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City of Walterboro

242 Hampton Street

Walterboro, South Carolina 29488

Mailing Address:

Post Office Box 709

Walterboro, South Carolina 29488-0008

Walterboro City Council
Public Hearing and Regular Meeting
June 9, 2015
City Hall
6:15 P.M.

A G E N D A

I. Call to Order:

1. Invocation.
2. Pledge of Allegiance.

II. Public Input on Agenda Items:

III. Public Hearing:

1. Ordinance # 2015-03, An Ordinance Adopting the City General Fund Budget for Fiscal Year 2015-2016 and Matters Relating Thereto.
2. Ordinance # 2015-04, An Ordinance Adopting the City Enterprise Budget for Fiscal Year 2015-2016 and Matters Relating Thereto.

IV. Proclamations and Resolutions:

1. Reconsideration of Resolution No. 2015-R-04, A Resolution Approving the Colleton County Bicycle and Pedestrian Master Plan (Revised Resolution attached).
2. Resolution No. 2015-R-05, A Resolution to Formally Recognize and Offer Commendation to Charlie Chewing, Public Works Director, for 23 Years of Distinguished Service to the City of Walterboro, South Carolina (Resolution attached).

V. Approval of Minutes:

1. Minutes of the April 28, 2015 Work Session for Budget Committee (Minutes attached).
2. Minutes of the April 28, 2015 Regular Meeting (Minutes attached).

VI. Old Business:

1. Ordinance # 2015-03, An Ordinance Adopting the City General Fund Budget for Fiscal Year 2015-2016 and Matters Relating Thereto, **Second Reading and Adoption** (Ordinance attached).

2. **Ordinance # 2015-04**, An Ordinance Adopting the City Enterprise Budget for Fiscal Year 2015-2016 and Matters Relating Thereto, **Second Reading and Adoption** (Ordinance attached).
3. **Ordinance # 2015-05**, An Authorizing the City of Walterboro to Grant an Easement to South Carolina Electric and Gas Company over Property on or near Robertson Boulevard, **Second Reading and Adoption** (Ordinance and map attached).
4. **Ordinance # 2015-06**, An Ordinance Authorizing the City of Walterboro to Join with the Walterboro-Colleton County Airport Commission and the County of Colleton in Granting an Easement to South Carolina Electric and Gas Company over Property on or near Robertson Boulevard, **Second Reading and Adoption** (Ordinance and map Attached).

VII. New Business:

1. **Ordinance # 2015-07**, An Ordinance Authorizing the City of Walterboro to Join with the Walterboro-Colleton County Airport Commission and the County of Colleton in Approving a Ground Lease for Project "C", **First Reading** (Ordinance and Ground Lease attached).
2. Authorizing Submission of EDA Grant Application for Upgrades to Wastewater Treatment Plant and Committing \$1,360,000 in Matching Funds (Memorandum attached).
3. Consideration of Agreement with URS for Engineering Services for Upgrades to Wastewater Treatment Plant (Memorandum attached).
4. Consideration of Requests for Qualifications (RFQ's) to Provide Engineering Services for the North Lemacks Street Revitalization Project, Phase III (Memorandum attached).

VIII. Committee Reports:

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IX. City Manager's Report:

X. Executive Session:

1. Discussion of Potential Purchase of Property.
2. Receipt of Legal Advice - Walterboro-Colleton Airport.

XI. ADJOURNMENT.

AFFIDAVIT OF PUBLICATION IN

The Press and Standard

PERSONALLY appeared before me, William B. Moore, who being duly sworn, says that he is the publisher of The Press and Standard, published on Thursday of each week in Walterboro, County of Colleton, State of South Carolina; that the notice, of which a printed copy is hereby attached, was published in The Press and Standard for One(1) issues, said publication commencing on May 28, 2015, and ending on May 28, 2015.

SWORN to before me


this 5 day of June, 2015
Barbara McCall (L.S.)

Notary Public for South Carolina

Commission expires 6-4-22



William B. Moore



PUBLIC NOTICE

hearing on municipal budget

Pursuant to Section 6-1-80 of the S.C. Code of Laws, public notice is hereby given that Walterboro City Council will hold a public hearing on the municipal budget for the 2015-2016 fiscal year.

Date: Tuesday, June 9, 2015
Time: 6:15 P.M.
Location: City Hall Council Chambers, 242 Hampton Street

Current Fiscal Year Revenue	Projected Revenue 2015-2016	Percentage Change in Revenue	Current Fiscal Year Millage
\$7,034,797	\$7,378,848	+4.66%	98.0 Mills
Current Fiscal Year Expenditures	Projected Expenditures 2015-2016	Percentage Change in Expenditures	Estimated Millage for 2015-2016
\$7,034,797	\$7,378,848	+4.66%	98.0 Mills*

*Estimated Millage Equals \$.0880 per \$1,000 of Assessed Property Value.

The City of Walterboro does not discriminate on the basis of disability status. Anyone needing reasonable accommodations, auxiliary aids or services to participate in the public hearing should contact the City Manager's Office 782-1000 at least 72 hours in advance of the meeting date.

AFFIDAVIT OF PUBLICATION IN

The Press and Standard

PERSONALLY appeared before me, William B. Moore, who being duly sworn, says that he is the publisher of The Press and Standard, published on Thursday of each week in Walterboro, County of Colleton, State of South Carolina; that the notice, of which a printed copy is hereby attached, was published in The Press and Standard for One(1) issues, said publication commencing on May 21, 2015, and ending on May 21, 2015.

SWORN to before me


this 26 day of MAY, 2015
Barren McCaul (L.S.)

Notary Public for South Carolina

Commission expires 6-4-22



William B. Moore



PUBLIC HEARING NOTICE

Walterboro City Council will hold a public hearing on Tuesday, June 9, 2015 at 6:15 P.M. in City Hall, 242 Hampton Street, to receive public comments on the following proposed ordinance:

Ordinance # 2015-04, An Ordinance Adopting the City Enterprise Budget for Fiscal Year 2015-2016 and Matters Relating Thereto.

A copy of the proposed ordinances is available in the City Manager's Office at City Hall, 242 Hampton Street. Written comments may be mailed to the City Manager, P.O. Box 709, Walterboro, SC 29488 and must be received prior to the public hearing. Please call the City Manager's Office (782-1010) for additional information or for disabled persons needing auxiliary aids. Please give at least 24 hours notice if auxiliary aids are required.

**RESOLUTION NO. 2015-R-04
BY WALTERBORO CITY COUNCIL
A RESOLUTION APPROVING THE
COLLETON COUNTY BICYCLE AND PEDESTRIAN MASTER PLAN**

WHEREAS, EAT SMART MOVE MORE COLLETON COUNTY initiated the preparation of a detailed Bikeway and Pedestrian Master Plan as a priority project identified through its strategic planning process; and

WHEREAS, the City of Walterboro is a partner and supporter of Eat Smart, Move More Colleton County; and

WHEREAS, the purpose of the Plan is to promote bicycling and walking for commuting and recreation, and assist in the securing of federal and state grants for its implementation; and

WHEREAS, the Plan encourages physical activity and personal health while promoting opportunities for outdoor recreation, safe modes of transportation and economic growth through tourism; and

WHEREAS, the City of Walterboro Planning Commission adopted this Plan and recommended its adoption to City Council on April 7, 2015; and

WHEREAS, the Plan is for guidance only and does not bind the City to construct any particular improvements regardless of funding source, to apply for any particular grants or other funding, or to appropriate any particular sum of money;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Walterboro, in Council Assembled, that the Colleton County Bicycle and Pedestrian Master Plan is hereby approved as recommended by the City of Walterboro Planning Commission.

