health insurance and offered two plans for major medical insurance. The rates are as follows:

Monthly Cost	Base Plan	Enhanced Plan
Employee only	\$0.00	\$9.00
Employee & Spouse	\$469.40	\$512.15
Employee & Child(ren)	\$354.87	\$391.65
Employee & Family	\$563.30	\$628.70

New Positions

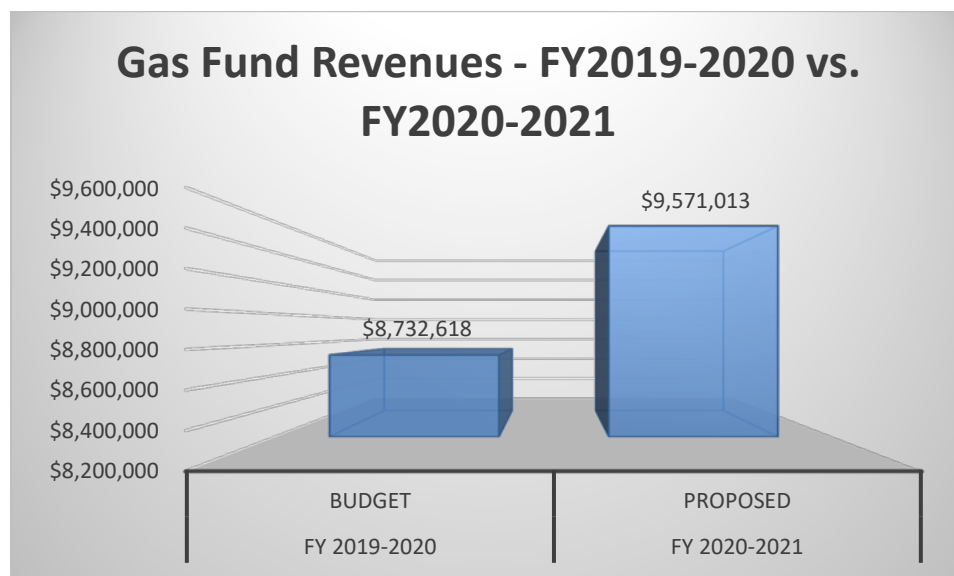
As part of the budget process, various City Departments requested sixteen new positions (14 full-time, 1 converted part- to full-time, and 1 part-time). These requests are driven in part by City Council priorities and by the City's recent growth, both in terms of population and in terms of developed areas. However, the additional pressure placed upon the City budget by a variety of factors, including the additional costs for salaries and wages, revenue constraints, increased demand for services, amongst other factors, limited the number of new positions recommended for funding in this budget.

The Proposed FY 2020-2021 Budget includes four new full-time positions, increased part time hours and department reorganization. The proposed budget included the addition of one full-time Planning and Development Director, 1 full-time Assistant Public Works Director budgeted to begin in October 2020 to allow time for recruitment, 1 full time Crew Worker and 1 full time Detective. Additionally, this budget includes the reduction all costs associated with Streets Department personnel expenditures. The expenditures aforementioned are properly allocated to the Solid Waste Fund and Public Works Department to align with assigned job duties.

