SPECIAL MEETING/BUDGET WORKSHOP
OF CITY COUNCIL
MAY 15, 2018 – 4:00 PM
MUNICIPAL COURTROOM
GEORGETOWN, SOUTH CAROLINA

1. CALL TO ORDER

Notice of this meeting has been made in accordance with the South Carolina Code of Laws as amended.

MEMBERS PRESENT
Mayor Brendon M. Barber, Sr.
Mayor Pro Tempore Rudolph A. Bradley
Council Member Sheldon A. Butts
Council Member Tupelo Humes
Council Member Carol R. Jayroe
Council Member Al Joseph
Council Member Clarence C. Smalls

ALSO PRESENT
Mr. Carey F. Smith, Interim City Administrator
Ms. Ann U. Mercer, City Clerk
Mrs. Suzanne Anderson, HR Manager
Mr. Orlando Arteaga, Engineer
Mrs. Debra Bivens, Director of Finance
Mr. Tim Chatman, Streets and Sanitation Manager
Mr. Will Cook, Water Utilities Director
Chief Charlie Cribb, Georgetown Fire Department
Mr. Rick Martin, Building Official/Zoning Administrator
Chief Kelvin Waites, Georgetown Police Department

ABSENT
Mrs. Elise Crosby, City Attorney
Mr. Alan Loveless, Director of Electric Utilities
Mr. Isaac Williams, Fleet Superintendent

MEDIA
Georgetown Times - Mr. David Purtell
GAB News - Mr. Scott Harper

2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES

Mayor Brendon M. Barber, Sr. called the City Council Special Meeting/Budget Workshop to order at 4:00 pm and requested all cell phones or electronic devices be turned off or placed on mute, with the exception of first responders, so as to not interrupt the meeting.

3. PRESENTATIONS

4. REVIEW OF ANTICIPATED REVENUES AND PROPOSED EXPENDITURES FOR FY 2018/2019 BUDGET.

The total budget as presented is $32,837,284. At the first budget workshop a 1% rate adjustment was proposed for water and wastewater. Council discussed the need to ensure the fund balance for the Water and Wastewater Funds would not be depleted in the coming years. The money is used for improvement projects; however, the current rate of use is unsustainable without a higher revenue stream. Mr. Smith recommended Council consider a 1.5% water and wastewater rate adjustment this year and in subsequent years unless there is a significant reason to increase that amount. He said the increased revenue should reduce use of the fund balance. The 1.5% adjustment would increase revenue by $31,500 in the Water Fund and $36,000 In the Wastewater Fund. Council agreed.

Mrs. Debra Bivens noted in previous years $18,000 was designated to the Family Justice Center for office space; however, we have never used the space. The City's Victim Advocate budget is a sub-department of the Police Department. The budget for that position with expenses is $71,000. Staff's recommendation is to eliminate the $18,000 because it was earmarked for office space. She asked Council for direction moving forward; if the funding is to continue it needs to stipulate the use. Mayor Barber stated the City's Victim Advocate works directly with the Family Justice Center. The City assumed that overhead by housing the position at the Police Department. Discussions followed. The $18,000 is included in the Victim's Advocate budget.

Mr. Smith recommended we conduct research on the needs for interns throughout the City departments and report the findings to Council. In the course of the fiscal year if it is determined there are needs, funds can be allocated at that time.