DONE, this 9th day of June, 2015.

William T. Young, Jr.
Mayor

Betty J. Hudson
City Clerk

RESOLUTION # 2015-R-05

A RESOLUTION

TO FORMALLY RECOGNIZE AND OFFER COMMENDATION TO CHARLIE CHEWNING, PUBLIC WORKS DIRECTOR, FOR 23 YEARS OF DISTINGUISHED SERVICE TO THE CITY OF WALTERBORO, SOUTH CAROLINA.

Whereas, Charlie Chewning was born in Walterboro, South Carolina, graduated from Walterboro High School, and attended the University of South Carolina, where he graduated with a BS degree in Civil Engineering; and

Whereas, Charlie married his devoted wife of 30 years, Ms. Ann McGuiness in 1984. He has two children, a son, Clint Chewning of Beaufort, SC, and a daughter, Pam Hood of Charlotte, NC; one sister, Barbara Miller and one niece, Kim Miller and five grandchildren; and

Whereas, Charlie was employed with the South Carolina Department of Transportation (SCDOT) from 1965 to 1992, where he held two positions – as Resident Construction Engineer for Colleton County and then as District Construction Engineer for District 6, which includes Colleton, Berkeley, Dorchester, Charleston, Beaufort and Jasper Counties, where he was involved in the construction of I-526 from West Ashley to Mt. Pleasant; and

Whereas, Charlie retired from SCDOT in 1992 and became the Public Works Director for the City of Walterboro; and

Whereas, as Public Works Director for the City of Walterboro, Charlie has been exemplary in carrying out his duties with the utmost dependability and professionalism.

Now, Therefore, Be it Resolved, by the Mayor and the City Council of the City of Walterboro, in Council Assembled that the City of Walterboro formally offers its appreciation and commendation to retiring Public Works Director Charlie Chewning for 23 years of distinguished public service and for his lasting contributions to the City of Walterboro, South Carolina.

Be it further resolved that we extend our best wishes to Mr. Chewning for a well-deserved, relaxing and happy retirement.

Done, this 9th day of June, 2015.

William T. Young, Jr.
Mayor

Attest:

Betty J. Hudson
City Clerk

**Walterboro City Council
Work Session
Budget Committee Meeting
April 28, 2015
4:00 P.M.**

Present were:

Budget Committee Members: Tom Lohr - Chairman, James Broderick and Jimmy Syfrett.

Also Present were:

Mayor Bill Young, Council Member Paul Siegel, Council Member Bobby Bonds, City Manager Jeff Molinari, City Clerk Betty Hudson, Finance Office Manager Amy Risher. Council Member Judy Bridge was absent.

Present in the Audience:

Chief Wade Marvin, Wayne Crosby, Michelle Strickland, David Dodd, Wayne Lake, Charlie Chewing, Adam Davis and George Salsberry from the Press and Standard newspaper.

The purpose of the meeting was to discuss the proposed Fiscal Year 2015-2016 Budget.

Chairman Tom Lohr called the meeting to order and introduced City Manager Molinari to provide a breakdown of all the changes in all the departments for the 2015-2016 budget. Mr. Lohr explained that Mr. Molinari had already provided a similar copy of the breakdown to the Budget Committee Members - Council Members Syfrett, Broderick and Lohr - at a previous meeting. He noted that there would be continual revisions of the budget as Mr. Molinari checks back with his department heads.

Mr. Molinari reported that he had added more detail to the budget summary. He said, I will use the same format as I did last year - go to each department highlighting any changes. He further stated, I have asked each of the department managers to be here just in case you have any questions on any specific line items or anything that requires a little more detail information. He then directed Council's attention to the budget summary sheets. A copy of this detailed summary was provided to each Council Member.

Mr. Molinari then discussed the budget summary and gave the following highlights:

1) Looking at the total city budget of approximately \$10,896,000, this includes both the general fund and the enterprise fund, which is our water and sewer operations.

2) There will be no property tax increase, and no increase in business licenses.

3) There will be a 5% water rate increase and a 5% sewer rate increase. We will talk about that in more detail a little later, but that is there to primarily pay for disposing of sludge at the wastewater treatment plant.

4) Mr. Molinari reported that the City will have some increases that are affecting both employees and the City. As of January 1, 2016, the City will be looking at a 3.4% increase in health insurance premiums for both the City and employees.

5) The City will also have some increases for both the South Carolina Retirement System and Police Officers and Fireman Retirement System. As you are aware, the State Retirement System has been steadily increasing both the employee and employer share over time. Beginning July 1, 2015, we will see the employee's share increasing from 8% to 8.16% and the City's share increasing from 10.91% to 11.06%.

6) The Police Officers Retirement System is also going up effective July 1, 2015. Employees' share will increase from 8.41% to 8.74% and the City's share will increase from 13.41% to 14.14%.

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7) Mr. Molinari stated that as a result of those increases, as well as to try to keep up our salaries and be competitive as employers, I am recommending a 2% cost of living adjustment across the board for City employees.

Mr. Molinari then brought attention to the budget changes for each of the City departments, as follows:

Mayor and City Council
Status quo.

City Manager
Status quo.

Finance Department
We are moving a few things around in there. We will talk about that as we go through the budget. The biggest project we have in there is to paint the annex building. As you are aware, that building is in dire need of a paint job.

Public Works
We are looking at purchasing a new front loader with a tink bucket. This is what we use to collect yard debris. This piece of equipment is projected to cost about \$123,000. Currently, we are using a 2009 model, and we have no backup in place.

Planning & Codes Department
Status quo.

Police Department
We are planning to purchase three new vehicles - 2 patrol vehicles and 1 car.

Judicial Department
Status quo.

Fire Department
We plan to add three (3) additional firefighters. This will give us 4 firefighters who are on duty at all times. This will allow us to meet the OSHA requirement of two in and two out.

Sanitation Department
Status quo.

Parks Department
This department is looking to purchase a new Ford F-250 truck.

Tourism Department
Status quo.

Water
Mr. Molinari stated, we are looking at adding one new technician. This is actually a reclassification. We are actually taking a part-time technician on the sewer side and elevating that position to a full time water technician.

Utility Support
Status quo.

Sewer Department

There will be an increase in sludge disposal costs.

Sewer Support

Status quo.