Budget Highlights – Fountain Inn Natural Gas Fund

Revenue

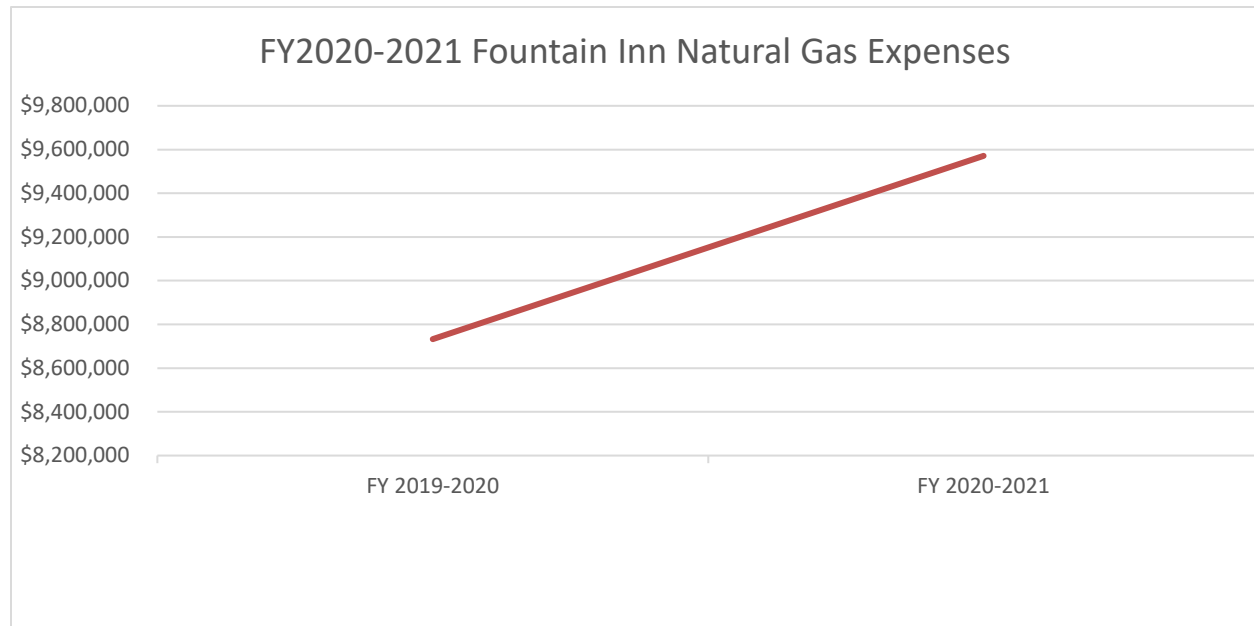
The proposed FY 2021 Natural Gas Budget totals \$9,571,013 which represents an increase of 10% compared to FY2020. The increase is primarily due to Council's mandate to maintain and improve infrastructure to address aging infrastructure issues in the Natural Gas system, accommodate growth and respond to service demands shown as appropriation of Fund Balance.



Fund Balance Appropriation

Applying the methodology followed in the General Fund, staff judiciously uses Natural Gas fund balance to offset the costs of ongoing capital improvements and other one-time expenditures. The various capital improvements include continuation of projects such new service lines, replacement equipment, industrial meters, Fountain Inn High School infrastructure, mainline expansion and services lines for new subdivisions an the Clinton Newberry Interconnect project – Phase I totaling \$1,223,000.

Summary of Expenses



Salary and Related Personnel Expenses

The Proposed Budget for FY 2021 Fountain Inn Natural Gas Fund includes funding for pay increases that will become effective on the first full pay period in July. Increased pay is essential to maintaining the City’s competitive position in the utility labor market, both in terms of recruitment and retention. The total cost of the adjustment totals \$155,008 which is a 10% increase compared to FY2019-2020. This includes costs associated with salaries, insurance, workers compensation, payroll taxes and insurance and allocations of salaries from other funds. One vacancy remains in the department and the department director did not make any requests for additional personnel for FY2020-2021.

