

**City Council Budget Workshop Minutes**  
**Council Chambers**  
**July 8, 2025**

**PRESENT:**

**Michael C. Butler, Mayor**  
**Annette Dees Grevious**  
**Jerry Hannah**  
**Dr. Kalu Kalu**  
**L. Zimmerman Keitt, Mayor Pro Tem**  
**Sandra P. Knotts**  
**Richard F. Stroman**

City Administrator Evering addressed Council. He stated, "Before we get started with the budget presentation, the Forensic Lab has a presentation. We have had prior discussions about the Forensic Lab, and it is important that you understand and get a full appreciation for the value they bring to the City."

Lt. Danny Dantzler stated, "I would like to introduce our DNA Team, Technical Leader Rachel Grant, Amanda Webb, and Jennifer Clayton. We have a Forensic Lab, but a Forensic Unit covers a tremendous amount more than a lab. Our budget includes crime scene activities, evidence and property which is about 50% of our budget. The other 50% is drug ID and DNA analysis. Crime scene, evidence and property are both located at our headquarters on Middleton Street. The drug identification and Forensic DNA Analysis are located at Claflin University in the Henry Tisdale Molecular Science building. When Chief Davis was here, the goal was to have a regional lab. When we started in 2004, it was drug and identification. We did drug analysis for the entire first judicial circuit which is all of Orangeburg, Calhoun, and Dorchester Counties and this has not changed. Recently, we have had several agencies contact us, including Aiken County Sheriff's Office and Lexington County Sheriff's Office, which are interested in partnering. Why a local forensic lab? Why not use SLED? One reason is that a local lab has a faster turnaround time. We process drugs within 30 days; an analysis is done; it goes to court. DNA is about 60 days. The last time we sent evidence to SLED was 2019. We sent 100 cases, and they worked five. SLED also will only process violent crimes. They will not work property crimes as they have a huge backlog. The reason that is important to Orangeburg is about 70% of the cases that we get in the lab are property crimes. About 66% of the cases, we get a profile from property crimes. Having this lab, we can do more cases a year than we would ever get done in the state lab. It leads to a safer community. In 2023, our crime rate was down on the list in the City versus the other cities in the state. In 2024, we saw 7.4% decrease overall on crime. As of yesterday, we are down this year 30.8%. We think a lot of that is related to the City having a local lab because we can work on these crimes whereas DNA will not get worked from SLED. Other local DNA labs in the state are Beaufort County, City of Charleston, Greenville Public Safety, Richland County, and York County. Drug Identification labs are Aiken County, Beaufort County, City of Columbia, City of Charleston, Greenville County, Lexington County, Richland County and York County. The reason these agencies are doing regional labs is because SLED cannot keep up with the workload."

Mayor Butler stated, "Our goal was to get other agencies to use our lab. Looking at the slide of agencies with labs, all the close agencies have labs."

Lt. Dantzler stated, "More agencies have drug labs as they are a lot easier. With DNA labs, from the time you move into the building, you are two to three years out before you can process anything because you must go through accreditation and validate all instruments. Aiken realized how long it will take and realized they could partner with us and get cases worked today."

Technical Leader Rachel Grant stated, "The initial project was to partner with Claflin in 2004, the building was completed in 2010. In 2018 the first validations were performed. In 2019 and 2020 Amanda Webb and Jennifer Clayton came in and got the lab where it needed to be. In 2021, we acquired accreditation. Any forensic laboratory must have accreditation to have access to CODIS (FBI National Database) which gives us all the searches we need to identify these individuals involved in criminal activity. With those two major accomplishments, we are allowed to not only to search our cases, but we can assist other private laboratories that do not have access to CODIS to help solve their crimes. This allows us to search at three different levels, locally, state, and

nationally. If anyone is a convicted individual in the nation, we could identify that person and aid in our investigation. This also gives us the ability to help identify human remains. We are set to do at least 150 cases this year. As you can see on the screen, we have had 113 CODIS entries and 76 hits. In May, we hosted Lunch and Learn and invited other law enforcement agencies to learn about our lab and what services we provide. We had 18 representatives from eight law enforcement agencies. Also, there is a list of eight agencies to date that we have helped. There is an opportunity to grow and take on more work. We have interest from other agencies. We have agreements with BODE Technologies' and DNA Labs International to help take their profiles from their cases and put them in CODIS to help them search profiles."

Mayor Pro Tem Keitt asked, "On the agencies listed, do they make contributions?"

Ms. Grant stated, "They will submit a case for us to analyze, and it is fee for service. We are charging them to run their samples. We have a fee schedule and agreement. A lot of times we meet directly with the investigator to learn about the case to help identify the best evidence to run and then we issue a report to them. In the next slides are letters of support from agencies."

Mayor Pro Tem Keitt asked, "Is Claflin donating any funds to the program?"