Mr. Molinari then directed the members attention to the budget books prepared by staff, starting on page 1. He said this gives you a breakdown of the projected expenditures for each department. For this year, we are looking at expenditures of \$7,378,848. Notice on the second to last line, transfers from General Fund Balance are \$161,739. I am recommending that we utilize the fund balance to help defray the costs associated with some of our capital purchases. As you are aware from the last audit that was done, the City fund balance is in a very strong position. Our fund balance is a little over \$4,000,000, which represents over 55% of our general fund expenditures, which is very good. Amy has recently done some projections on where we are looking the end of this fiscal year. The department managers have done an excellent job keeping their respective departments in line. I suspect that, unless we have some unforeseen things come up, a combination of expenditures under budget or some revenues coming in that are over what we are anticipating, I think we are going to add to that fund balance when the audit is delivered to City Council in either December or January of next year.

With regard to the Enterprise fund, the water and sewer operation, Mr. Molinari said you'll see the Sewer Support Department. This is not necessarily a new department, but from a budgeting standpoint, in the last budget we transferred 5 positions that were being paid out of the general fund to the facility fund. These are positions that are heavily involved in sewer operations, as a way to take some pressure off the general fund.

General Fund Revenue - Property tax revenue is looking good. There is a projected increase of \$150,000. This is based on anticipation collections at the end of this fiscal year. The City levies a millage rate of 88 mills which includes the debt service on the parks rehabilitation that was done as well as fire apparatus that was purchased in 2011. We also have 2.86 mills that are dedicated to the purpose of radios to bring the City up to standard. The fines and fees we are projecting are \$200,000. State shared revenue, it looks like from the budget coming out of the senate finance committee, shows the local government fund equal to what it was last year. So, we are comfortable there that we will receive \$116,000 and that number will remain the same.

Business Licenses - As you are aware, there are some bills that have been introduced in the legislature looking for a variety of ways to reduce the capacity of the City to collect business licenses. I don't anticipate anything happening this year, but it is something we need to keep our eyes on. I am comfortable with what we have forecasted here.

Franchise Revenue - We are looking good there. Mr. Molinari explained that franchise fees are paid by SCE&G, and Coastal Electric. 5% of their revenue goes back to the City. We also have cable franchise and PRTC, and those are also 5%.

Miscellaneous Revenue- This is basically about \$35,000 of State A-Tax money. What the state statute mandates is that the first \$25,000 that we collect goes into the General Fund, and then another 5% goes into the General Fund. This is about \$35,000. We also have interest in there.

Solid Waste Collection Fees - You will see a little bit of a down turn there. That is simply a reflection of a decrease in commercial customers and that number is shown there.

Council Member Broderick then asked when you have a deficit shown in that projected budget, would you mind explaining that. Mr. Molinari explained that number is a difference

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between the budgeted amount 2014-2015 and what we are projecting. Taking miscellaneous revenue, we had \$85,000 budgeted and we are projecting \$72,000.

When questioned by Council Member Broderick on what could have caused this difference, Mr. Molinari explained that the solid waste collection fee which is down \$17,000 is simply a reflection of losing some commercial customers.

Mr. Molinari explained that Amy has spread sheets that she uses to track the monthly property tax credit. We have noticed a lot of movement in that regard. Some months you will see a significant increase and in other months you will see a significant decrease. The number you see in here is \$11,645, which is simply what we are projecting based on our collection history so far this year.

Mr. Molinari then briefly went over the account transfers. Under Local A-Tax and Local Hospitality transfers, we are transferring \$90,000. The state statute allows us to use the Local A-Tax and Hospitality Tax to defray expenses associated with providing police and fire protection for tourism related facilities.

Mayor Young then asked about transfers to the Utility Fund. Mr. Molinari answered that he would be very interested in the transfers. It would free up the capacity on the Enterprise side for us to look at some capital improvements that we talked about as far as increasing capacity, sludge disposal and things of that nature. The reality of it is that we are still very dependent upon that transfer. To your point, the less money that we transfer to this fund, the more help we will have with the enterprise.

Enterprise Revenue - Mr. Molinari noted that there is an increase in water sales, which is related to the proposed 5% increase. Mr. Molinari stated as he was looking at the water rates for other municipalities, he found that the City of Walterboro has the lowest water rates in the state and that our sewer rate is in the bottom 15 percentile. We are projecting \$87,000 in water taps and \$3,000 in miscellaneous interest.

On the sewer side, we are projecting an increase of \$1.238 million. We also see an increase in sewer taps and testing. Overall, I think that our revenue looks really good.

Mayor Young then asked about the equipment for the wastewater treatment plant. He asked, are we looking at using that 5% increase to pay off as a revenue bond, how are we looking at this? Mr. Molinari answered, actually, where the majority of that is going to go is toward the increased costs associated with having to use either a temporary screw press or belt press, and also the cost of transporting it (sludge) to the landfill and disposal costs. Mayor Young then said, so that's not going to pay off money used to buy a screw press. Mr. Molinari answered, exactly, and that's kind of the next step. He further stated, a couple of months ago City Council approved a PER for what's now AECOM. Wayne and I just received a draft of that report the other day, and Wayne and I are going to be sitting down and talking with them on Thursday. We will report back to Council in a couple of weeks on that. Mayor Young then said, so this isn't money set aside to pay back money that we would borrow to buy the screw press? Mr. Molinari again answered, exactly, this is just to get us through the year and then what we are looking at, and I just scanned over the PER from AECOM, but what they were looking at was a total cost of about \$3,000,000 and about \$600,000 of that would be Engineering Costs, and I have some ideas as far as how to pay for the engineering versus the capital cost. I will say this, a couple of months ago when the Mayor and James Broderick were up in Washington, they met with the legislative delegation, talked about our infrastructure needs on the Wastewater Treatment side. In fact, we actually had a new staffer from Lindsey Graham's office come by today and the Mayor and I had an opportunity to meet him, and we also made a pitch. What we are looking at there is potentially some EDA and USDA funds to try and defray the cost of those

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capital improvements as much as we can. My instructions to Wayne in going through the budget, were let's look at right now what we need to do to get through this next year, and let's look at the capital side separate and see what we can do as far as putting together a package where we can position ourselves well for getting grant funds to defray those costs.

Mr. Molinari then directed the group's attention to the General Budget. The highlights were as follows:

Mayor and City Council

Status quo. The only real changes made was in travel. I set that at \$7,500. That's simply a reflection of what we are spending. If that changes in the future, we can adjust that number. We also have contractual services and legal services - City Attorney. I brought that down by \$5,000. This is based on prior experience.

City Manager's Budget

Status quo. Not a lot of changes here.

Finance Department

City Manager Molinari stated that he did want to highlight a couple of things in this budget. As you are aware, Bill Floyd will be retiring at the end of June, so we shifted some things around. Amy Risher will assume the title of Finance Director as of July 1, 2015. Basically, what we are doing is taking her current position, the Finance Office Manager, and turning that into the Clerk Cashier position, based on Amy's new workload and what she needs. I'd also like to highlight as you are getting into the line items, item 126 Building Maintenance. As I said, the Annex Building next door is in dire need of painting. And you will also see under Employee Leasing - that line item is now zero - that was how we billed for contracting with Bill Floyd.

