

**MINUTES
FINANCE WORK SESSION
WINNSBORO TOWN COUNCIL
OCTOBER 14, 2021**

Present: Chairman Demetrius Chatman; Mayor John McMeekin; Danny Miller, Janice Bartell-Prather, Jae Burroughs, Council Members; Jason Taylor, Town Manager; Patti L. Davis, Town Clerk.

Others Present: Trip Peak, William Medlin, Chris Clauson

The Finance Work Session took place on October 14, 2021, at 6:00 p.m. at the Winnsboro Women's Club. In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80 (e), as amended, the following persons and/or organizations have been notified of the time, date and location of this meeting: The Independent Voice of Blythewood and Fairfield, The Country Chronicle and four hundred ninety-two other individuals.

1. CALL TO ORDER

Chairman Chatman called the Finance Work Session to order at 6:05 p.m.

2. APPROVAL OF AGENDA

Motion made by Mayor McMeekin, seconded by Council Member Bartell-Prather, to approve the agenda. ***The motion carried 5-0.***

3. NEW BUSINESS

A. Discussion Concerning American Rescue Plan. Mr. Taylor stated this meeting is being held to ascertain Council's direction of how to spend the \$1,583,641.64 from the American Rescue Plan funds. This money, however, does not come without strings to allow it to be used in any way, and there are rules attached to the disbursement of these funds. Mr. Taylor then asked for Mr. Clauson to go over the rules and regulations with Council. Mr. Clauson referred to a document entitled Interim Filing Rule, which is the latest guidelines issued by the Treasury on July 21. Mr. Clauson distributed abbreviated packets to Council stating this is a 152 page document. Page 7 lists the different categories of approved uses. Included in these categories are the following:

1. To provide for the public health emergency toward negative economic impacts with the assistance to households, small businesses, non-profits or impacted industry such as tourism, travel, hospitality. These must be directly due to the impact of COVID-19. Mr. Clauson stated the State has decided to push for the dollars directed to the State of South Carolina to go

toward utilities, because this will be the cleanest and easiest way to proceed. Mr. Taylor stated it is also anticipated that the State will share additional money with the municipalities, which could be in the \$300,000 range, and agreed that the State is pushing these funds toward utilities.

2. The second category, per Mr. Clauson, is pertaining to premium pay, and essentially this is described as public safety or those employees directly involved with those who could be COVID positive.
3. Division of government services to the extent of a reduction in revenue. Mr. Clauson stated the Town's revenue has not changed substantially; but Mrs. Belton could speak to this more accurately.
4. Necessary investment to water, sewer or broadband. Per Mr. Clauson, they are specifically calling on the Clean Water Act dealing with wastewater and the Drinking Water Act. In looking at broadband, this would include underserved or unserved households and businesses. There is not a large section of the Town that does not already have broadband readily available. Internet cannot be paid for, but lines could be paid for to extend service. Chairman Chatman stated the County is already pursuing something concerning broadband, and Mr. Clauson stated the County is indeed pursuing a grant for this purpose.
5. Public health and negative economic impacts, but again, this has to be directly related to COVID. This would be akin to getting someone back to where they were (to include lay-offs, unemployed workers). The premium pay must be prioritized with low to moderate income, a scaled effect and not be across the board.

Mr. Clauson stated the questions section of the website is being updated frequently. Chairman Chatman questioned if the AMI system can be purchased under these funds. Per Mr. Taylor, the water and sewer portion can be covered, and this is probably the only clean way of using the funds. This would then free up other Town revenue to do other needed projects. The numbers on the AMI system include: Around \$800,000 spent for the Blythewood portion out of the budget already and an additional \$3.2M to complete the project. Of that \$3.2M, about \$1.5M is the water side. Chairman Chatman further inquired concerning the difference in the \$3.2M and \$2.9M that was previously discussed. Mr. Taylor stated it was \$2.9M, and per Mr. Medlin, there was about \$150,000 added onto this for automatic cut-offs that were not included originally. The residential cut-offs are the most dangerous for the City workers. Mr. Taylor further stated using the funds for the AMI system would