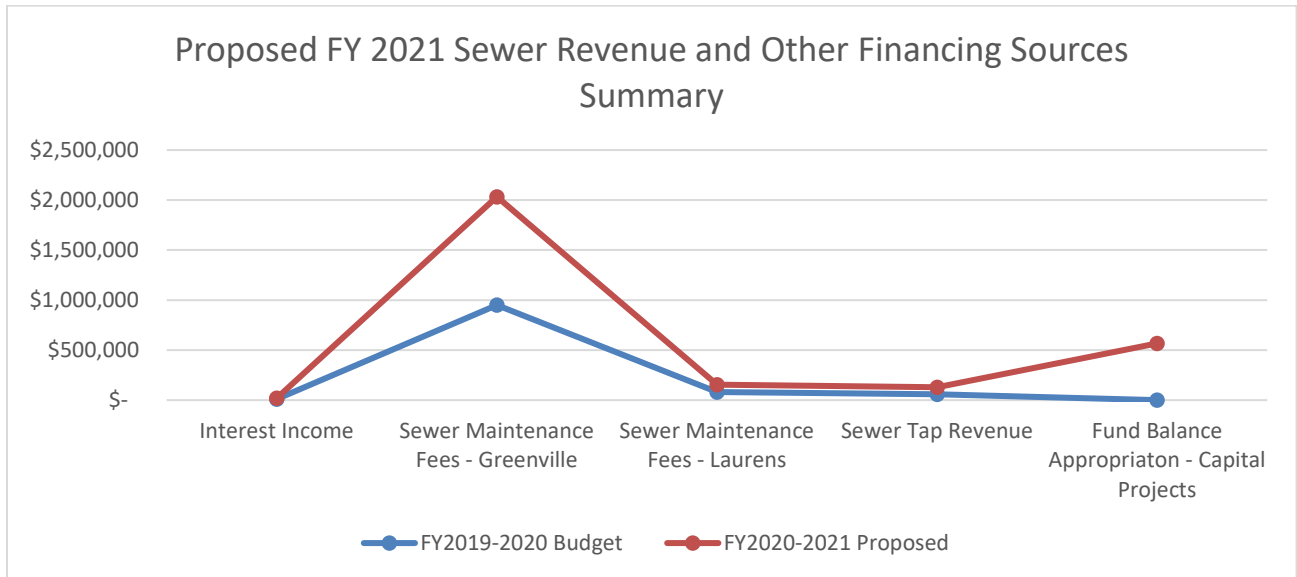
Operating Expenses

The proposed FY2021 opererating expenses in the Fountain Inn Natural Gas Fund total \$5,407,890 which is a 1% or \$62,652 decrease as compared to FY2019-2020.

Budget Highlights – Fountain Inn Sewer Fund

Revenue

The proposed FY2021 Fountain Inn Sewer Fund includes a 64% increase in revenue and other financing sources with most of the increase from an appropriation of fund balance to fund capital projects.



Fund Balance Appropriation

Applying the methodology followed in the General Fund, staff judiciously uses Sewer's fund balance to offset the costs of ongoing capital improvements and other one-time expenses. The various capital improvements include continuation of the Annual Sewer Rehab program, Old Fairview Road Project totaling 165,000, grant match totaling \$250,000, and various pieces of new and replacement equipment in the amount of \$141,000 for a grand total of \$806,000.

Salary and Related Personnel Expenses

The Proposed Budget for FY 2021 Fountain Inn Natural Gas Fund includes funding for pay increases that will also become effective on the first full pay period in July. The total cost of the adjustment for three full time employees and other fund allocation of salaries and related personnel expenses totaling \$29,499 which is a 7% increase compared to FY2019-2020.

Operating Expenses

The proposed FY2021 operating expenses in the Fountain Inn Sewer Fund totals \$256,650 which is a 46% or \$217,550 decrease as compared to FY2019-2020. The decrease is directly related to correcting the classification of CIP related accounts such as, repair and rehabilitation, engineering fees and consulting fees.

Budget Highlights – Fountain Inn Solid Waste Fund

The Proposed FY2021 Solid Waste Fund budget is \$1,010,797 which represents a 72% increase compared to the FY2020 Budget. The increase is primarily due to the following major factors:

- Reallocation of expenditures related to sanitation services and dissolved the Streets Department. Expenditures are properly classified and budgeted in the Solid Waste Fund requiring a transfer from General Fund to the Solid Waste Fund totaling \$431,797
- Increased debt services expenditures by 103% to include the principal and interest of all existing solid waste fund, reallocation of debt from dissolved Streets Department, and proposed new interest payment for the debris truck and garbage truck.