Under contractual services, you see a slight increase, Bill Floyd has requested to come back and help out with the audit, since his name is on all the documents.

Public Works

There are no new position changes. The only significant item we have in here is a capital item to look at purchasing a new front loader for yard debris collection. We are projecting that piece of equipment will cost \$123,000.

Planning and Codes

This is totally status quo. In fact, we are down about \$10,000 from last year.

Police

As you are aware, we are still in the process of transitioning from Public Safety to separate police and fire functions. One of the things that Amy did earlier this fiscal year, was separate the public safety department into separate police and fire budgets. Both Wayne and Wade have done a good job of working together. When asked by the Mayor if we are fully staffed in the police department, it was noted that we have 3 officers projected to go to the police academy.

Mr. Molinari stated that the department plans to purchase three new police vehicles. He noted that when he went over the budget with Council Member Bonds, he asked what has our history been for the past five of six years in purchasing new vehicles. Mr. Molinari then said he would run through this, just for your information.

Last year - we purchased 3 new vehicles. We were also able to purchase a used vehicle because we were able to stretch those dollars out.

In 2013-2014, the City purchased 3 new police vehicles.

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In 2012-2013, the City purchased 5 new vehicles.

In 2011-2012, the City did not purchase any new police vehicles. There was just a new fire pickup.

In 2010-2011, the City purchased 3 new vehicles.

In 2009-2010, the City purchased 3 new vehicles.

Council Member Broderick asked how many vehicles were in the City's fleet. Mr. Molinari responded that we have 31 vehicles in our fleet.

Council Member Bonds then asked the City Manager, where do we stand on body cameras. City Manager Molinari responded that back in December, the Chief ordered 4 body cameras that we could test out. The thing about these cameras is that the software that they use is compatible with the AVL (Automatic Vehicle Locator) software that City Council authorized last year. My understanding is that we are still waiting on those cameras. The plan was to try out those 4 cameras, work out any kinks and if we are pleased with them, then we would move forward with outfitting the entire department. I think the total cost to outfit the department is about \$10,000 or \$11,000.

Council Member Bonds then asked, if we are pleased with the camera, is there something we can do about the body cameras in this budget year? Mr. Molinari responded that what he suggested to the Chief was that if we can get these cameras in this fiscal year, we've got enough capacity in Wade's budget for this year that we could just pay for them. Keep it out of the budget and be done with it. So, that's what I'd like to do.

Mr. Molinari then stated, Mr. Mayor, I know there has been some discussion at the Municipal Association level as far as the General Assembly trying to find potentially some relief to help defray expenses. I know there has been some conversation, especially for cities that have a large balance built up in the Victim Assistance Fund, that cities could use those funds to buy body cameras. Unfortunately, for us that is not the case.

Mayor Young then said that the Municipal Association's stand is that they support body cameras throughout the state. They think that is a good idea, but they also take the stand that we don't want an unfunded mandate. If they are going to make a law that we have to have them, then they need to help pay for them. So, they are looking for ways to accommodate that. Mayor Young then stated, Jeff has told me that some cities have huge amounts of Victim Assistance money that they don't use, and so they were affectable. If you had that money left over, they were going to allow them to spend that on cameras, but we don't have any funds left over, so it wouldn't help us. Small cities, generally do not tend to have as much of those funds.

Judicial Department

You will notice that in Finance as well as Judicial, is that Amy has asked for some new chairs. So you will see under office supply that we got some new chairs, and it is definitely needed.

Fire

In the Fire budget, we are proposing three (3) new positions. When I went through the budget with the Fire Chief, he also put in there a new pumper, and I asked him what is your biggest need right now and he answered I need 3 new firefighters. What my plan is in moving forward, not this coming budget year, but the year after, is to look at purchasing a new pumper. Hopefully, interest rates will still be favorable. It will have to be something we can finance.

Mr. Molinari then asked Fire Chief Lake to mention to Council the grant application he is working on. Chief Wayne Lake then told Council that our air purification system is about 27 or 28 years old. That's what we use to put air in the cylinders. We have been having a lot of problems with it passing CO tests and doing a lot of maintenance on it because of the age. It has been a good

system and it has lasted a long time. Also, our SCBA Units (we have 22 plus some spares) are getting antiquated as well. NFPA has certain specifications that are supposed to be met. They passed the tests, so we can continue to use them, but we are not compatible with the County as part of our Mutual Aid agreement with them. In the event we have a big fire or something, then we have to be able to use each other's equipment. Also, the cylinders are limited to 30 minutes. Newer ones are 45 to 60 minutes because of the design of the cylinders. It's lighter weight and made up of a different type of material. The lighter weight would save our backs, give us more working time and escape time, which is most important. With all that being said, if we had the pumper this year, then next year that's what I would be asking for.

Chief Lake further stated that the City Manager and I were talking about grant opportunities. We put in for a FEMA grant to replace the air purification system as well as the SCBA units. The grant is for \$187,000 or \$188,000. We went to the State Legislative Meeting in Columbia at the Firefighters Association Meeting, and we happened to sit beside Ms. Rena Brown, who is the Special Coordinator for Senator Lindsey Graham's Office. She gave us her business card and we started talking about the grant and she said to come by her office. So, we met with her the following week and gave her all our information about the grant along with some photos of the system. She forwarded all that information to Senator Lindsey Graham. He wrote FEMA a letter supporting the grant. I don't know if we are going to get it or not. He also encouraged us that if we didn't get the grant, to apply again next year.

When questioned by Council Member Broderick on the cost for a new fire pumper truck, City Manager Molinari said we are looking at probably \$320,000.

Mr. Bonds pointed out that the City got its ladder truck at a great deal because somebody was going bankrupt. He then asked, are we exploring looking at used trucks or other sources instead of just a new one? Mr. Molinari responded, I will refer to the Chief on that, but certainly we will do whatever we have to.

Chief Lake responded, we were extremely fortunate to get the ladder truck. Now, ladder trucks are not utilized as much by the cities as pumpers. Pumpers roll all the time. That's why they get an enormous amount of mileage as well as wear and tear on them, not only through actually fire fighting time.

When questioned by Mayor Young on how old is our newest pumper, Chief Lake responded that our newest pumper is 11 years old. Our oldest one is a 1989 - then we have a 1999 and then we have a 2011 pumper. What's interesting is our 1989 pumper has right at 60,000 miles. The 1999 pumper has 20,000 miles more. Part of the reason for the distance we are having to travel is because we have spread our stations out. So, on every call, they have to travel further. So, that's an enormous amount of miles they are getting on them.

Chief Lake then said, we did have an option that I shared with the City Manager. Our plan was to buy a new truck, with all new equipment. That way, we could put it right into service, then we could take our oldest piece of equipment and move it into a reserve status, in the event that one of our trucks goes out of service. We could move that truck from reserve and put it as a first run truck. We would get credit from ISO for that, which is always an added benefit. If we have a plan B, then plan B would be that we don't purchase the new equipment right now, we would just buy the pumper. Because we are getting like 25 or 30 years out of a piece of equipment, to me it makes more sense to buy new. We would have a warranty on it if anything goes wrong.