be the quickest way for the Town to get a return from the funds. Investing in this system will probably result in at least a 10% increase in revenue. By investing in the AMI system, the hope is to reap a savings of \$1.5M to \$2M in savings or additional revenue banked. Mayor McMeekin stated these funds will go back into the Town for other things with no strings attached to it. Mr. Taylor stated there are many things the public is pushing for the Town to do and that Council wants to do, and this is a way to get the money to do those things. Chairman Chatman stated he wants to be able to assist the small businesses. Many cities and towns are giving back to their small businesses with these funds. Mayor McMeekin does not disagree and used the analogy of having two pockets of money, one with strings attached and one without. Using the federal money for the AMI system will generate more income. Also, most of the other cities and towns who are using the funds to assist small businesses do not have utilities. Mr. Taylor states he also wants to see Main Street thrive, and he respectfully requested that Council allow him to find money from the existing budget to do those things, but to try to pull money from the federal funds would get us into dangerous territory with the rules and regulations. Mr. Clauson stated justification would be needed on how the businesses were affected by COVID. Discussion ensued concerning the possibilities of helping the small businesses. Mayor McMeekin stated he believes all of Council wants the same thing, and the decision is how this can be achieved in the best way. Mr. Taylor also suggested beginning a Business Development Fund which would help the small businesses. Mayor McMeekin discussed the increase in natural gas prices and again stated he is for using these funds for the AMI system, which will then free up funds for other projects the Town wants to do. The Class and Comp study results will be coming up, and salaries for the Town employees will need to be reviewed. Mayor McMeekin also stated he has spoken with Mrs. Belton concerning doing bonuses this year. So, he feels everyone wants to get to the same place, and the decision just has to be made of how to get there. Council Member Bartell-Prather agreed that helping the small businesses would be a great thing but wonders what will happen when the first allotment is given and the business still goes under. Chairman Chatman stated a quarterly report will be required to be able to see if the business is going in the right direction. Mayor McMeekin further stated the Town has the bond indebtedness for water, and the water must be sold. The water plant must be up and running because over \$100,000 a month is being paid for outside water. Mr. Taylor agreed that the Town is bleeding cash right now with the high end of \$135,000 and the low end of \$110,000 a month. We are trying to get the water plant up and running full-time so this can be stopped, and that money can be reversed and kept here at home to do things Council is talking about and we desperately need to do, which is business development. The Town has the debt to access water at the Broad River, and

customers must be found to sell that commodity to. With downtown being redeveloped, this will create more water, sewer, gas and power customers. The Town needs to come up with a business development model so that incentives can be offered on a smaller scale than the County's Economic Development Department does with incoming industry. If someone contacts a Council Member concerning possibly opening a restaurant, Mr. Taylor asked that these calls be referred to him, and he will see what he can do to make it happen. To grow, the Town must be marketed and new businesses recruited, and we have to have incentives to do this. Mayor McMeekin stated if we can get another \$500,000 coming in off water sales, this can be pumped back into businesses and downtown and will go far to improve the Town. Council Member Miller stated the AMI system ties into our current problem of our customers having a lot of issues. Along with the AMI, he feels something needs to be done in the form of some type of rebate or credit. Even when we try to explain it to them, the customers are still not pleased. The AMI system will benefit the Town, and Mr. Taylor stated it will benefit the customers also. They will be able to rely on how much their bills will run and will get them in a timely manner.

Mayor McMeekin further discussed the declining population and that the County has lost a lot of people of color, to the tune of 3 times the African American population as Caucasians. Many of these citizens left for Richland County, and the Town lost good people. We must get the Town straightened out to keep our good people here. We must work toward keeping the price of the utilities down with no surprises. Mr. Taylor stated rates can be reduced with the money saved. Further, some population has been lost due to the lack of restaurants and other quality of life type of things. The average person wants a good paycheck and a place to spend it.

Council Member Miller further stated he believes all of the Town's employees are essential, and he would like to see the bonus again this year be no less than last year. The more our employees interact with the public, the more of a chance they will contract COVID. Also, a lot of our employees travel in the same trucks. There are a lot of options, and he knows the AMI system is needed and we also want to help the local businesses. We just need to come up with strategies to do these things. Council Member Miller also stated we need to push the County on the broadband issue. Mr. Peak stated he knows that 160 miles of fiber cable is being installed in Fairfield County to serve rural areas spread out to Rion, Greenbrier, Blackjack, etc., and they are hitting all these rural communities with fiber cable. Mr. Medlin also stated most of the Town limits are covered by broadband. The grant is for extending lines and not for free internet. Further discussion ensued concerning broadband.

