

2nd Annual State of Walhalla

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Welcome and Recognition of Invited Guests, City Administrator Celia Myers

Good evening; and welcome to the second annual State of Walhalla address. We are excited to share our accomplishments of the last year and then cast a vision for the upcoming fiscal year. Before we begin, I would like to take a moment and recognize several individuals whose leadership and service have proven invaluable to the City of Walhalla.

From our State Delegation: Senator Thomas Alexander and Representative Bill Whitmire. Gentlemen, your support, not only to the City of Walhalla, but to the surrounding community and to Oconee County has placed us on a firm foundation and set us on a path of success and towards a bright future. We thank you for your tireless service and dedication to the people. Congresswoman Sherri Biggs, represented tonight by Mr. Neil Brown – we are excited to welcome you and thank you for your support as you begin your new role. We look forward to partnering with you as we collectively seek a better tomorrow for all.

I also wish to recognize the contributions of two Councilmen who had to leave us earlier this year – Mr. Keith Pace and Mr. Josh Thomas. Thank you for your leadership and vision.

And now, we welcome two of our newest Councilwomen – Mrs. Jessie Bunning and Mrs. Lynn McClain. You are already making an impact and I want you to know how much we appreciate your vision, energy, engagement and support to the City of Walhalla.

To our remaining Council, Mayor Tim Hall, Mr. Josh Holliday, Mr. Kenny Johns, Mr. Grant Keehn and Ms. Sarai Melendez – the best is yet to come. We have a lot of hard work

ahead of us, but I know that by working together we will overcome challenges and complete the race set before us.

Finally, our City staff. None of these good works would have been accomplished without you. To my department heads and their teams, you're the heartbeat. Your love of this City, your creativity, your willingness to do whatever it takes to serve, your dedication and commitment on what is often a thankless job illustrates the shining light you are. I told you last December that you were leaders, a light to others in the way you serve and care for others. This isn't a job – it's your calling, your purpose; and I am honored to serve alongside you.

And now I have the privilege of introducing our Mayor, Mr. Tim Hall, as he comes to share our Year in Review.

Opening Remarks, Mayor Tim Hall

First, I want to echo Ms. Myers welcome to all attending and watching this year's State of Walhalla address. It has been a consequential year and I am pleased to have the opportunity to go over our accomplishments and also our challenges tonight. Make no mistake about it, there have been plenty of both and, as of late, a few controversies too. The difficult times test our determination to do what is right and our commitment to our city and to the people we serve.

I am here to tell you that this council is determined, and this council is committed. It is also difficult times that shine a crystal clear light on character. I commend the public officials and civic leaders who have had the courage to stand strong for the future of the people of this wonderful city and continue to work hard, selflessly and uncompensated, for the benefit of all of us.

Thank you to the other public officials who have reached out to us to offer their support and encouragement.

I also want to offer my profound appreciation to the many, many citizens of this town who have privately reached out to me and other council members to express their gratitude for and encouragement of our efforts on their behalf.

Finally, I want to thank our city employees, most of whom demonstrate every day that they view public service as more than just a paycheck, but rather as a noble calling.

To those politicians who opportunistically mischaracterize our actions to create controversy and divide our community in the apparent hope of gaining votes, I say that we will fight falsehood with truth and seek common ground that unites us. To the rumor mongers and cynics, we will counter you with facts. To those that for whatever

unfathomable reason seem to be hoping for the failure of our city and their enablers, we will answer you with success.

Walhalla has stood strong for 175 years and we are determined to make sure that it will continue to stand strong for another 175 years as a place that our children and grandchildren are proud to call home.

Year in Review Introduction, Mayor Tim Hall

Now on to our major accomplishments over the past year, which our city administrator, Celia Myers will cover.

We have two presentations that Ms. Myers will start with. The first concerns the final outcome of the annexation ordinance. Although many other cities have similar ordinances, this one is unique to Walhalla. Custom made for our city. In the end, our council created legislation that promotes Walhalla's future growth while at the same time addresses many of the concerns of outside residents over its potential effect on family land. There has been a lot of confusion about this ordinance and we are in hopes that this presentation will clear the air on most of it.

The second presentation covers work on our water system. Improving Walhalla's water system is a top priority for all of us and an ongoing critical need. Over the last year we have completed or accepted bids on over \$12 million in water and sewer improvements. However, we all realize that we have much more to go. Our in-house estimates are that we need an additional \$25 million in water and sewer line improvements over the next ten years, and that number could be higher. We didn't get here overnight and there is no instant fix, but as long as we remain committed to fixing this situation, we will get it done.

Year in Review and Accompanying Slide Shows, City Administrator Celia Myers

Major Challenges, Mayor Tim Hall

I want to cover two major challenges that this city has over the next year. Both are critical to the future of our city.

