

**City Council of the City of Greenville  
Work Session**

**Monday, April 25, 2022  
3:15 p.m.**

**Meeting Location:  
Greenville City Hall, Council Chambers, 206 S. Main Street**

**MINUTES**

CITY COUNCIL: Mayor Knox White, Councilmember John M. DeWorken, Councilmember Lillian B. Flemming, Councilmember Kenneth C. Gibson, Councilmember Wil Brasington, Councilmember Russell H. Stall, and Councilmember Dorothy H. Dowe

CITY STAFF: City Manager John F. McDonough; Interim City Attorney Leigh Paoletti; City Clerk Camilla G. Pitman

Mayor White called the meeting to order for the purpose of discussing the following matters.

**Budget Workshop #2**

City Manager John McDonough introduced part two of the FY2023 Budget discussions.

**General Funds**

Office of Management and Budget Director Matt Efird provided an overview of the General Funds and provided a comparison of current budget year revenues, forecast variances, and proposed FY2023 budget. Mr. Efird advised that the figures presented today do not include Neighborhood Infrastructure Bond (NIB) funding and American Rescue Plan Act (ARPA) second tranche of funding. Mr. Efird stated that current year revenues are projected to come in at \$7 million over budget with the primary driver coming from licenses and permits. Mr. Efird commented on the difficulty in forecasting the budget with certain revenues not anticipated until May and June and stated the year end projection is anticipated to be \$14.5 million.

Regarding business licenses, Mr. Efird advised that the City is in the process of collecting business license renewals following its first year with the state collection program and that businesses have until next week to renew. Mr. Efird also advised that businesses overall had a good year in 2021.

Regarding CIP line item on General Fund expenditures, Mr. Efird explained that it includes significant one-time expenses that occurred this year and will not occur next year. Mr. Efird stated if you compare just operating expense, it will be 5.5% percent higher next year than the current year, which is driven by inflationary pressures, improved enhancements and increase in the City's debt service.

Mr. Efird referenced specifically to each of the FY2023 General Fund Operating Assumptions and enhancements as provided in the presentation. Regarding Parks, Recreation and Tourism, Mr. Efird advised approximately two-thirds will be offset by hospitality taxes because they are park positions. Mr. Efird added that the two additional employees with the downtown area maintenance crew will also cover Falls Park. Mr. Efird stated there is a total of approximately 21 positions recommended for inclusion in the budget next year. City Manager John McDonough advised that

some conversation has been held regarding additional support for Municipal Court which will likely be reflected in the next budget presentation. Regarding ED initiatives (former TIF) line item, Mr. Efirm advised that the “(\$100,000)” shown from the prior year is a typo and should be “0.”

Mr. Efirm stated the Viola ED funds have increased due to higher tax collections in the TIF area. Councilmember Dowe asked if the budgeted cost can be spent in the Viola neighborhood. Mr. Efirm responded that it is the primary intent, however, it is up to Council to decide. Mayor White stated it is called Viola Street TIF, but the geographical area has been the Stone Avenue and surrounding areas. Council members commented on discussions and concerns expressed during the Neighborhood Presidents Luncheon held earlier in the day. Mr. Efirm advised that the \$333,308 amount is added to the \$1.2 million that is already budgeted. Councilmember Flemming stated that there are a number of requests from the Viola Street area that have not been fulfilled and encouraged allocating the funds and performing the work.

Regarding downtown façade improvement, Councilmember Dowe asked if the line item is considered an investment that helps tourism. Mr. Efirm responded maybe and that it depends, referring to discussions and opinions previously with the City Attorney’s Office. Regarding the tree fund and the downtown tree canopy, Councilmember Dowe commented that it seems like the downtown tree canopy should also be tourism related, and Mayor White agreed. Councilmember Dowe stated any time the City can allocate something to a fund that has boundaries, the City should use those funds instead of the General Fund.

Mayor White commented in general on the different programs and investments in neighborhoods and corridors and stated the amazing revenue numbers and the return on investments creates value later on and return on investments. In referring to the revenue numbers, Mayor White acknowledged the City having the strongest city budget in South Carolina.

Mr. Efirm commented on the City’s General Fund Fund Balance reserve of 20% percent funding requirement and advised the figures should be updated during the next discussion to include funds for the NIB and ARPA. Looking to FY2023, Mr. Efirm also advised the projected FY2023 Unassigned Fund Balance is anticipated to be \$7,417,860. Mr. Efirm stated that in the past the Unassigned Fund Balance has been used for unexpected or extraordinary investments such as the Fluor property purchase this year or previous investments in affordable housing. Mr. Efirm referred to a policy recommendation going before City Council during the Formal Meeting and explained the proposed policy is for fund distribution above the 20% percent required reserve. Mr. Efirm stated the Fund Balance funds will be invested and those revenues will be put back into the capital project reserve.

Councilmember Gibson shared his support, but expressed concerns with holding onto funds when they can be used for items such as affordable housing or community value. Councilmember Dowe stated setting funds aside is a good policy, but she questions the definition of “capital project having a return on investment” versus providing services to the residents that already live and work in the City. Mr. Efirm responded that approval of the policy will put into writing the process the City is already using for the funds.

#### Tourism Funds

Mr. Efirm provided the forecast for the Tourism Funds, including information on the hospitality tax, local accommodation tax, and state accommodation tax. Councilmember Brasington asked what the debt service reserve is and how the amount is determined. Mr. Efirm responded it is a

combination of a \$500,000 reserved by the City and the outstanding debt which has a reserve this year of approximately \$750,000. Regarding VisitGreenville, Councilmember Dowe asked if all municipalities pay into VisitGreenville, and Mr. Efirid responded he is aware the County does, but will have to check on the other municipalities. Councilmember DeWorken requested that the City formalize receiving a report from VisitGreenville, and Councilmember Brasington suggested receiving the report annually.