Ms. Grant stated, "The building and the instrumentations are theirs."

Lt. Dantzler stated, "We do facility maintenance. They provide the building and pay our electrical bill. In the past, we have had a few Claflin interns. We want to continue but are trying to work on a better intern program where students can get hands on but not with actual evidence as SLED will not allow that. Rachel worked for Richland County with their fee for service, and she has been instrumental in setting our fees to increase revenue."

Councilmember Hannah asked, "On page 3, \$5,000 is listed for fuel. Is that for a month or year?"

Lt. Dantzler stated, "That is fuel for a year for three vehicles."

Councilmember Grevious asked, "The lab was completed in 2010, but you did not move in until 2018. Did it get fully accredited in 2021?"

Lt Dantzler stated, "We moved the drug section there in 2010, The original thought process was that Claflin would use it as a teaching lab, so, the DNA personnel were employees of Claflin. In 2018, we took over the personnel. It takes two to three years to go through accreditation. In 2018, we hired Amanda and Jennifer. Amanda worked for SLED previously for seven years and Jennifer eighteen years. Rachel worked for Richland County for seventeen years and ran the fee for service program. In October 2024, we started taking cases for a fee."

Councilmember Grevious asked, "Do you have a backlog of cases?"

Lt. Dantzler stated, "We are caught up. We are currently running 25 cases. In 60 days after a case comes in, we are moving them out and issuing reports."

Councilmember Grevious asked, "In terms of advertising to get other agencies to use this facility, have you exhausted your capacity to get the word out?"

Ms. Grant stated, "From my experience with Richland County, over time word of mouth gets the word out, but we can do more. We have talked about a two minute video to blast out and then follow up in person."

Lt. Dantzler stated, "Agencies traveled to attend the Lunch and Learn. We know these agencies are interested, so now we want to get in front of them."

Councilmember Grevious asked, "The grants you mentioned that we have not gone after, do they cover operating expenses?"

Ms. Grant stated, "Each grant is tailored to a specific service. There are criteria that we must meet. Yes, there is money out there. A few of those grants are zero match."

Councilmember Grevious asked, "In ten seconds or less, is this lab needed based off there are other agencies offering these services and the fact there is an agency that will do this for free?" Is this lab in Orangeburg needed?"

Lt. Dantzler stated, "Absolutely, if we want to continue solving these crimes with a quick turnaround. These crimes are mostly repeat offenders. On the property crimes the issue is they will not get processed anywhere else."

Councilmember Kalu stated, "You need to spread the news about your department."

City Administrator Evering stated, "We want to proceed with the budget workshop. As a reminder, if you have detailed personnel questions, you have the option to go into Executive Session. The first item on the agenda is a reminder of your goals and objectives: 1) Strategic Plan which was completed earlier this year with an \$80,000 grant from SC Department of Commerce, and we will also receive \$250,000 that would go toward any project that is related to that Strategic Plan. 2) Master Plan for Downtown, we are beginning this process with Stantec at no cost to the City. They have engaged architects, and plan to hold public interest segments, 3) Comprehensive Plan which is required by state law every ten years. Our next comprehensive plan is required in 2026, and we will start gearing up by the end of this year. 4) Create Mission and Value Statements, we still must work with you on this. 5) Cash reserve policies, we will talk about that today. 6) Improve communication, this is something we need to continue to work on. 7) Training and retraining of employees. 8) More Inclusiveness and 9) Keeping taxes the same, we will not ask for a tax increase in this budget. I want to ask Daniel Driggers to give you an update on the current year's budget and walk you through the remainder of the agenda. Also, Maurishka Williams from Finance is here if you have any questions."

Mr. Daniel Driggers stated, "With the presentation today, we will talk about two basic things: FY2026 Budget and how do we implement a five-year operating plan. We will talk about the cash reserve, communication, training and retraining, more inclusiveness and keeping taxes the same. On page 4, the FY25 revenue is \$29.3 million, and expenditure is \$29.8 million. Actual revenue as of June 27, 2025, is \$19.9 million so we collected 68% of the budget. To date, expenditures are \$21.1 million so we have spent 71% of the budget."

Councilmember Grevious stated, "Year to date, our expenditures have exceeded our revenue."

Mr. Driggers stated, "When we do a municipal budget, our expectation is the revenue budgeted is a known factor, so you build your budget on that revenue projection. If your revenue does not come in like you expect, then you will have more expenditure than the revenue. When we look at the FY25 budget, the question becomes do we expect to get \$29.3 million. The answer is yes but in the current year budget we have use of fund balance which is cash on hand and transfer from ARPA funds which is one time money. We will talk about this as it can create challenges in our budget process. I took the data that we currently have and projected it out for 2026 – 2030. In 2026, projections are \$21.8 million in revenue and \$24.6 million in expenditures with a projected \$2.5 million shortfall and you can see it all the way through the five year average which is a \$3.4 million shortfall."