Chief Lake pointed out that when the City bought the ladder truck we had a very limited warranty. We just recently spent quite a bit on money on some repairs to the ladder truck because we didn't have a warranty to fall back on. I would suggest that we purchase the pumper definitely

brand new, because of, again, the warranty. He stated that warranties do pay off for some things.

Chief Lake then said, if Council feels that it needs to go ahead and look at the pumper option, then the City Manager could work on that. Plan B would simply be to buy a new pumper, and we will utilize all the equipment off our oldest piece of equipment. As money becomes available, we would restock that truck and put it back into reserve status.

Council Member Broderick then asked what would be the cost in doing that? Mr. Lake responded, you are looking at probably knocking off about \$60,000 or \$65,000 off the cost of the pumper. Again, those numbers are not bid numbers because when you bid things out, sometimes you get a better deal. This was utilizing the company that we have most of our apparatus with right now. They have a local repair shop here right now. But that's not a bid - it might come in a little bit cheaper when you bid it out.

Council Member Broderick then asked, how has the City typically funded large pieces of equipment like this in the past? I mean, have we done a lease purchase or have we saved money and then purchased them? City Manager Molinari responded that the last piece of equipment that we purchased back in 2011 was actually a part of the General Obligation debt that the City issued. We had it lumped in with what we paid for the parks' rehabilitation. Actually, when we get to the tail end of the budget, you'll see all that debt, how much we are paying each year and when we will have it paid off. For what Wayne was talking about, like I said, if interest rates continue to stay favorable, financing something like that over a 5-year period would not be a significant hit.

Mayor Young added, as long as we keep stuff, we probably don't need to start off with it too old, because once we buy something, we keep it a long time.

Chief Lake then said, part of our problem in the past was lack of maintenance. You can't have anything and not take care of it. The guys do their part, but if something breaks, you've got to fix it. You can do preventive maintenance, as well. That's why we really get a lot of mileage out of our stuff, because we have good people who try to take care of our equipment.

Sanitation

Mr. Molinari announced, there isn't really anything to mention here.

Parks Department

City Manager Molinari stated, we are currently fully staffed. We've got one capital item in this budget, and that is a new Ford F-250 pickup truck. The F-250 we have right now is a 2003 and has a little less than 200,000 miles. I do want to mention one thing about the Parks budget - Council Member Broderick is going to be talking about the community garden tonight. What I suggested to him is that any expenses that are associated with the community garden we can fold that into the Parks Department. You are not looking at a significant amount there - basically water and maintenance we have to do.

Council Member Lohr then asked Mr. Molinari, have you heard of any problems or concerns that we had at one point when the parks first opened up, as far as a lot of people there and maybe lacking in organization. Mr. Molinari responded, that's a good question and is a work in progress. One of the conversations we have had, I think back in the fall, we talked about devising some rules and regulations and what Betty and I have done, we actually have a form - it's on our website. It's very simple, and it's very straightforward. I think it's great that the City has made a significant investment. People are using the facilities, but at the same time I'd like to be able to track it, but the big unknown there and the perfect example, I think it was the day of the cleanup. Over in Pinckney Park, there was a jump castle. They did not come to the City, they just showed up that Saturday morning I think it is great that people are using the facilities, but we still need to plan for it.

Tourism

Again, this is a status quo budget.

Non-Departmental Budget

Mr. Molinari announced that there was two items here and are basically expenditures that really don't fall in any one department. The City typically contributes \$6,000 annually to the Chamber of Commerce and then our debt service - 2011 General Obligation Bond is \$205,657,000. That bond will be paid off in 2021.

Operational Contingency

There is nothing there.

Employee Christmas Bonus

Mr. Molinari stated, you will see a bit of an increase here. He said, one thing I did in the fall when we were looking at the Christmas bonuses, was that I tried to set up some criteria for the Christmas bonuses. Basically, what I've done is base it on longevity. If you have been with the City between 1 year and 5 years, you get a certain amount, then for 5 to 10 years, 10 to 15, and 15 to 20, and over 20. Based on that methodology, we have a little bit of an increase there.

Insurance - Retirees

This is something that we talked about last year, as well. The insurance for retirees - these are the premiums that we pay for the 9 retirees that are currently receiving health care benefits.

Mr. Molinari explained GASB 45. He said what they did is that they put an end to the pay-as-you-go method of providing retiree health insurance. What we have to do is we have to put money into a trust every year and it fully funds all of our obligations based on the actuarial report that is done every two years. The good news in that regard is that Bill Floyd went to an SCORBET meeting back in February and the number of eligible employees for retiree health care benefit has gone down. At one time, we were at about 75 and now we are around 55. What that means is the amount of money that we have to put into that trust will go down. So, next year when we do the budget, that number should do down.

Water

Mr. Molinari stated that we are adding one new technician to the water budget. That is actually upgrading a part-time position.

Utilities Support

Mr. Molinari stated that this budget is very straightforward. These are two individuals that are Clerk Cashiers in our Finance Office, whose primary responsibilities are water and sewer billing.

Council Member Broderick then asked about the stability of the railing at the waterfall. Mr. Molinari noted that when doing the budget with Wayne, his direction to Wayne on the railing is that we need to get this taken care of right now. I think the number they were initially looking at to do that repair-replacement was about \$20,000, and the low bidder we had on the project was Ian Padgett and we are going to get it done for \$10,600.

Sewer

Mr. Molinari said, I have already mentioned it before, but let me direct your attention to Line item 74, and that's where you see the sludge disposal fee increase. Those costs are a combination of having to bring in some temporary pieces of equipment, as well as hauling the sludge off to the landfill, which is quite expensive.

**Page -10-
Walterboro City Council
Work Session
Budget Committee
April 28, 2015
4:00 P.M.**

Sewer Support

As I mentioned before, this is the department that Amy created to fund those 5 positions that are heavily involved with the sewer enterprise. The most significant change you will see in there is that Charlie Chewning is retiring at the end of June. The employee leasing line item has been zeroed out, and the Public Works Director has been added.

Debt Service

Mr. Molinari said, the payment schedule for the 2011 General Obligation Bond is here. That bond will be paid off in 2021. The 800 mghertz radios, \$75,000 annually, will be paid off in 2018. Last year City Council authorized the financing of a new sanitation vehicle and the annual debt service on that is \$42,691.

Mr. Molinari then directed Council's attention to the debt service page associated with the sewer system. He announced that back in 2011, the City did some fairly extensive sewer rehabilitation, and that debt service does not get satisfied until 2026.

Special Funds

Mr. Molinari stated that Amy has done a really good job here breaking down our Local Accommodation Tax, Local Hospital Tax, and State Accommodations Tax. As you are aware, we have a 1 ½ percent Local Accommodations Tax.

On the Local A-Tax, the revenue numbers are trending nicely. We have gone in 2011 from \$173,000 to \$179,000 to \$181,206, and we should be above that \$206,000 number at the end of this fiscal year.

On the Local Hospitality Tax, the Hospitality Tax is currently paying debt service on both the City's Tax Increment Financing District, as well as the bond payments associated with the Veterans Victory House.

