



**City Council Budget Workshop
City Hall Training Room**

145 West Broad St.
Spartanburg, SC 29306
Tuesday, May 28, 2019
5:30 p.m.

*City Council conducted a workshop to discuss the proposed FY19-20 budget.
No decisions were made during the workshop.*

**City Council Regular Meeting
City Council Chambers**

145 West Broad Street
Spartanburg, SC 29306
Tuesday, May 28, 2019

Immediately Following the Budget Workshop

(These minutes were approved
at the June 10, 2019 City Council meeting.)

City Council met this date with the following Councilmembers present: Mayor White, Mayor pro tem Alan Jenkins, Councilmembers Erica Brown, Jerome Rice, Ruth Littlejohn, Sterling Anderson and Jamie Fulmer. City Manager Chris Story and City Attorney Robert Coler were also in attendance. Notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information Act. All City Council meetings are recorded for a complete transcript.

- I. **Pledge of Allegiance – recited.**
- II. **Approval of the Minutes of the May 13, 2019 City Council Meeting –**
*Mayor pro tem Jenkins made a motion to approve the minutes as received.
Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0.*
- III. **Approval of the Agenda of the May 28, 2019 City Council Meeting –**
*Mayor pro tem Jenkins made a motion to approve the agenda as received.
Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0.*
- IV. **Public Comment - None**
*Citizen Appearance forms are available at the door and should be submitted to the City Clerk
- V. **Presentation of HUD Annual Action Plan**
Presenter: Martin Livingston, Neighborhood Services Director
Mr. Livingston presented the HUD Annual Action Plan to Council as information.

VI. Public Hearings – (Public Hearing previously held on Item. VI.A.)

**A. Approval of City of Spartanburg FY2019-2023 Consolidated Plan and 2019 Annual Action Plan; Approval of Resolution Allocating FY2018 Community Development Block Grant and Home Partnership Funds
Presenter: Martin Livingston, Neighborhood Services Director**

Mr. Livingston presented the item to Council as follows:

“The U.S. Department of Housing and Urban Development (HUD) provides us with two recurring annual grants, the Community Development Block Grant (CDBG) and HOME Partnership Funding, to address low and moderate income neighborhoods in the City and affordable housing priorities. HUD attempts to ensure that cities utilize those programs strategically by requiring that the annual use of the funds be aligned with an Annual Action Plan which is in turn aligned with a five year Consolidated Plan.

Staff is requesting approval of the City of Spartanburg’s Fiscal Years 2019 – 2023 Consolidated Plan and 2019 Annual Action Plan. These Strategic Planning document determines by survey, public hearings, and consultations with neighborhood residents and partner organizations the needs of the community and develops a five year plan for addressing those needs. The Consolidated Plan and Annual Action Plan is a requirement of HUD for the City to continue to receive Community Development Block Grant (CDBG) and HOME Partnership Funding. Both documents focus on eligible low and moderate income neighborhoods in the City and affordable housing priorities for the use of CDBG and HOME funds. A Consolidated Plan is not a Comprehensive Plan. A Comprehensive Plan is much larger in scope and is a function of the City’s strategic vision of its development and zoning priorities over a ten year period.

The City of Spartanburg will receive an allocation of Community Development Block Grant (CDBG) and HOME Partnership Funds for eligible activities to be implemented within City limits. CDBG Funds can be used for a variety of activities including administration, affordable housing, infrastructure, economic development, demolition, subrecipient activities, and other eligible uses. HOME Partnership Funds can only be used for the development of affordable housing. The total estimated allocation for CDBG Funds is \$675,002 and the total allocation of HOME Partnership Funds is \$208,241.

After a thirty (30) day comment period which ends May 31, the documents must be submitted to HUD by the June 10, deadline.

ACTION REQUESTED: Staff is requesting approval of the City of Spartanburg’s Fiscal Years 2019 – 2023 Consolidated Plan and 2019 Annual Action Plan.”

Councilmember Rice made a motion to approve the item as presented.

Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0.

B. Ordinance to Provide for the Adoption of a City Operating Budget, Its Execution and Effect, for the Fiscal Period July 1, 2019 Through June 30, 2020 (First Reading)

Presenter: James Kennedy, Budget Director

Chris Story, City Manager

Mr. Story presented the item to Council as follows:

“In accordance with Section 2-119 of the Code of the City of Spartanburg 1988, the City is required to adopt an annual budget. The City Council held a budget workshop on May 28, 2019. During that time discussions were held concerning General Fund revenues, proposed personnel cost changes, and other inflationary expenditure increases. The recommended FY 2019 – 2020 budget is reflective of management’s efforts to meet long term funding obligations.

The FY 2019 – 2020 budget includes the following:

- 3 mil increase to the current millage rate
- 4% projected increase in General Fund revenues
- 3.0% employee cost-of-living pay increase
- Approx. \$264,784 for mandatory employer increases in retirement (PEBA)
- Increase of \$50,000 for City’s legacy pension plan
- No increase for the medical insurance fund
- \$220,000 for building facilities maintenance
- \$1.54 million for equipment replacement
- Increase in the Storm Water Plan Review Fee from \$100 to \$500

ACTION REQUESTED: Adoption of the Operating Budget Ordinance for fiscal year July 1, 2019 – June 30, 2020.”

After discussion, Mayor White opened the public hearing.

He asked if there was anyone to speak in favor of or in opposition to the proposed budget ordinance.

Hearing none, Mayor pro tem Jenkins made a motion to close the public hearing. Councilmember Rice seconded the motion, which carried unanimously 7 to 0.

Councilmember Anderson made a motion to postpone first reading of the budget ordinance until the June 10, 2019 City Council meeting to allow for more conversation regarding the fire department’s future location. Councilmember Brown seconded the motion. The vote was 6 to 1. Mayor White, Councilmembers Rice, Brown, Littlejohn, Anderson, and Fulmer voted in favor of the motion. Mayor pro tem Jenkins voted against the motion. Motion carried.