Always on our minds is the city budget. For many years, Walhalla has funded its operations with a combination of recurring and non-recurring income. The non-recurring income includes grants and draws from our fund balance - the city's saving account. This has got to stop. We cannot continue to follow past practices and budget on a knife's edge each year. For example, last year we funded around 8% of the city's budget, about \$850,000 from a grant and the projected sale of city assets. We went into this budget cycle determined to end this practice. However, the loss of a \$550,000 county fire contract challenged our ability to do so. City staff went to work with our

budget chair, Josh Holiday, and together they brought this \$1.4 million gap down to \$620,000, which will be funded by a draw from our H tax savings account, an expense reimbursement, and a county grant. In keeping with our desire to never again be caught by the impact of inflation on city operations, we increased our property tax rate by 2 mills, a 2.2 percent increase that is less than the 2.95% inflation rate in 2024. This will provide around an additional \$22,000 for city operations and also by increasing fees on outside commercial trash dumpster pickup operations. Last year was the first time the city had increased millage since 2001 and rising prices over the years, due to inflation, had severely eroded our financial position over time. According to the Federal Reserve, it now takes \$1.82 to buy today what \$1 purchased in 2001.

However, we will continue to identify areas to cut expenses and continually monitor for the impacts of rising costs, particularly in electricity and fuel.

Thankfully, we currently have the resources to cover the gaps this year, but we cannot continue with this type of budgeting process. I estimate that will take another two years to realign our budgeting process, but we will reach a solid point where operating income equals operating expenses and keep it there.

Given the recent focus on our enterprise fund, which covers our water and sewer operations, I want to give a few facts about it.

The current budget for our water and sewer operations is over \$5,900,000, with funds specifically designated for grant matches as well as meter replacement, overall system line maintenance, water plant needs, and upgrades.

Hopefully, to finally quash rumors about our water meters, I first want to note that we had in the current years' budget and will have in the budget that begins July 1, around \$250,000, sufficient funds to replace over 650 water meters. While our public utilities department has found some evidence of lost revenue from defective water meters and incorrect data entry, I can confidently state that claims the city is losing \$200,000 a month from defective water meters have no basis in fact. It is an absurd claim that I actually wish were true as recouping that kind of revenue stream would go a long way towards resolving our needs in that department. The reality is that while I have no doubt that we do have some faulty meters, the loss is likely far less. Still, we have yet to receive any accounting of the number of meters that are actually defective to back up this claim, despite our repeated requests for this information including at our June 4 budget workshop.

Also, there has been discussion of the \$550,000 transfer Walhalla authorized from the utilities fund to the general fund. This amounts to about nine percent of the utilities budget and transfers like this are not unusual. Many cities routinely use one asset to fund another. But, let's take about what would happen if we didn't do that this year. At current prices, we would be able to lay around ½ mile of water line for that amount.

In exchange, eliminating this transfer has the potential to cause a significant loss of municipal services on which our citizens rely, such as police, fire, public sanitation, and recreation service for our children and/or to increase the cost of such services to our citizens by outsourcing them, where possible, to third parties.

Despite our very real need for water line replacements, this doesn't seem like a fair deal for Walhalla's citizens.

Infrastructure needs

Walhalla, like many small cities, has a water system that, in many areas, has significant needs for upgrades. This is definitely a priority for our council and, despite all of the improvements mentioned earlier, we still have a long way to go. This is a multiyear process and we will need to heavily rely on grants to fund the over \$25 million in needs that our staff has identified over the next ten years. The problem lies mainly with our water lines, which run widely far outside of the city, and many are old and need to be replaced. Our staff is working to identify and prioritize problem areas for the next round of grants that we are able to acquire. Our new water plant continues to provide safe, clean water and we have recently purchased new equipment to help with the plant's scheduled five-year sediment pond cleanout.

Vision for New Year, Mayor Tim Hall

It is appropriate to start the discussion of our vision for the upcoming year with the vision statement that council unanimously agreed upon last year shortly after we assumed office: To foster a vibrant, affordable, safe and loving community that offers a high quality of life.

A lot of people have asked me if I thought Walhalla was going to follow the model of Highlands or Cashiers or, even, Greenville. While these are all fine communities, I have responded that no, we don't plan to model our city after any other town. We are unique and will grow and develop in our own way. In short, we plan to be Walhalla, keeping those special characteristics that make our home our home.

I want to emphasize that support for our small businesses remains a top item for us. Small businesses are the beating heart of our community and we have to create conditions that allow them to thrive. Last year, we emphasized that our focus is on more than Main Street and covers all of our business community anywhere in our city. This year, council approved the creation of the Mayor's Economic Advisory Committee, which will make sure that our government factors in the concerns of our business community in its decision-making process. Councilwoman Lynn McClain, in collaboration with Councilwoman Sarai Melendez, are leading our efforts to stand up this new committee.

We are also on track to complete the last of the water and sewer projects funded under the \$10 million state grant. While we are completing this project, we will also continue our efforts to acquire additional grants for water and sewer line replacements. As I noted earlier, this is a long-term project. We didn't get here overnight and we won't resolve our water system issues overnight either.