Council Member Miller stated we are on the same page with the AMI system. Mr. Taylor stated it is about a \$3.2M project and at best, around \$1.5M will come out of pocket from somewhere else. Mayor McMeekin stated he does not have a problem with anything that has been discussed tonight, the question is the best way to get there. From his standpoint, he believes the federal money should be used for the water meters which would then free up money to do the other projects Council wants to do. Council Member Miller inquired if the Town negotiated with the company for the AMI system. Per Mr. Medlin, this was sent out for bid back in March of 2021, and Council looked at it then. One company gave a proposal and one company gave a partial bid that would not meet the needs of what was needed. Council made the decision to go with Ferguson Water Works for the Blythewood system and would look at this later on to complete the whole system. Per Mr. Peak, the initial work was also not including the specific types of meters at each location. They have now gone out to locations and are accounting for the specific types of meters that are needed. Chairman Chatman suggested at least trying to get the price down some, and Mr. Clauson stated the price per unit will still remain the same. Discussion ensued concerning negotiating the contract. Council Member Burroughs stated he is in favor of the \$1.5M going toward the AMI system and feels this is the best thing to do at this time. Mr. Taylor stated a recommendation is needed from the Finance Committee, and this will be taken to Council. The budget will probably need to be amended for the remainder of the AMI price. Also, the Town is spending about \$120,000 on average per month for Columbia water with only \$700,000 being budgeted. The yearly amount for this is in excess of the \$700,000 budgeted amount. Per Mr. Peak, in speaking with Mr. Cisney, we are now in talks to serve a portion of Blythewood with water. Mr. Taylor had spoken with Mr. Cisney also and instructed him to get the Town slowly to the point of not needing the Columbia water. Chairman Chatman further stated the Blythewood portion of the project should be completed sometime in November and by the time a payment actually has to be made, we should be in the planning stages for the new budget. Mr. Taylor is not 100% sure of how this will fall. Mr. Medlin stated he believes we are looking to at least two years for the total project, and this will probably be over the next 12-18 months. Mayor McMeekin stated the negotiations must be completed by the end of this year so the final amount will not increase. He feels the supply chain problems will not get better any time soon. Council Member Miller inquired how much of the \$1.5M will be set aside for the customers, because he does not see a way to get things back on track other than some kind of incentive package. Mr. Medlin stated with the new system, everyone will be on a 30-day payment, and this is why the utility bills are so high right now. He reported the department has improved as he has four full-time meter readers. Further, once Blythewood is up and running,

— this will take 130 hours of meter reading off the books, which will bring the remaining customers closer to the 30 day readings. Discussion ensued concerning if the guidelines allow rebates to the customers. Council Member Bartell-Prather inquired if this would be given to every customer or how the choice will be made. Council Member Miller stated SCE&G does this along with the Electric Coop. Mr. Medlin stated one of the programs is called the round up program, and if there is a bill for \$150.26, the customer will be asked to round it up to the next dollar amount. Those pennies are then used. Mayor McMeekin again stated we are talking about getting to the same place but two different ways of getting there. He believes that he and Council Member Miller both want the same thing, but Mayor McMeekin wants to take the federal money for the AMI system so there will be no questions asked. The Town has other funds that it has no responsibility to anyone other than the bond holders, and these other projects can be done with these funds. A decision must be made on how to use the rescue money and then Council can hold further workshops to discuss how to do the other projects. He agrees we do have to make things right with the citizens of Winnsboro. The Town is here to serve the citizens of Winnsboro, and we owe it to them to have a system that is running properly and updated and expanded. Mayor McMeekin also mentioned the Fairfield Joint Water Sewer Service and with this, we have a lot of irons in the fire. Anything we do, we must think it through and make sure we do the best we can to handle things the right way.

— Council Member Miller inquired of the definition of premium pay. Mr. Clauson will need to look into the frequently asked questions, but essentially this is a payment above and beyond what a worker would normally be making. There is a stipulation that if payment is made over 150%, justification would have to be provided for why this is being done. There is a definition section, and Mr. Clauson will research this and provide additional information. Mayor McMeekin again stated the Class and Comp study is expected soon, Social Security has increased and there is inflation, so we will have more change in the near future. We are still talking about the same things we want to do but just different ways to get there. In reference to the utility bills, Mr. Taylor stated no accounts are being cut off, no penalties are being assessed and payment plans are being arranged when possible. Everything possible is being done to work with the customers at this time until the new system is in place. Council Member Bartell-Prather stated we are trying to help everyone, and we have to tell them about the programs there are for assistance. Chairman Chatman stated some of the organizations out there for assistance will not even look at an application if a certain amount is made, and this must be kept in mind.

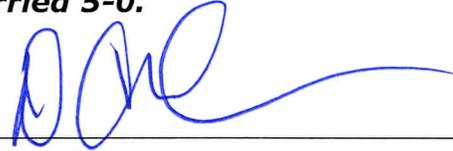
—

4. ADJOURN

At 7:34 p.m., it was moved by Mayor McMeekin, seconded by Council Member Burroughs, to adjourn. ***The motion carried 5-0.***



PATTI L. DAVIS
TOWN CLERK



DEMETRIUS CHATMAN
FINANCE COMMITTEE CHAIRMAN