Councilmember Kalu stated, "This shows an increase year to year for the five years, including salaries and benefits because it increases every year. Revenue seems to stay the same, but our expenditures are increasing making our deficit more."

Mr. Diggers stated, "That is correct. If you look at the past five years, revenue has increased by about 1% a year and expenditure has increased by about 3% a year. I included in the projection a 2% growth factor which is low but manageable. I have not included any new positions. I have not included any capital because that is considered one time. This puts us at \$3.4 million shortfall that we are looking to close the gap on. Now we get into how we do that. The next slide talks about the priorities we talked about which goes back to the Council goals as well. We need to stabilize our reserve fund, minimize impact on tax increase, address unfunded critical roles, and find a way to strengthen our budget process and control environment, and establish policies to help us know if we are on tract or not. This does not solve the money problem. This is basic management of how we want to move forward."

Mayor Butler stated, "One thing we talked about was centralizing procurement."

City Administrator Evering stated, "We would hire a procurement officer that would be responsible for procuring goods and services for the entire City instead of each department doing it individually. This is one of the critical roles that will be addressed, and the other is the Public Information Officer. We just talked about the reduction in crime. We do not have anyone that is actively telling that story."

Mr. Driggers stated, "The next slide is the FY 2025 budget compared to the FY 2026 recommendation on reoccurring basis. In the current budget the recurring revenue is \$21.8 million and recurring expenditure is \$24.6 million. So, in the current budget year, we have \$2.7 million expectation that we will use cash on hand. I would say it is structurally out of balance. In 2026, we balanced the budget at \$24.9 million on expenditure and revenue. The revenue is no use of fund balance and no use from transfer of other funds such as ARPA. We are looking at 1% increase in expenditure and 14% increase in revenue. Next are things included in the balanced FY 2026 budget. Restored \$1 million to the reserve fund, meaning at the end of FY 2026, we will have \$1 million in the reserve fund. No new positions recommended are currently not funded. Maintains the same level of approved and funded positions. This does reallocate the position of the finance director budgeted dollars to fund the procurement officer and reallocate contract service dollars to fund PIO contract which will be an outside service. It continues the hiring freeze of unfunded positions. All of this is recommended. It continues the deferral of facility and capital maintenance and eliminates ten full time positions."

City Administrator Evering stated, "We have not fully identified these positions. The thought was to focus on folks that would retire within the next year or so. Once retirement occurs, not to back fill those positions."

Mayor Pro Tem Keitt asked, "How soon would we do this?"

City Administrator Evering stated, "We would need to do it at the beginning of the fiscal year or sometime in the next fiscal year."

Mr. Driggers stated, "This plan includes October 1. If we do not do it October 1, it will affect the results."

Councilmember Kalu asked, "If we must eliminate ten positions, we also must take into consideration combining the City and DPU Human Resources and Finance Departments. Are you hiring anyone in the Human Resource Department?"

City Administrator Evering stated, "No, we are not hiring anyone in Human Resources."

Mr. Driggers stated, "On the next slide, for FY26 budget, the same 189 positions are included. If you have a person leaving a funded position, you can certainly fill that position. The next column is Not Funded. There are 50 positions that Council has approved that are not funded meaning there are no budget dollars. If we were to fill those positions, it would create us being over budget. You can see the total positions approved are 239. Details are listed by division on Page 23."

Councilmember Grevious asked, "Does this chart take into account the ten full-time positions?"

Mr. Driggers stated, "No, this shows what you currently have. The expectation would be, on October 1<sup>st</sup>, 189 becomes 179. The reason it is not included is because we have not identified the positions."

Councilmember Knotts asked, "With Public Safety, they are already short staffed, how does that work?"

Mr. Driggers stated, "My understanding is Public Safety has 98 positions that are funded. If a person leaves, they can advertise and fill that position. If they hire more than 98, it means they will spend more than their budget."

City Administrator Evering stated, "To add more context, once we land on these 179 positions, each department will be allocated the number of funded positions. That will be it, you cannot go over that. When someone leaves, you can back fill. You cannot hire additional positions as then we will be over budget."

Mayor Buter asked, "Do you think this is what threw our budget off track over the years? We were budgeted for something, and it went over?"

City Administrator Evering stated, "I think it contributed. The large part where we got off track was through personnel. Because personnel costs increased and we had to increase salaries particularly at DPS. When we separated fire from police, we had to stand up a separate fire service which required us to hire more firefighters which again led to more cost. We incurred about \$2.7 million in personnel cost alone. With inflation, we had to give raises to keep up with salaries. Health care went up."

Councilmember Kalu stated, "The fund balance was used to cover up the expenses. There was no transparency on how the fund was being used because money was dipped from the reserves. If everything were analyzed the way Mr. Driggers was doing it, Council would have known there were problems for a long time, not just recently."