Mr. Efirid referred to the park bonds expiring this year and to a line item placeholder on the presentation for FY2024 planning purposes, showing that the City has capacity to take on a large scale project and continue to have a tax capacity for other projects. Mr. Efirid advised there is currently \$4 million in the hospitality fund, which is expected to be reduced by \$1.5 million next year, and then rebound the following year.

Councilmember Brasington left the meeting at 4:15 p.m.

Mr. Efirid commented on projects with Local Accommodations Tax Fund and State Accommodations Tax Fund. Regarding Arts in Public Places, Councilmember Dowe asked how public art is maintained. Mr. Efirid responded there is a small budget for public art maintenance which is used to provide seed funds in obtaining matching funds and that the cleaning and maintenance is handled through the City's operating budget. Councilmember Flemming recommended the ATAX Committee improve their diversity and inclusionary appropriations due to concerns she has received.

#### Enterprise Fund

Mr. Efirid provided the forecasts for the Enterprise Funds and advised the Fund is restricted primarily to the purpose for which the revenue is generated. Mr. Efirid stated between the General Fund property taxes and the stormwater, which are the City controlled components of the taxes, there are no tax increases this year. Mr. Efirid advised the forecast is designed to show that even if we freeze rates while evaluating a different model of funding, the City can absorb the current operating and capital needs going forward in the Stormwater Fund.

Mr. Efirid recognized a number of other funds in the City's budget not discussed today, but available for discussion during the final workshop and public hearing.

In summary, Mr. Efirid stated the proposed Budget is (1) a maintenance budget with not a lot of new programs or initiatives, but focused on matching resources with identified priorities and needs, (2) about finishing the job including paths forward with the Swamp Rabbit Trail Verdae crossing to complete the Green Line Connection from downtown to CU-ICAR and fund the City's share for Unity Park Honor Tower, (3) delivering on investments by allocating resources for project management across the organization to get the Neighborhood Infrastructure Bond Section 108 and public safety campus projects moving forward, and (4) projecting moderate sustain growth with an eye towards preserving capacity for future needs for potential economic downturns.

Councilmember Dowe raised questions comparing discussions held during Council's retreat with updated information provided, referring to belt tightening involving capacity with tourism. Mr. Efirid responded that with more data to build upon, staff has been able to free up some capacity. Regarding the Tourism Fund, Councilmember Dowe questioned the process of previously approving two of the Swamp Rabbit Trail bridges and Unity Park expenditures as individual allocations versus including the Verdae trail tunnel and the City's share of the Unity Park Tower

in the proposed budget. Mr. Efirid responded stating the budget team is attempting to meet the priorities of Council by appropriating the funds in the proposed budget. Mr. McDonough advised that staff believes there is a clear consensus for those projects and unless there is other sentiment, those projects are included in the proposed budget.

Councilmember Dowe asked for an explanation regarding “the City’s share.” Regarding the Verdae trail tunnel, Mr. Efirid advised that the estimate is \$1.8 million and a small contingency has been added to meet the \$2 million recommendation. Mayor White added that the City is still looking to the County and the city of Mauldin to participate with the trail. Mr. McDonough advised that at the time, it was considered important to move the project forward because of its economic development value, and after reviewing it further, there is a more effective way to address the crossing, if supported by Council. Councilmember Dowe stated the City has been good with transparency of both projects and if both are rolled into the budget, there is a change in direction, in her opinion. Mr. McDonough responded funding has been included for both projects because the City is in appropriation mode with the budget.

Regarding “the City’s share” for the Unity Park Honor Tower, Mr. McDonough advised that he has spoken with Velda Hughes of the Hughes Agency and that she believes she can raise half of the total cost on a public/private partnership basis. Mr. McDonough also advised the current estimate for the project is \$10.8 million, that the City has added \$200,000 to total at \$11 million, and that one-half of the amount would be \$5.5 million. Mr. Efirid stated that about \$2.3 million has been raised to date, and Mr. McDonough added that the Hughes Agency agreement ends in November. Mayor White expressed a strong level of confidence for raising the funds. Councilmember Dowe stated she does not support rolling the funds into the budget at this time and would rather keep Unity Park funding transparent as it has been and allocate funds on a case by case basis. Councilmember Dowe also stated she does not support placing \$5.5 million in the operating budget, but does support a stand-alone vote. Councilmember Dowe recommended considering a scaled back version of the Tower with other alternative improvements. Mayor White responded that funds are higher because of more private money raised and confidence of the community and project itself. Mayor White stated the plans for both the trail and the park have not changed and that individuals donating private money have done so in confidence of the park in total and the plan.

### **Motion - Executive Session**

During the open Work Session, Mayor White asked for a motion to go into Executive Session. Interim City Attorney Leigh Paoletti recommended going into executive session under S.C. Code §30-4-70(a)(2) to receive legal advice involving redistricting and subsection (a)(5) to discuss matters related to proposed location or expansion of services and other economic development incentives.

Councilmember Gibson moved, seconded by Councilmember Dowe, to go into Executive Session. The motion carried unanimously.

(Executive Session)

There being no further discussions, Councilmember DeWorken moved, seconded by Councilmember Flemming, to go out of Executive Session. The motion carried unanimously. No action was taken.

Minutes – Work Session  
April 25, 2022  
Page 5

With no further discussions, the meeting adjourned at 5:30 p.m.

Camilla G. Pitman, MMC, Certified PLS  
City Clerk

Meeting notice posted on April 8, 2022