Mrs. Bivens referred Council to a handout entitled State and Local Accommodations and Hospitality Tax which is a recap of the budget for that Fund highlighting items being funded. Currently we do not have a lease with the Winyah Auditorium. Six or seven years ago there was a three year lease, never executed as a renewable lease. It was year by year based on what was budgeted. It began at $25,000 but due to the need, when the lease expired it increased to $35,000. Because of concerns, the $35,000 has not been funded in the current year. The recommendation for the proposed budget is $25,000 to continue to support the Auditorium and their initiatives. Dr. Jerry Crosby introduced the current Auditorium Board Chair, Dr. Michelle Lusardi, followed by an update on the Auditorium. In the spring of 2016 a Director was hired to fill the vacant part-time position. The individual hired also worked at Media Arts Academy. In the summer of that year, he approached the Auditorium with the idea of a joint venture with that group for a talent show. The Board was not interested. At that time the Media Arts Academy executed a contract to use the Auditorium and proceeded to produce their show. In early 2017 as the show was completing, board members heard there was concern about the prize money for the contestants. When asked, the Academy indicated partial payments had been made and contestants agreed to payments coming later. Two months later it was discovered Media Arts Academy had deposited to their account checks made out to Winyah Auditorium. The Board's treasurer was notified on a Friday, Dr. Crosby reviewed the information the following Monday, the Board met Tuesday and Wednesday morning the Chairman and Treasurer met with the Director and completed separation from the Auditorium. On that same day Dr. Crosby met with the City and signed a complaint that resulted in his (ex director's) arrest later in the week. Board members met with the Finance Director and City Administrator in June to answer and review financial questions regarding the Auditorium. Information and documentation was provided that confirmed the fact that Winyah Auditorium had not suffered any financial loss. The City Administrator attended their Board meeting a few days later and reaffirmed the documentation was sufficient and felt the financial foundation of the Auditorium was on solid ground and funding was included in the 2017/2018 budget. He suggested the Board consider a forensic audit of the finances. The Board was in the process of a detailed review which they completed. They concluded the Auditorium had not experienced any financial loss in the preceding year and felt their scarce resources would not be well spent on additional reviews. As a result of the Board's detailed review debit cards were cancelled, the Director has no authority on any financial account, expenses are paid by check, etc. Every penny is accounted for. Dr. Crosby said the Auditorium has been, is and will be in good hands and the finances are well protected and guarded. The Board appreciates the City's support in the past and future. Mrs. Bivens explained her staff does not have the time to cross reference all the information provided to the City. Full disclosure to the City's auditors resulted in their recommendation (not option) of a forensic audit because Winyah Auditorium is a component unit of the City. After discussions, it was decided once the City receives satisfactory documentation from the auditors, the current year's funds budgeted ($35,000) will be released to the Winyah Auditorium.

Mrs. Bivens referred Council to the Kaminski House Budget Analysis included in the handout. She noted the personnel expense request for 18/19 was approximately 65% of their budget. Normally the personnel expense of an organization is about 30-40%. Currently there are three full-time employees and a part-time position made up of three people. Included in the 18/19 request is another part-time person that calculates out to $18,000. Because the lease between the City of Georgetown and the National Society of the Colonial Danes of America for the Stewart Parker House was terminated, staff's recommendation at a previous workshop was to reduce funding from $190,000 to $150,000 (Hospitality Fund). Mr. Penn Moore, President of Friends of the Kaminski House, gave a brief overview of the organization and how they interact with the City. In February 1968 Julia Kaminski signed her Will with the desire to give the City of Georgetown her home to create a City historical home and museum and maintain the property as it was at the time of her death. That became the responsibility of the City. Five years ago the Friends of the Kaminski House entered into a public/private partnership with the City of Georgetown with the vision to insure a future for the past. The mindset was the Friends could reduce the overall expenditure of maintaining the home for the City. They were tasked with enhancing the brand of the property through growth and tourism, creation of educational programs for the local school children and creation of space as an event venue. Deferred maintenance was assumed with the partnership. He stated the loss of the Stewart Parker House has by no means reduced their budget by 50%. In additional to losing the financial viability of the space, office and storage space was lost as well as an event rental. The City's allocation of $190,000 is strictly for operational expenses which includes salaries. With the sustained financial support of the City the partnership can flourish and be a successful model of stewardship for an historic property. Ms. Robin Gabriel presented a power point presentation of the Kaminski House Museum much of which was included in the previous overview. The Museum is a site for community partnership events, weddings and a place for bringing people together. Over 500 people attended the 2017 eclipse with two weddings on site. Last summer over 850 people attended the annual 4th of July concert which was paid for with sponsorships. Grant funding is received from the Parks Recreation and Tourism Council for advertising. Friends of the Kaminski House devote a great deal of time raising funds for projects that support the community. Many special programs offered work on grant funding. Event rental incomes are an important role in fund raising for the Museum, allowing for much needed restoration and preservation. With the loss of the Stewart Parker House, the Museum has lost half of its event rentals for the year. There is a huge impact on the local community and businesses with every event held at the Museum. Most Museum shop items are locally or regionally made. The shop nets about $5,500 annually which is used to preserve the Kaminski House. The shop has become an unofficial visitor's center for the western end of the Historic District. Ms. Gabriel said since October 2017 statistics indicated on average 1200 people per month visit the shop to ask tourism questions. They have become a distribution spot for all brochures of every other site in town. This explains staffing for the shop. The Friends have completed many projects to preserve and restore the 1769 House and its contents. She reported the budget for the Museum, including all special projects, is roughly $245,000 a year, of which $229,000 is for operating costs. The City's $190,000 allocation covers a portion of those operating costs. The remaining balance is paid for from tourism and Museum shop sales. All donations are earmarked for special specific restricted projects such as concerts, Family Fun Literacy Day or the Preservation Fund. No donations are used for the general operating budget. When the Friends of the Kaminski House took over the daily management of the property in July 2013, they discovered a number of maintenance issues. There was a huge moisture problem in the House. The project to remove the brick was $195,000, all of which was raised by the Friends from private donations and grants. Any special projects and programs are funded through grants and donations. Any money left over at the end of year is put in the Preservation Fund to pay for the different various maintenance projects. The next big project is a total overhaul of the climate control system in the House at a cost of $243,000 (a two year old estimate). Friends are in the early phases of raising funds for the project.