City Administrator Evering stated, "In addition, the City has not grown and has lost residents over a 40 year period. We have gone from 15,000 to little less than 13,000. The tax base has not increased; it has shrunk. The City can only get money in a couple of ways through property taxes and business licenses. If those revenue streams have shrunk and inflation has increased, we create a deficit by keeping things the same. The line we talked about earlier where costs increased, but our revenue stayed the same or shrunk, the way we are structured is a fundamental flaw. Unless we increase property taxes or the size of the City through annexation, we must increase revenue, because our expenses have increased."

Mr. Driggers stated, "When you look at the FY25 budget, \$29.3 million in revenue and \$29.8 million in expenditure. This is what is in the financial system as of last week. 1) We need to talk how to insure the budget in the financial system stays consistent with what Council approved. When Council approved the numbers last year, you were in balance. 2) When you build a budget on one-time money in revenue you will create a problem in the future. These are the two things we are dealing with in the budget to try to put better systems in place."

Councilmember Hannah asked, "Are monthly reports being completed?"

Mr. Driggers stated, "Since I have been working with administration, we have been doing that. We want to establish a process that controls what is put in the financial system which is what allows people to spend money. Also, we want to look at where we are year-to-date. The report in the back of your binder is included in the monthly report Council receives. We should tell you in one line where our problem is. Again, that is something that we are doing now, and I think it will be helpful. I looked back to 2021, when we look at the division's budget for that time, it looks like the divisions are spending within their budgets, but the problem is, you do not have revenue, to cover the budget. Which again creates the out of balance."

Mr. Driggers continued, "When you approve a budget any one-time funds should be listed separately. For example, you should list ARPA funds separately on your approval so that you know and are aware you are using one-time funds. Usually, one-time funds are used for Capital because they are not recurring. Again, those are procedural things you can do to help. Next, the FY26 revenue recommendation includes no use of reserves, no tax increase, it does increase the DPU fee by \$3 million. We are out by \$2.7 million so the \$3 million helps cover that. The way we are looking at the DPU transfer is that we do not want to depend on that unless we need to. As Mr. Evering stated, costs continue to rise, and we must fund them. We are considering \$1 million of the \$3 million would be recurring and we expect to get it every year. The next \$1 million, we are saying, once we finalize the annexation program and once the net collections exceed \$1 million, we will return that \$1 million to DPU. The next \$1 million, we are saying once our reserve funds exceed \$6 million, we will discontinue receiving that \$1 million from DPU. We have planned so that we can do it in five years. This raising of funding from DPU changes from 4% of our gross to 6%. The question is raised, is this a reasonable amount?"

City Administrator Evering stated, "It is reasonable. Rock Hill's percentage is greater than 6%."

Mayor Pro Tem Keitt asked, "Where are we with South Carolina State University (SCSU)?"

City Administrator Evering stated, "We had an agreement with SCSU on Hillcrest in theory. They had to go to the Department of Administration since they are a state supported school. Department

of Administration said they did not approve of the lease agreement, but SCSU could make an operating agreement with the City. We had to move from a lease form to an operation form. We have done that and there are still a couple issues that have come up. I had a conversation with our attorney on Thursday; we will give the document to SCSU one last time. If they do not accept it, we will pull the plug as it has been far too long. We should know something in the next couple of weeks."

Mayor Pro Tem Keitt stated, "We cannot keep going."

City Administrator Evering stated, "No, we cannot. We had things in that agreement that if they had come to fruition, Hillcrest should have already been generating revenue for the course."

Councilmember Grievous asked, "Based off this slide, this includes economic development plans with SCSU to supplement Hillcrest because we thought we were going forward?"

City Administrator Evering stated, "For whatever reason if we do not work it out, my suggestion to Council would be to give Hillcrest back to SCSU and we will not have to incur that cost anymore. If it does workout in the agreement, we would do things that would generate revenue that would help supplement our operational costs. In that agreement if at any point, we have two years of losses, we can pull out of the agreement. If we do have losses, they will cover up to \$100,000 in losses. We tried to protect ourselves in that way. SCSU wants two consecutive years of losses."

Mr. Driggers stated, "It is currently \$6.1 million. The recommendation is to move to \$9 million for FY26 and forward unless we address the few bullet points. We need to generate \$3 million to balance the budget or we need to cut \$3 million in expenditure. Just for reference, it is 55 positions so that is not reasonable. We do not have the fund balance to fall back on now because in the last few years we have used it. So, this is the year we must decide. We have given you a recommendation, but obviously it is not the only way to do it."

Councilmember Grevious asked, "That is cutting 55 positions of the 189 funded positions?"