The last item here is our State A-Tax monies. Those numbers are trending in the right direction.

Concluding his discussion on the 2015-2016 budget, Mr. Molinari said, I know that is a lot of information. If you have any questions after this meeting, please feel free to get in touch with me. He also announced that another Budget Committee is scheduled for May 12, 2015. He added, Council Member Bridge could not be here tonight, but what we have talked about here, I will go through the budget with her at a separate meeting.

Mayor Young then asked the City Manager if he felt there would be more changes made at the May 12 Budget meeting. Mr. Molinari responded he did not expect more changes, but we are scheduled right now to give First Reading to the budget at the second meeting in May and then Second Reading at the first meeting in June. It looks like everyone is comfortable with the budget, but let me sit down with Judy and go through everything, and then if she's comfortable with it, we can proceed ahead to the budget ordinance and public notification requirements.

Chairman Lohr agreed it would be good to wait and let Jeff present it to Council Member Bridge.

City Manager Molinari then recognized Amy Risher and her staff for all the time and effort putting the budget together. He also thanked the department managers for their work on the budget. He said, they understand that we are dealing with an infinite number of needs and a limited number of resources, but everyone has done a really good job keeping their expenditures in line, but also being realistic of what City Council can ultimately do with the budget.

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Walterboro City Council
Work Session
Budget Committee
April 28, 2015
4:00 P.M.

Chairman Lohr stated that some of this had been discussed with the committee and some things had been brought up at the retreat. He said, I feel really good about the budget in terms of the meetings that you held. In terms of Wayne's operation, we need to stay even with if not in front of it as far as the cost.

There being no further business, a motion to adjourn the meeting was made by Council Member Syfrett, seconded by Council Member Broderick and passed with all members voting in favor. The meeting concluded at approximately 5:55 P.M. Notice of this meeting was distributed to all local media, including the City's website and posted on the City Hall bulletin board at least twenty-four hours prior to meeting time.

Submitted by,

Betty J. Hudson
City Clerk

Walterboro City Council
Regular Meeting
April 28, 2015

MINUTES

A Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, April 28, 2015 at 6:15 P.M., with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Jimmy Syfrett, Paul Siegel, Tom Lohr, Bobby Bonds, and James Broderick. City Manager Jeff Molinari, City Clerk Betty Hudson and City Attorney George Cone were also present. There were approximately 24 persons present in the audience. Council Member Judy Bridge was absent. Also attending this meeting were 4 persons from the Edisto Natchez-Kusso Indian Tribe - Mr. Anthony Davidson (Chief), Ms. Althea Brodeur, Ms. Tammy Byrd and Mr. Johnny Byrd.

There being a quorum present, Mayor Young called the meeting to order and welcomed everyone to the meeting. Council Member Syfrett gave the invocation and Council Member Bonds led the pledge of allegiance to our flag.

The Mayor announced that Council Member Bridge was unable to attend the meeting tonight. She had some surgery yesterday and is unable to be with us tonight. So, we wish her a speedy recovery.

Mayor Young then took a few moments to thank all the City employees, Parks Director Adam Davis and our Police Officers for a good job with the Rice Festival. He thanked Adam and his staff for their work in getting the City cleaned up for the festival and for the plantings they did around town. He said, we appreciate your making our City look good for the visitors who were coming here. He also thanked the Police Officers and Firefighters. He stated that the Rice Festival is a lot of fun for us, but for our police officers, it is an added responsibility and they do a good job of making it safe for all of us to have a good time. We also appreciate all the work that all the City employees did, and we especially want to thank Bubba Trippe and the Rice Festival Committee on another outstanding job this year. It was the 40th Rice Festival this year.

PUBLIC INPUT ON AGENDA ITEMS:

There were no public comments or questions on agenda items.

OLD BUSINESS:

There was no Old Business before Council.

NEW BUSINESS:

1. Ordinance # 2015-02, An Ordinance Amending Section 36 Article VII, Wrecker Rotation, of the Code of Ordinances of the City of Walterboro, **First Reading.**

City Manager Molinari told Council that the Police Department had been working on this ordinance for some time. He then introduced Police Chief Wade Marvin to brief Council on the changes.

Chief Marvin then addressed Council. He stated that the use of privately owned wrecker companies occurs almost daily by the Walterboro Police Department. We have updated the ordinance to provide guidelines for these companies to become eligible to operate in the City of Walterboro. This ordinance has not been updated for several years, and the last update was in 2006. The price of cars and trucks has increased tremendously in recent years, so liability insurance coverage amounts needed to be increased to reflect the values. Under the original standards, the minimum coverage

MINUTES/Page II

for injury to or destruction of a customer's vehicle was around \$25,000. As we all know, cars today cost a lot more than that. That's one of the reasons for the new ordinance.

Chief Marvin further stated, we have added requirements for dealing with larger vehicles, the vehicles that require commercial driver's license to operate, which were not covered in the original ordinance. In fairness to the wrecker companies, we have updated the prices so that they can charge for their services, and in some cases, doubled the amount that they could receive. Because this new policy has been updated to reflect what other law enforcement agencies in this area and the state charge, this gives an across-the-board idea of fairness. The revisions to this policy will allow the Walterboro Police Department to conduct its business with the public in a more professional manner. Like I have said, some of the major changes are: the initial tow charge, we have doubled that. Some of the other charges that did not apply, we took those away. We added some other charges and we updated all of the policies within the state regulations so that the tow drivers do not have to incur any additional fees as far as their insurance. We did not go over and beyond anything else. So, we tried to do it within everybody's interest as well. We added for the Class B and Class C Wrecker rotations, and we added a new item with the help of the City Attorney, called "Reconsideration and Appeal Process".

A motion giving First Reading Approval to Ordinance # 2015-02 was then made by Council Member Bonds, seconded by Council Member Siegel; being: An Ordinance Amending Section 36, Article VII, Wrecker Rotation, of the Code of Ordinances of the City of Walterboro. The motion passed with all members voting in favor, except Council Member Bridge was absent and did not vote.

2. Proclamation No. 2015-03, to Recognize National Peace Officers Memorial Day, May 15, 2015

The Mayor then read the proclamation in its entirety into the record. A motion adopting Proclamation No. 2015-03 as submitted was made by Council Member Broderick, seconded by Council Member Syfrett, and passed with all members voting in favor, except Council Member Bridge was absent and did not vote. A copy of said proclamation is attached as part of these minutes.

3. Proclamation No. 2015-04, for City's Support of the Edisto Natchez-Kusso Indian Tribe in Their Efforts to Obtain Federal Recognition

A motion to adopt Proclamation No. 2015-04, for the City's Support of the Edisto Natchez-Kusso Indian Tribe in their efforts to obtain federal recognition, was made by Council Member Siegel, seconded by Council Member Bonds and passed with all members voting in favor, except Council Member Bridge was absent and did not vote. The Mayor then asked Chief Anthony Davidson and others present on behalf of the Edisto-Natchez-Kusso Indian Tribe to come to the podium. Please note that all the members of the tribe present were dressed in their customary Indian clothing. The Mayor then read the proclamation in its entirety into the records. A copy of said proclamation is attached as part of these minutes.