VII. Ordinances

- A. **To Raise Revenues for the City of Spartanburg for the Fiscal Year 2019-2020 to Levy Taxes on all Real Estate and Personal Property, Except Such as is Exempted by Law, in the Corporate Limits of the City of Spartanburg for Corporate Purposes for the Fiscal Year 2019-2020 and to Provide Penalties for the Delinquent Payment of Taxes Levied and Provided for (First Reading)**

Presenter: James Kennedy, Budget Director

(This ordinance was not read as it is tied directly to the first reading of the FY 19-20 budget. It was postponed until the June 10, 2019 meeting.)

- B. **To Authorize and Direct Execution and Delivery of a Quitclaim Deed from the City of Spartanburg to Coggins Flowers for the Alleyway Located Behind Coggins Flowers at 800 N. Church Street (First Reading)**

Presenter: Robert Coler, City Attorney

Mr. Coler presented the item to Council as follows:

“The City of Spartanburg was contacted by Mr. Jim Coggins of Coggins Flowers located at 800 N. Church Street in regards to a quit claim deed. Mr. Coggins has requested the city abandon its rights in the alleyway to allow for Spartanburg Water works to install a pipe underneath the alleyway that would service Coggins Flowers. Letters to all property owners with access to this alleyway were mailed out on May 13, 2019 advising them of Mr. Coggins request. The letter also notified them of the public hearing on May 28, 2019 to give them an opportunity to speak for or against this request.

ACTION REQUESTED: Quitclaim deed to the alley behind 800 N. Church Street.”

Mayor pro tem Jenkins made a motion to approve ordinance as presented on first reading. Councilmember Fulmer seconded the motion, which carried unanimously 7 to 0.

VIII. Consent Agenda

- A. **To Amend the Code of the City of Spartanburg 1988, Chapter 12, Article II Section 12-28(a) “Weeds, Brush and Debris” by Changing the Height of Weeds, Brush and Debris to Twelve (12) Inches or More Under “Removal Required”; to Amend Chapter 12, Article II Section 12-32 and 12-22 to Remove “Summons” Language and Remove Paragraph “C” in its Entirety (Second Reading)**

Presenter: Bob Coler, City Attorney

Councilmember Brown made a motion to approve the consent agenda on second reading. Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0.

IX. Other Business

A. FY 18-19 Fraud Risk Assessment Report

Presenter: James Kennedy, Budget Director

Mr. Kennedy presented the item to Council as follows:

“I am presenting the results of our annual fraud risk self-assessment. As you know, this practice is not made necessary by any particular problem or shortcoming of the City; it is simply one of our many routine efforts to ensure we are taking all reasonable steps to make sure the City has adequate internal controls. The American Institute of Certified Public Accountants (AICPA) Statements on Auditing Standards (SAS) No. 99 and No. 112 require entities to conduct an annual fraud risk assessment and communicate the results with the governing body. Please be aware that these auditing standards require that the potential area of risk must be at a high level of the possibility in order for our financial statements to be materially misstated.

In preparation of the City’s upcoming FY 2018 - 2019 audit, departments were asked to conduct an assessment of their department for potential risk areas. An assessment request was sent to all departments, including over forty-seven staff members. The goal is to identify fraud risks that have a more than remote likelihood of occurring, and a more than inconsequential impact on the City’s finances. These risks could be in loss of assets, lack of proper controls, or weaknesses. Generally Accepted Accounting Principles (GAAP) requires the City to maintain a system of internal controls to reduce the risk of fraud (misappropriation of assets). This assessment focuses on areas where there are potential risks and no existing mitigating internal controls.

Our purpose is to understand where fraud is most likely to occur so that the risk of fraud can be effectively controlled. A fraud risk assessment and internal controls do not guarantee that fraud will not occur.

The attached report requires no Council action and it is presented for information only. However, we will welcome any questions you may have.”

Councilmember Anderson made a motion to receive the report as information. Councilmember Brown seconded the motion, which carried unanimously 7 to 0.

B. Development Agreement between City of Spartanburg and Arlington Properties, Incorporated

Presenter: Chris Story, City Manager

Mr. Story presented the item to Council as follows:

“Arlington Properties Incorporated is planning to redevelop the former “Bon Haven” site by designing and constructing a class A multifamily community housing approximately 156 apartment units. These will consist of one (1), two (2), and three (3) bedroom units. Council is being asked to approve the attached Development Agreement between the City of

Spartanburg, Arlington Properties Incorporated, the developer, and Cleve Land 3 Limited Partnership, the property owner. Staff will be requesting Council to consider a rezoning of the parcels in the near future.

ACTION REQUESTED: Grant the City Manager authority to approve and execute the development agreement with the developer, Arlington Properties Incorporated. Also, giving the City Manager permission to make edits to the development agreement if deemed necessary.”

***Councilmember Brown** made a motion to approve the development agreement as presented. Councilmember Littlejohn seconded the motion, which carried 6 to 1. Mayor White, Mayor pro tem Jenkins, Councilmembers Rice, Brown, Littlejohn and Fulmer voted in favor of the development agreement. Councilmember Anderson voted against the development agreement. Motion passed 6 to 1.*

Councilmember Rice left the meeting at 8:00 p.m.

X. City Council Updates - *Each Councilmember gave updates on their activities since the previous council meeting.*

XI. Adjournment – *Councilmember Brown made a motion to adjourn the meeting. Mayor pro tem Jenkins seconded the motion, which carried unanimously 6 to 0. The meeting adjourned at 8:03 p.m.*



Connie S. McIntyre, City Clerk