Mr. Driggers stated, "Correct if we did it just with positions. The operating costs are so small in the departments, it is hard to cut. We talked about where we are with FY25 and what we are proposing in FY2026. We talked about putting some financial guardrails and practices in place that will help. This is by no means a comprehensive list, it is just where I recommend, we start. Under fund balance reserve funds, it states, the goal for General Fund unassigned fund balance is not less than 20% and not more than 35% of the total expenditures as of the most recent audited financial report. The 20% goal is currently \$6.2 million. If you recall, our plan will get us there in five years. If you take the \$1 million that we are trying to replenish the fund balance with that is \$5 million with what you have now, it will get you to \$6.2 million goal. The policy will also give you information about what happens if you are below the recommended amount and what happens if you are above 35% and your options for using it. There is a lot you can do if you have money."

Mayor Butler asked, "When I was first elected there was \$17 million in reserves, and someone told me that was too high for a City our size. Is there a federal regulation for reserves?"

Mr. Driggers stated, "No, there are organizations that give you recommendations. The Governmental Finance Officers Association (GFOA) recommends you have at least 60 days (2 months) of reserves which are very small. Experience tells me, I would recommend you have between 40-50% of your expenditure because we are small and only have two major funding sources DPU transfer which is 35% of revenue, and taxes which are 20% which all come in January and February. So, you need reserves to cover you from July to February. Also, when people talk about fund balance there are two ways they talk about it. One is the total fund balance which is the total dollars. The other is unassigned which is in this recommended policy. Unassigned are funds Council can spend if necessary."

Mayor Butler asked, "Moving forward when we have unassigned money or one time money, we do not need to include it in the budget."

Mr. Driggers stated, "You can include it in the budget, but as a practice, you should not. As a Councilmember if you see funds appropriating each year, that is a red flag and you should ask why do we have to do that? As professionals, we should be able to tell you the reason. For Municipalities and Counties with a lot of money, there is a model that says if you have a lot of money in fund balance, you can appropriate it every year and it gives you flexibility. Because we do not have a lot, it is not the best practice. If you decide to approve the policy, it is a good practice also to require the Finance Director and/or the Administrator to report to Council annually stating here is what our policy is and here is where we are. I recommend when we start the budget process, the starting point of what is our fund balance, how does that compare to our policy, so Council can make an informed decision about what we should do with it. The City has four basic funds to include the General Fund, Hospitality Tax Fund, 1% money from the County Capital Project Sales Tax and ARPA Funds. We also have an Airport Fund that is small. On Hospitality Tax, it is good practice to have a policy on fund balance there as well. If you do not, you will be in the same situation where you have appropriated it all and do not have money to cover the bills. The recommended fund balance goal is 60 days of operating expenditures. The current goal is \$655,000. We currently do not have that amount set aside in the fund balance, but we can easily get there. Currently most of it is you have debt outstanding for the recreation complex that you pay for and most of that money is being transferred to the General Fund that covers Public Safety for events for the community. Capital Projects and Grants is a major one that the City should think about. Capital Projects and Grants is where you spend a lot of cash even if you have grants. Not all grants are good. You must know the difference as some grants commit us long term to things we cannot afford, and we must be able to think through that. One of the controls on grants for Capital Projects, we want to be able to keep track of things correctly. For example, we spend \$1 million on a project, and you have grant funds for that. The reality is the City is out that cash until you get the funds back from the granting agency. In our planning process we need to be able to know how that will affect our cash position. The recommendation would be Finance to put things in place that these projects be reconciled every month, which is common practice. Simply keep track of the money, know what we spend compared to budget, how much people owe us because we should be able to give information to you about how much money has been spent that we are waiting to get back. The fourth one is controlling the budget in the system. The recommendation is that we put in place things so that the financial system stays balanced to help you to know where you are. Those are the four that we are recommending and encouraging this year.

Mayor Butler asked, "How often should Council be presented the financials?"

Mayor Pro Tem Keitt stated, "Currently we are to receive financials monthly."

Mr. Driggers stated, "Every Council should require that they get financial reports every month. Not getting it is a red flag. I think you must hire people you trust so you do not have to ask each month or quarter. As a previous Finance Director, I will tell you if there is a problem. You do not have to ask. They need to engage the City and protect the City no matter what the cost."

Ms. Maurishka Williams stated, "Every month there are certain things that you need to see. Make sure you keep an eye on the budget, make sure something has not changed, and you are not made aware. Also, you need to keep an eye on receivables to make sure we collect money that is owed to us. There are certain things you need highlighted each month."

Mayor Butler stated, "We need you all to come in and highlight this to us. It shows transparency."

Councilmember Knotts stated, "Even though we receive the financials monthly, we need a review also with Finance and the City Administrator. This way if we have questions, we can ask."

City Administrator Evering stated, "I think one of the most important things that we have gotten out of this exercise of working with Daniel and Maurishka is to put policies and procedures into place and adhere to them. Doing this, we will find this department will operate more efficient and will get Council the information you need in a manner that is easily understood."