4. Consideration of Requests for Annual Antiques, History and Arts Festival, May 16 & 17, 2015, by Becky Broderick

A motion was made by Council Member Lohr, seconded by Council Member Bonds, to approve the requests as submitted for the Annual Antiques, History and Arts Festival to be held on May 16 & 17, 2015. The motion passed with a vote of 5/0 with Mayor Young, Council Members Syfrett, Siegel, Lohr, and Bonds voting in favor, and zero (0) votes against. Council Member Bridge was absent and did not vote. Council

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Member Broderick recused himself from voting on this agenda item due to his wife's association with the festival committee.

COMMITTEE REPORTS:

1. **Community Garden Update by the City Appearance Board - Dana Cheney and Councilman James Broderick**

Council Member Broderick announced that the City Appearance Board has been busy - with three city cleanups in the last year and another one is planned on June 27th. He invited everyone to come out and help clean up the City. He said, we are planning on doing the cleanups every quarter from now on, just to make sure we continue to keep the City pretty. He also recognized the members of the City Appearance Board Ms. Helen Bodison, Mr. Dave Harris, Mr. Horace Simmons, Ms. Summer Ney and Mr. Dana Cheney (chairman).

Next, Council Member Broderick recognized and asked the members of the Doodle Hill community who were present to stand. Mr. Broderick noted that his committee had a get-together party on Sunday with hot dogs and hamburgers with the Doodle Hill community residents. They were really excited about the garden being located in their community. Mr. James White from the Doodle Hill community thanked Council for its support, and Ms. Stella Fishburne and Mr. Jessie Miller were also present from Doodle Hill.

Mr. Dana Cheney then addressed Council. With the help of a screen projection, Mr. Cheney pointed out the area on a map designating the location of the community garden. He stated that the Parks and Recreation Department looked at this area first. It's a good area and it's well lighted. Sunday, we had a get-together and a prayer for the garden, and we have many things going on for the garden. The Colleton Leadership Class is one of the first ones who donated seeds, shovels, and fertilizer. Now, all the people from the community have to do is go down to the Flower Barn and pick out what they want and it's paid for. These are seeds, plants, whatever. Mrs. Brenda Hughes has agreed to be a consultant with us. She has done several community gardens in the Greenville area. Ms. Barbara DeGraw, who used to own the Potting Shed, has agreed to help us out as an advisor, as well as the students from the Thunderbolt Career and Technology School. I understand that the Parks and Recreation Manager will be digging up the garden on Thursday, and we will be ready to go.

Mr. Cheney thanked Council for supporting this garden. He said, this was one of the things that he wanted to do as a member of the Appearance Board - to try and push community gardens. He said, I hope this garden is one of many within the City. Council Member Broderick then thanked Mr. Cheney for his leadership on the Appearance Board.

A motion was made by Council Member Broderick to approve the Doodle Hill Community Garden. Council Member Syfrett seconded the motion that passed with all members voting in favor, except Council Member Bridge was absent and did not vote.

CITY MANAGER'S REPORT:

There was no City Manager's Report given.

The Mayor thanked everyone for coming out tonight. There being no further business to consider, a motion to adjourn the meeting was made by Council Member Bonds, seconded by Council Member Syfrett and passed unanimously. The meeting adjourned at 6:40 P.M. Notice of this meeting was distributed to all local media,

Walterboro City Council
Regular Meeting
April 28, 2015

MINUTES/Page IV

posted on the City's website and the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

ORDINANCE # 2015-03

AN ORDINANCE ADOPTING THE CITY GENERAL FUND BUDGET FOR FISCAL YEAR 2015-2016 AND MATTERS RELATING THERETO.

WHEREAS, the 2015-2016 General Fund Budget has been presented and considered; and

WHEREAS, a public hearing on the budget has been properly advertised and conducted on June 9, 2015.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Walterboro, South Carolina, in Council Assembled, as follows:

1. The 2015-2016 City General Fund Budget is hereby adopted in the amount of \$7,378,848 with revenues and expenditures as set out in the budget document dated June 9, 2015.
2. The property tax rate shall be set at eighty-eight point zero (88.0) mills.

This ordinance shall be effective July 1, 2015.

DONE, this 9th day of June, 2015.

William T. Young, Jr.
Mayor

ATTEST:

Betty J. Hudson
City Clerk

First Reading: May 26, 2015
Public Hearing: June 9, 2015
Second Reading: _____

**CITY OF WALTERBORO
FY 2015-2016 BUDGET
SUMMARY SHEET BY CATEGORY**

06/09/15

LINE ITEM	APPROVED FY 2014- 2016 BUDGET AS AMENDED	FY 2015-2016 DEPARTMENT REQUEST	FY2015-2016 MANAGER'S RECOMMENDATION	FY 2015-2016 COUNCIL APPROVED
REVENUE				
GENERAL FUND	7,034,797	6,840,011	7,217,109	7,217,109
EXPENDITURES				
CITY COUNCIL				
PERSONNEL	\$ 133,217	\$ 132,979	\$ 133,697	\$ 133,697
OPERATING	\$ 58,550	\$ 46,500	\$ 39,000	\$ 39,000
CAPITAL	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 191,767	\$ 179,479	\$ 172,697	\$ 172,697
CITY MANAGER				
PERSONNEL	\$ 208,587	\$ 204,955	\$ 206,288	\$ 206,288
OPERATING	\$ 11,150	\$ 10,550	\$ 10,550	\$ 10,550
CAPITAL	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 219,737	\$ 215,505	\$ 216,838	\$ 216,838
FINANCE				
PERSONNEL	\$ 207,542	\$ 245,806	\$ 249,769	\$ 249,769
OPERATING	\$ 173,500	\$ 147,725	\$ 146,925	\$ 146,925
CAPITAL	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 381,042	\$ 393,531	\$ 396,694	\$ 396,694
PUBLIC WORKS				
PERSONNEL	\$ 456,177	\$ 476,720	\$ 481,689	\$ 481,689
OPERATING	\$ 389,161	\$ 449,550	\$ 388,950	\$ 388,950
CAPITAL	\$ 27,000	\$ 123,000	\$ 123,000	\$ 123,000
SUBTOTAL	\$ 872,338	\$ 1,049,270	\$ 993,639	\$ 993,639
PLANNING & CODES				
PERSONNEL	\$ 230,306	\$ 230,487	\$ 231,581	\$ 231,581
OPERATING	\$ 34,330	\$ 28,500	\$ 24,050	\$ 24,050
CAPITAL	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 264,636	\$ 258,987	\$ 255,631	\$ 255,631
POLICE				
PERSONNEL	\$ 2,034,819	\$ 2,034,609	\$ 2,075,615	\$ 2,075,615
OPERATING	\$ 297,729	\$ 370,945	\$ 335,595	\$ 335,595
CAPITAL	\$ 159,200	\$ 204,000	\$ 125,400	\$ 125,400
SUBTOTAL	\$ 2,491,748	\$ 2,609,554	\$ 2,536,610	\$ 2,536,610
JUDICIAL				
PERSONNEL	\$ 133,576	\$ 153,891	\$ 135,149	\$ 135,149
OPERATING	\$ 35,575	\$ 43,402	\$ 43,377	\$ 43,377
CAPITAL	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 169,151	\$ 197,293	\$ 178,526	\$ 178,526