In July, we anticipate the groundbreaking for our new community center, funded by a \$5 million state grant. Our recreation department will be headquartered there and, instead of working from two structures: a 100-year-old building and another facility on loan from the school district, but slated to be torn down, our recreation will be able to consolidate into one building, making recreation activities more accessible to our children and their parents. This past year also saw the creation of a private PRT Foundation that incorporates our community into efforts to support our recreation department.

In July, we also plan to have the groundbreaking of our \$4 million new police station, also funded by a state grant. This will enable our police department to move from a 70-year-old building which they have long outgrown.

Both of these grants did not require a match and can only be used for their intended purposes. A special thank you to Senator Thomas Alexander and Representative Bill Whitmire for their work to get this funding for Walhalla.

As we saw during Hurricane Helene, one of the great strengths of Walhalla is our community spirit. Neighbor helping neighbor, people who are invested in Walhalla, a small business community eager to be a part of our city. These are our best assets. In the upcoming year, we plan to initiate a new municipal volunteer program that channels this incredible spirit into our activities and uses these volunteers as a force multiplier.

We have seen property values continue to escalate in our city and, while that is great for the sellers, it makes it hard for young people just starting out and middle-income citizens to find a home. This year we will focus on ways to promote affordable housing for our citizens to begin making sure that all can still afford to live in our beautiful town.

Our sidewalk repairs over the last year have made a noticeable difference, but, as is obvious, we still have more to repave. As part of our continued focus on infrastructure, we will initiate phase 2 of these repairs this year, which will involve more C Fund requests.

Despite all of our needs, Walhalla is a tremendous place to live and we are lucky to reside in such a blessed place. My promise to you is that we will keep this town moving forward over the next year and make sure that it remains the city that we all love. Our efforts are not just for ourselves, but for future generations that may call Walhalla home.

Wagner Award Presentation, Councilwomen Lynn McClain and Sarai Melendez, Neil Brown representing the office of Congresswoman Sheri Biggs

We are extremely excited to present the very first John A. Wagner Community Service award. What an honor to be the inaugural winner of this esteemed award.

This award honors individuals or groups whose activities during the past year have directly contributed to the civic advancement of Walhalla and its citizens. Named for John A. Wagner, the FOUNDER of Walhalla, this award recognizes outstanding contributions to the community.

Before we make the award, I would like to announce the nominees:

- Sherri Higham – Sherri established a non-profit organization “Doolin Dalton-Look Twice, Save a Life” This organization was founded to support motorcycle safety and awareness on the open road. Community service includes Christmas toy drive, blood drives, parkinson’s disease research and many other very community-minded efforts. Sherri also worked to pass legislation for LOOK TWICE – SAVE A LIFE signs, magnets and other recognizable pieces. In addition, Sherri facilitates multiple events to support individuals struggling during the grieving process.
- Stumphouse Taproom – This local restaurant is a popular gathering place for friends and family to enjoy food, music and conversation in a relaxed atmosphere. Out back of the restaurant is a wonderful patio that is children and pet friendly with lots of opportunities for mingling.
- Nicole Torres – When you think of Stumphouse Taproom, Nicole always comes to mind. She is the queen of this great restaurant and always makes sure her customers are treated like family. Local know that bringing guests to Stumphouse Taproom will ensure that Nicole’s heartfelt welcome will bring them back again and again.
- Walhalla Partners for Progress – Every block in Walhalla has been touched by this group of dedicated and esteemed volunteers. This non-profit organization created in April 2016 has funded multiple projects to improve and enhance the beauty of Walhalla. Partners has also been involved and funded renovation projects such as the Earl House, St. John’s Meeting House, Chicopee Ball Park, the Palmetto Trail, Stumphouse Tunnel Park and was instrumental in re-opening the city pool and park area. Everywhere you turn, Partners for Progress handprints are there. So many other programs and projects have been funded and initiated under the guise of Partners for Progress.

Can you see what a difficult task it was for the review committee to make a decision?

I would like to present your application review committee members: (please stand if you are present)

- Anna Davison
- Melissa McCoy
- Robert Kelly
- David Lyle

Thank you all for your service on this review team:

At this time, I would like to call on Neil Brown to join me at the front for the presentation. Neil is here on behalf of 3rd District Congresswoman Sheri Biggs who was unable to make it back to South Carolina tonight. Thank you Neil for being with us!

Without further ado, the winner of the 2025 Inaugural John A, Wagner award, with is: Walhalla Partners for Progress

WP2 President Janet Smalley is here to accept the award.

Conclusion, City Administrator Celia Myers

Last night, I heard a local pastor challenge thousands of teenagers to make a difference in their communities – to live a life that demanded an explanation. And now, I'm going to do the same to you. How you speak, how you serve –your church, schools, non-profits, neighbors. I shared with our employees last December that they were all leaders – role models that the community looked to; and to be a shining light. Each of you are leaders – role models; someone is looking to you. So I'm challenging you to be a light bearer – be full of grace – build bridges. Volunteer, coach little league, check on your neighbor, hold the door open for someone, smile at someone, offering kindness. When people hear of Walhalla, may they think of a uncommon unity, a shining light, that they want to be a part of. Thank you for coming; and I hope you have a wonderful rest of your weekend.