Councilmember Grevious asked, "In terms of the Capital Projects and Grants., do we know how much money we are owed and have not collected?"

Ms. Maurishka Williams stated, "I am in the process of reconciling those accounts. This week I will be sending out the updated version and then we can share it with you all. For Capital Projects and Grants, you should be receiving something in your packet every quarter."

Mr. Driggers stated, "Capital Projects and grants are about completing the project, which is a big part, but the other part is cash control."

Councilmember Grevious stated, "When it comes to finances, there is no budging on the policy. It must be followed. Like you said, Council is responsible."

Mr. Driggers stated, "On the budget control, state law states Council is the only body that can appropriate funds. The financial system must match the ordinance that Council approved. The only way that would change is if an amendment were presented to Council. For example, DPU's budget does not change until we come back to you in August. Unless we come before Council separately with an amendment, such as acceptance of a grant, or an added capital project."

Mr. Driggers continued, "On the next slide, General Fund conclusion. We have tried to look at short term, prioritize growth with the annexation plan, no tax increase is included, and implement guidelines for stronger financial controls. In the five year plan, it increases the reserve fund to \$6 million, increases the sanitation fee in FY2027, proposes incremental tax rate adjustments in FY2027 and FY2029, and focuses on ensuring the financial stability of the City. I have always told Councils that I have worked with, budgeting is about controlling your future and about choices. The choices we make in this room is what will affect the bottom line."

Mayor Butler stated, Please explain the third item under the Five-Year Plan, propose incremental tax rate adjustments FY2027 and FY2029. "

Mr. Driggers stated, "This is a five-year plan which is not something that you vote on as today's Council cannot commit future Councils financially. The plan increases costs. The plan is funded with a tax increase in FY2027 and FY2029. Between now and next budget year, things may change. We will come back to you and say, our five year plan stated we will do X and here is the effect of that. The five-year plan that increases taxes creates a separate fund for a capital improvement program to start funding those needs for capital improvement, so you have a dedicated source for items such as vehicles, fire trucks, maintenance of facilities, HVAC replacement, etc."

Councilmember Grevious asked, "Does this maintain the vehicle lease program with Enterprise?"

City Administrator Evering stated, "We will continue to explore options but for now, we will continue with the current lease program."

Mr. Driggers stated, "We do not have any additional leasing in FY2026. Leasing is a good program for some locations, but it is debt. When you start borrowing money to pay for vehicles, you get into issues."

Councilmember Grevious asked, "Since we do not have a reserve or funds for maintenance or upkeep, do we have something in case there is an emergency where we are forced to detour from this road map?"

City Administrator Evering stated, "We do have some debt capacity to borrow money if there is an emergency."

Mr. Driggers stated, "There is no contingency funds in the budget. But if you have a true emergency, we must be smart enough to know how to deal with it by moving funds. Whoever is helping you through this process should know how to make this decision."

Councilmember Kalu stated, "The problem is the funds have been going down and we need to fix it. We need a master plan."

Mr. Driggers stated, "Putting together a capital improvement plan will help. We want to get an inventory this year."



Councilmember Grevious asked, "With this policy will there be checks and balances for a certain dollar amount to go through approval process? Or if I am a director, this is my budget, and I can spend it?"

Mr. Driggers stated, "That is a policy you need to consider. The plan does include a procurement officer that will help. Also, you want to give the departments flexibility to operate."

City Administrator Evering stated, "You must issue a purchase order for anything over \$3,000 which requires approval."

Councilmember Grevious stated, "Maybe we need to lower that amount."

Ms. Maurishka Williams stated, "The right processes are in place. It is holding people accountable to adhere to their budgets. This is where not only reporting to Council is important monthly but also sitting down with directors monthly and going through their budget will be critical."

Mr. Driggers stated, "On the next slide is the ARPA Fund information. We will not go through this unless you have questions. It includes the awarded amount which is the budget, expenditures, and the differences."

Councilmember Hannah stated, "Please update us on the Andrew Dibble Rec Upgrade/Skatepark."

City Administrator Evering stated, "I do not think that is an adequate reflection. There were expenditures completed on that project such as soil testing to include environmental studies and civil engineering. There should be more funds in that account."

Mr. Driggers stated, "The way this reads, is the original appropriation was \$500,000. In October 2024, Council reappropriated funds and moved money out of that budget and reallocated it to the general fund which left a budget of \$146,448 and we have spent \$146,448 so there is no money left in that line item. If inaccurate, we can certainly research."

Councilmember Hannah stated, "If there is no money, no work can be done."

Councilmember Grevious asked, "This \$1.9 million in October was moved to the General Fund?"

