

**CHAPIN TOWN COUNCIL
WORK SESSION**

**Monday October 30, 2023
4:00 p.m.**

**Town Hall - Community Room
157 NW Columbia Ave, Chapin**

Members Present: Mayor Al Koon, Mayor Pro Tempore Mike Clonts, Member Gregg White, Member Vicky Shealy, and Member Leland Teal

Staff Present: Finance Director Laura Culler, Utility Director Rick Bryan, Police Chief Thomas Griffin, Town Administrator Nicholle Burroughs, and Town Clerk Shannon Bowers

Call to Order: Mayor Koon called the meeting to order at 4:06 p.m., determined there was a quorum, and acknowledged the appropriate notifications in compliance with the SC Freedom of Information Act had been met.

Council Member Teal requested that Mayor Pro Tem Clonts offer a prayer before the meeting began. Hearing no objection, Mayor Pro Tem Clonts offered a prayer.

Proposed 2024 Municipal Budget

Before beginning the meeting, Administrator Burroughs highlighted a few items that had changed from last years' budget discussion. Those items included allocating ARP funds through resolutions and holding funding discussions to the strategic session and a new format for the utility budget to help allocate funds moving forward.

Director Culler stated that the 2024 Budget is \$1,853,761 which is 12% higher than the 2023 budget. She noted that the budget was prepared using actual numbers from 2023. She highlighted the following increases and possible revenue streams for the 2024 Budget:

Known Expenses/Increases

1. Salaries and Benefits – adjusted position descriptions from Economic Development Director to Communications Specialist and Part Time Records Clerk, and:
 - a. 4% possible merit increase
 - b. Strategic plan officer retention adjustment of 2% in December 2023 and 2% in December 2024
 - c. Town Administrator salary split 50/50 with utility budget; adjusted based on work load
 - d. 3.7% increase in employer insurance premiums
 - e. Increase in insurance and workman's comp claims; will be seeking alternatives for competitive pricing
2. Operating – largely not changing, but some changes are:
 - a. Increase in Professional and technical-other: includes financial advisor, annexation consultants, council strategic planning consultant, and drug screening and psych evaluation services
 - b. Legal Expenses – included prosecutor, current indigent defense, legal counsel, and town attorney
 - c. Meeting Expenses: Created to break out for consultant meetings/Town hosted events
 - d. Buildings and grounds and Maintenance agreements: increased due to spending more in services and allow flexibility for quotes

- e. IT: software increases to accommodate Edmund's software and replacement of older computers

Possible Revenue Streams

1. Millage – an increase from 2023 at 16.69
2. Insurance Tax Collection Program/Telecommunications Tax Collection Program – decreased in the telecommunications program and increase in insurance tax program that is collected through MASC
3. Business License revenues were increased by 8% - used actual numbers
4. Franchise fees increased 10% - used actual numbers
5. Liquor – local option permit annual fee (increased based on remittance of restaurants that serve alcohol)
6. Miscellaneous Income: Includes possible income from Tarpon Towers

The Hospitality Tax budget also increased due to the interest rate increase. The items budgeted in the fund are the same, with an increase in the marketing budget to include wayfinding consultant and an increase in the road improvements.

ARP Fund Balance - \$458,935 remains to be committed, with \$141,755 remaining to be spent that was previously committed. Director Culler noted that funds must be appropriated by 2024 and spent by 2026.

She also stated a second police vehicle would need to be purchased that was not previously budgeted for. She presented options to purchase: amend the 2023 budget, use ARP funds, or change a line item for the 2024 budget. Council was generally in favor of using ARP funds to purchase a second police vehicle.

Director Bryan gave council a brief overview on how the budget is structured to provide information on where utility money is being spent or collected. Main categories are Operating and Maintenance, Improvements, and Capital Improvements. He noted that the department has experience problems because capital projects were not being separated from the operating and maintenance budget. He is proposing to move the capital replacements/capital improvements into a separate account to address sanitary sewer issues and getting the debt service into the operating and maintenance account. This will include a rate increase of an average of \$5.58 per customer to balance out the budget. He noted that a rate increase is typical at least every two years.

Director Bryan then highlighted the following increases and possible revenue streams for the 2024 budget:

Known Expenses/Increases

1. Operating – Capital Improvements and Operating and Maintenance revenues have been separated to identify costs of operations vs. infrastructure needs:
 - a. Increase in rates by 1.2%
 - b. Increased professional services in Operating and Maintenance to accommodate engineering, survey, advisors as needed
 - c. Increase in operating supplies, equipment, chemicals, and construction – based on trending expenses for 2023
 - d. IT: increase to accommodate Edmund's software and ArcGIS
 - e. Increase in legal fees

Possible revenue streams

1. Capital Improvements and Operating and Maintenance revenues have been separated to identify costs of operations vs. infrastructure needs:
 - a. Including impact fees for developers (to begin with projects not already under contract)
 - b. Increase in water/sewer rates for in town and out of town customers with an average monthly rate increase of approximately \$5.58 per month.

He further explained impact fees, water/sewer rates, and where the Town falls in the averages of other utility departments in the state. Council directed staff to update water/sewer rates for an average of \$10 per month, with no more than \$5 per month increase for in-town customers, which would include the 1.25 % required for the SRF loan. Council also directed staff to pursue the addition of a \$1500 impact fee.

Unified Zoning and Development Ordinance Update: Administrator Burroughs stated that Planning and Zoning Manager Kevin Singletary is no longer employed with the Town, however work continues with the UDO with the committee, Architectural Review Board, and consultant. Staff is recommending a zoning moratorium be put in place to allow time to pass the new UDO and hire a new planning and zoning official. The moratorium would be effective on first reading and would cover a 90-day period. Council was generally in favor of a zoning moratorium with an 120 day period.

Before adjournment, Administrator Burroughs thanked Director Culler and Director Bryan for their diligent efforts in preparing the 2024 budget.

Adjournment: Mayor Koon adjourned the meeting at 6:34 p.m.

COUNCIL APPROVED: November 21, 2023