Before and after photos were shown of some of the restoration and preservation projects at the Kaminski House. A proposed operating budget was provided to Council. No special projects were included. The request is for the City to continue funding the Museum with the full $190,000 allocation and roll the $20,000 formerly used for Stewart Parker House operating costs into the costs of operating the Kaminski House. Ms. Gabriel explained the additional part-time position would help to manage events. The plan would be to hire someone on a seasonal basis (not at $18,000) to promote the House for event rentals and follow through with the marketing. After lengthy discussions, staff was directed to re-explore any possibility of modifying their recommendation of $150,000.

The next item for discussion is designating the Georgetown County Chamber of Commerce as the Designated Marketing Organization (DMO) for the City of Georgetown. The Georgetown Business Association has been the DMO; however, they have expressed a desire not to continue in this capacity. In an effort to respond to their request, Mr. Smith provided two options. The City can act as the DMO or we can approach an organization such as the Chamber of Commerce. Staff met with the Chamber about the possibility. They provided a proposal; however, staff felt it was beyond the financial ability for the City. The Chamber submitted an amended proposal which staff is comfortable with. The projected total cost for the first year is $150,000. A handout was provided to Council and Mr. Smith highlighted the summary of estimated expenses. On behalf of Beth Stedman and Jennifer Norman of the Georgetown County Chamber of Commerce, Ms. Laura Clifton, Communications and Programs Director, and Ms. Sharon Abee, Business Development Director, addressed Council and reviewed the proposal. The Chamber's mission as the City's DMO will be to serve the citizens and businesses of the City of Georgetown by maximizing the economic impact of tourism and enhancing the quality of life. With the advice of a city-appointed advisory council they will seek to: define the goals, objectives, strategies and programs for the marketing efforts of the City for 2018/2019; communicate those matters to firms and individuals who make up the local tourism industry for their information or use in establishing their own marketing programs; communicate those matters to other interested parties, including City administration and Georgetown City Council; and serve as the coordinating organization for the marketing vendors contracted with the DMO, to integrate advertising, promotions, public relations, sales and interactive services into a comprehensive program of work for the year. Mr. Smith stated the $150,000 is listed in the Local Accommodations and Hospitality Tax budget. The consensus of Council was to move forward.

Mr. Smith told Council he would like to have a special meeting within the next two weeks to present information concerning the old city hall building.

5. ADJOURNMENT

Motion to adjourn the Special Meeting/Budget Workshop of City Council.

Council Member Butts moved, seconded by Council Member Smalls.

Mayor Barber called for the vote.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Sheldon A. Butts, Council Member
SECONDER:	Clarence C. Smalls, Council Member
AYES:	Barber Sr., Bradley, Butts, Jayroe, Joseph, Humes, Smalls

The City Council Budget Workshop adjourned at 6:07 pm.

Ann U. Mercer
City Clerk

Date Approved: 08/16/18