Mr. Driggers stated, "There is \$1.9 million left in the fund as of March 2025. I am assuming when Council approved the budget last year, part of that included the reallocation of funds and added \$1 million to the general fund. This is an example if we were doing the monthly reconciliation, we would know the answer. The next slide is Capital Penny Sales Tax IV Projects. This is information to give you the balances on the projects. If you have questions on projects, we can try to answer."

Mayor Pro Tem Keitt stated, "Please explain the City Gym Parking item."

City Administrator Evering stated, "This was approved with the fourth penny. I was told at the time the City would need to purchase additional property for parking but that is no longer the case. This \$150,000 could be used down the line for replacement or repainting of the parking lot. I think it could be better spent elsewhere. If that is something Council would want to do, we would have to go to the County and get approval to move that money for another project on that list because it was approved by referendum by the voters. \$200,000 Recreational Complex/Traffic Control is for a traffic light on North Road where the complex sign is located. We are working with SCDOT and the County to get a traffic study completed. If it is determined that a traffic light is required, then \$200,000 could go toward putting a traffic light there. This is where our ball fields are, and it has become increasingly crowded there with the opening of the new restaurants in that area."

Councilmember Stroman asked, "What is going on with Pine Top?"

City Administrator Evering stated, "We have \$467,706 balance of the \$600,000 allocated. Funds can go toward fixing the streets on Pine Top. As you know the City owns those streets. The issue is there is water runoff that is causing the streets to fall into disrepair. Until you correct that water runoff issue, fixing the streets will be a short term solution and you will have the issue again. We have been working with SCDOT and others. This is where the expenditures have come in to determine what is causing those roads to fail."

Councilmember Hannah asked, "Under the Capital Penny Sales Tax Projects, it looks like we have over \$2 million balance. What are we going to do with it?"

City Administrator Evering stated, "We can go through the list. Airport balance is \$279,791. We are still making improvements at the airport. Mirmow Field balance is \$52,810. We have made improvements to include new sound system and new walls. Railroad Corner and Downtown Development \$1,183,312. We will need to continue with this project for infrastructure and other related costs. Most of that money was used to purchase property and other improvements at Railroad Corner. City Hall and Stevenson Auditorium \$1,200,000. \$800,000 was spent on a new roof at Stevenson Auditorium. We have also made improvements to lighting and the sound system. Edisto Gardens improvements. We have not used most of this money. It was to be set aside to help with the Skatepark. Now, we may have to use some to help pay for some the repairs that resulted from the flood until we can get the FEMA reimbursements. City Sidewalks. A good bit of this has been spent on repairs of the sidewalks in front of the new City Hall."

Councilmember Hannah asked, "So everything is earmarked.? I am asking for the citizens as it is important not to disappoint our youth."

City Administrator Evering stated, "My goal is once we get on better financial footing to get back to that. I know this is something we talked to the public about, and there was interest. That was our intention, and I certainly want to follow through. This is the balance of the fourth penny approved in 2018. There was a fifth penny approved in November 2024, and we will not receive the bulk of that until 2027. The City received approximately \$12 million in total, \$7 million to pay off the new City Hall, \$1 million allocated to Parks, \$1 million Downtown, and \$750 Airport. We did a lot of work at the skatepark, including engineering. It was setup to get started."

Mayor Butler asked, "What was the plan to finish the skatepark?"

City Administrator Evering stated, "The plan to finish the skatepark was to take \$500,000 from ARPA Funds, again that had to be reallocated to the General Fund. Then \$500,000 from the 4<sup>th</sup> Penny Capital Project Sales Tax which would give us the \$1 million to get the skatepark up and going. Because we had to reallocate the \$500,000 ARPA Funds put a delay on the project until we can get more funds in to do it. There is \$1 million for Parks in the 5<sup>th</sup> Penny. This will not come until next year at the earliest. It depends on how much the County decides to do as a bond anticipation note."

Councilmember Hannah stated, "When the previous administrator was here, we had funds allocated and set aside."

Mayor Butler stated, "Things have changed but we can try to create a way to make it happen."

Councilmember Grevious asked, "What is the Downtown Revitalization \$700,000 and the Affordable Housing \$700,000?"

City Administrator Evering stated, "On the Affordable Housing, we have completed some housing studies, and we are working with the Orangeburg County School District now on a potential housing project to be geared towards teacher and law enforcement. We are still trying to get a developer for that. As far as Downtown Revitalization is concerned, there have been different expenditures that we have spent money on downtown whether it is the mural or different items. I would have to go back and look up all the expenditures."

Councilmember Grevious asked, "Is there a freeze on the Façade Grant Program?"

City Administrator Evering stated, "We have paid out most of the Façade Grants and the remainder part was reallocated toward that \$1 million for the General Fund."

Mayor Butler asked, "Will the Façade Grant Program start again in October?"