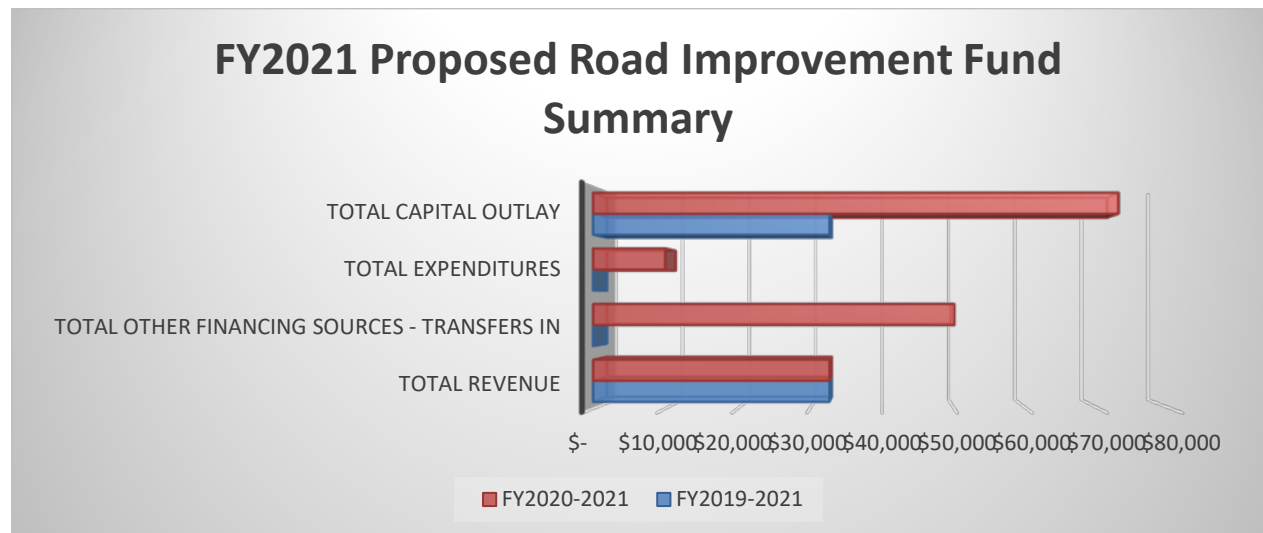
Budget Highlights – Fountain Inn Hospitality Tax Fund

The Proposed FY2021 Hospitality Tax Fund Budget is \$435,500 which represents a 9% decrease compared to the FY2020 Budget. Staff anticipates hospitality tax receipts to decline as the hospitality tax businesses recovers. Other noteworthy highlights include funding for FY2020-2021 Hospitality Tax Grant Recipients:

Fountain Inn Chamber of Commerce	\$15,000
Fountain Inn History Museum	\$15,000
Cultural Arts Foundation Fountain Inn	\$75,000

Budget Highlights – Road Improvement Fund

The City of Fountain Inn receives funding from Greenville County for certain road improvement projects. In addition to the funding from Greenville County, the FY2021 Budget recommends a transfer from the Fountain Inn Natural Gas Fund to the Road fund to pay for various road improvements.



Budget Highlights – Special Revenue Funds

The local option sales and use tax is authorized under SC Code Section 4-10-10. This tax is on general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed to reduce the property tax burden on persons in the counties where this tax is imposed. The SCDOR collects this tax on behalf of Laurens County for the City of Fountain Inn. This budget includes a transfer in from the Local Option Sales Tax Fund to the General Fund to support general fund operations at \$150,000.

The proposed Victims Fund Budget anticipates a reduction on revenues which is a direct correlation between the reduction in police fines revenue in the General Fund.

I am grateful for the progressive foresight that City Council has shown during the budget planning process, and I am also thankful for the efforts of our department directors and senior staff. Together, we believe this budget moves the City towards the strategic vision laid out by Council, enables the City to continue to provide a quality level of service to our citizens, and is a lean and balanced budget that outlines achievable goals and objectives for the upcoming year.

Sincerely,

__*Shawn M. Bell*_____

Shawn Bell, City Administrator

__*Naomi B. Reed*_____

Naomi B. Reed, Finance Director