City Administrator Evering stated, "If we decide to put more into the budget. I do not know if that is what Council wants to do."

Councilmember Grevious asked, "So this money in the balance column can be moved?"

City Administrator Evering stated, "We started out with \$6.3 million. The Federal guidelines were anything under \$10 million could go toward General Fund activities. When we first got the money, we came before Council, and this is how you allocated it. If you want to change allocations, you certainly have the liberty to do that."

Mayor Butler stated, "I suggest we hold on to it as this could be our emergency money."

Ms. Maurishka Williams stated, "As a reminder, this report is as of March 2025, so you still have April, May, and June expenditures to deduct."

Mr. Driggers stated, "This level of reporting is what Council should see every month in your packet. Again, these are the projects constituents and folks in the community ask you questions about. It is an effective way to easily be transparent. Next is the City Hall project. This slide is as of January 2025. The contract value is listed at \$9.4 million. As of January, expenditures were \$7 million. I know we have spent more since then."

City Administrator Evering stated, "The City has \$7 million revenue bond and then received \$2.5 million in grants from the state."

Mr. Driggers stated, "The bottom part is the funding piece. You see the loan of \$6.2 million. The difference is borrowing costs. Then the stated grants for \$2.5 million, \$58,000 for Capital Penny Sales Tax and the City funding is \$104,000."

Councilmember Hannah asked, "In expenditures we have a balance of \$2.3 million. Does this include furniture?"

City Administrator Evering stated, "It includes everything furniture and technology. We were planning and hoping to get substantial reimbursement from the USDA for furniture and technology. Unfortunately, those grant funds have not been allocated by the federal government. Until allocated, we had to bear that cost up front."

City Administrator Evering stated, "The last slide is the Raise Program. We received \$350,000 grant for the pedestrian feasibility/planning study. We came before you to approve the winning bid. AE Com located in Greenville, SC will work with local stakeholders, including the universities, the railroad company Norfolk Southern, to make sure that we produce a pedestrian overpass that not only works but is something that the community wants. We started this about a month ago. Once this process is completed, we will start the bid for construction process which is the bulk of the \$22 million for the overpass and a parking structure located at Railroad Corner."

Councilmember Grevious asked, "Going back to the budget and the 98 DPS positions. Does that number cover what is needed based on our City demographics and statistics?"

City Administrator Evering stated, "This is something Chief Austin and I have discussed in trying to determine the best structure for DPS to cover the City. Currently we have the City divided into 3 or 4 sectors. Each sector has a set number of officers assigned to it. My question like yours is do we require the number of officers that are currently assigned to a sector, could we get by with one less officer or do we need two more officers? That is an analysis that I know he and DPS have been going through. I would rather Chief Austin answer that question."

Councilmember Grevious asked, "The conversation has been had with DPU in terms of potentially \$3 million over five years versus one time. When do we anticipate reaching that net annexation impact of \$1 million?"

City administrator Evering stated, "It depends. We are still trying to get it done this year. We should know something in the next few days. If we do not get the information needed, we will have to wait until next year."

Mayor Pro Tem Keitt asked, "What is the update on the old City Gym?"

City Administrator Evering stated, "I do not have any update. If Council wishes, we can put it on the market. We have not actively tried to sell it. As you recall, we had a business that was interested in purchasing it and then the historical folks came in and said there was a cemetery there. I have not had any interest in it since."

Councilmember Stroman stated, "I would put it on the market."

Councilmember Knotts stated, "On page 10, FY26 Budget Revenue, there is no tax increase?"

Mr. Driggers stated, "Correct, there is a cap of what we can increase taxes. The maximum amount we could go up would only generate approximately \$350,000 so we did not pursue."

Councilmember Grevious stated, "If the talks with SCSU fall through, will the budget be impacted heavily?"

City Administrator Evering stated, "I do not know if it will impact it heavily. It depends on how long we carry Hillcrest. The longer you carry it, the more cost you will incur. If you turned it over to them in a relative brief period, it would not be a big monetary impact."

Councilmember Grevious asked, "The \$200,000 that SCSU gave the City, how will that factor in if we do not reach an agreement?"

City Administrator Evering stated, "We will have to pro-rate some of it back."

Mayor Pro Tem Keitt stated, "We need to put a deadline on SCSU."

Councilmember Stroman asked, "Are we using the ballfields on St. Matthews Road?"

City Administrator Evering stated, "We the City to my knowledge are not using any of the baseball fields. We use the other fields in the back for soccer and football. The public uses the baseball fields to practice."

Councilmember Grevious stated, "If we are going to talk about consolidation, it needs to happen soon."

Mayor Butler stated, "I think it will be better for us. Sidney, please put it on the August 5 agenda to include numbers for Council. This was a good session. Thanks to everyone."

Respectfully submitted,

*Linda McDaniel*

Linda McDaniel  
City Clerk