**CITY OF WALTERBORO
FY 2015-2016 BUDGET
SUMMARY SHEET BY CATEGORY**

06/09/15

LINE ITEM	APPROVED FY 2014- 2015 BUDGET AS AMENDED	FY 2015-2016 DEPARTMENT REQUEST	FY2015-2016 MANAGER'S RECOMMENDATION	FY 2015-2016 COUNCIL APPROVED
FIRE				
PERSONNEL	\$ 707,136	\$ 895,196	\$ 887,288	\$ 887,288
OPERATING	\$ 247,743	\$ 234,493	\$ 221,950	\$ 221,950
CAPITAL	\$ -	\$ 314,000	\$ -	\$ -
SUBTOTAL	\$ 954,879	\$ 1,443,689	\$ 1,109,238	\$ 1,109,238
SANITATION				
PERSONNEL	\$ 230,508	\$ 228,679	\$ 232,717	\$ 232,717
OPERATING	\$ 194,128	\$ 201,416	\$ 201,416	\$ 201,416
CAPITAL	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ 424,636	\$ 430,095	\$ 434,133	\$ 434,133
PARKS				
PERSONNEL	\$ 310,801	\$ 296,605	\$ 300,078	\$ 300,078
OPERATING	\$ 94,675	\$ 119,475	\$ 112,420	\$ 112,420
CAPITAL	\$ -	\$ 56,000	\$ 31,000	\$ 31,000
SUBTOTAL	\$ 405,476	\$ 472,080	\$ 443,498	\$ 443,498
NON DEPARTMENTAL	\$ 211,657	\$ 211,657	\$ 211,657	\$ 211,657
RESERVE ACCOUNTS	\$ 310,544	\$ 301,250	\$ 301,250	\$ 301,250
TOURISM				
PERSONNEL	\$ 103,286	\$ 94,021	\$ 94,412	\$ 94,412
OPERATING	\$ 33,900	\$ 37,025	\$ 34,025	\$ 34,025
SUBTOTAL	\$ 137,186	\$ 131,046	\$ 128,437	\$ 128,437
TOTAL ALL EXPENDITURES	\$ 7,034,797	\$ 7,893,436	\$ 7,378,848	\$ 7,378,848
TRANSFER FROM GENERAL FUND - FUND BALANCE			\$ 161,739	\$ 161,739
BALANCE	\$ -	\$ (1,053,425)	\$ -	\$ -

ORDINANCE # 2015-04

AN ORDINANCE ADOPTING THE CITY ENTERPRISE BUDGET FOR FISCAL YEAR 2015-2016 AND MATTERS RELATING THERETO.

WHEREAS, the 2015-2016 Enterprise Budget has been presented and considered; and

WHEREAS, a public hearing on the budget has been properly advertised and conducted on June 9, 2015.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Walterboro, South Carolina, in Council Assembled, as follows:

The 2015-2016 City Enterprise Budget is hereby adopted with revenues and expenditures in the amount of \$3,517,738 as set out in the budget document dated June 9, 2015.

This ordinance shall be effective July 1, 2015.

DONE, this 9th day of June, 2015.

William T. Young, Jr.
Mayor

ATTEST:

Betty J. Hudson
City Clerk

First Reading: May 26, 2015
Public Hearing: June 9, 2015
Second Reading: _____

**CITY OF WALTERBORO
FY 2015-2016 BUDGET
SUMMARY SHEET BY CATEGORY**

06/09/15

LINE ITEM	APPROVED FY 2014-2015 BUDGET AS AMENDED	FY 2015-2016 DEPARTMENT REQUEST	FY2015-2016 MANAGER'S RECOMMENDATION	FY 2015-2016 COUNCIL APPROVED
<u>BEGINNING FUND BALANCE</u>				
UTILITY FUND	\$ 1,183,806	\$ 1,126,510	\$ 1,126,510	\$ 1,126,510
BEGINNING BALANCE TOTAL	\$ 1,183,806	\$ 1,126,510	\$ 1,126,510	\$ 1,126,510
<u>REVENUE</u>				
UTILITY FUND	\$ 3,353,000	\$ 3,362,200	\$ 3,517,738	\$ 3,517,738
<u>EXPENDITURES</u>				
WATER				
PERSONNEL	\$ 378,969	\$ 418,755	\$ 426,870	\$ 426,870
OPERATING	\$ 383,182	\$ 391,720	\$ 362,595	\$ 362,595
CAPITAL	\$ 25,000	\$ 84,700	\$ -	\$ -
SUBTOTAL	\$ 787,151	\$ 895,175	\$ 789,465	\$ 789,465
UTILITY SUPPORT				
PERSONNEL	\$ 70,952	\$ 68,416	\$ 68,415	\$ 68,415
OPERATING	\$ 466,897	\$ 469,685	\$ 469,635	\$ 469,635
CAPITAL	\$ 6,700	\$ -	\$ -	\$ -
SUBTOTAL	\$ 544,549	\$ 538,101	\$ 538,050	\$ 538,050
ECONOMIC DEVELOPMENT				
PERSONNEL	\$ -	\$ -	\$ -	\$ -
OPERATING	\$ -	\$ -	\$ -	\$ -
CAPITAL	\$ -	\$ -	\$ -	\$ -
SUBTOTAL	\$ -	\$ -	\$ -	\$ -
SEWER				
PERSONNEL	\$ 417,309	\$ 224,432	\$ 224,247	\$ 224,247
OPERATING	\$ 534,938	\$ 355,470	\$ 504,670	\$ 504,670
CAPITAL	\$ 14,100	\$ 130,000	\$ -	\$ -
SUBTOTAL	\$ 966,347	\$ 709,902	\$ 728,917	\$ 728,917
SEWER SUPPORT				
PERSONNEL	\$ -	\$ 306,236	\$ 305,047	\$ 305,047
OPERATING	\$ -	\$ 67,275	\$ 50,150	\$ 50,150
CAPITAL	\$ -	\$ 26,500	\$ -	\$ -
SUBTOTAL	\$ -	\$ 400,011	\$ 355,197	\$ 355,197
UTILITY SUPPORT TO GF	\$ 1,133,797	\$ 819,011	\$ 1,106,109	\$ 1,106,109
UTILITY FUND SUBTOTAL	\$ 3,431,844	\$ 3,362,200	\$ 3,517,738	\$ 3,517,738
TOTAL ALL EXPENDITURES	\$ 3,431,844	\$ 3,362,200	\$ 3,517,738	\$ 3,517,738
<u>ENDING FUND BALANCE</u>				
UTILITY FUND	\$ 1,104,962	\$ 1,126,510	\$ 1,126,510	\$ 1,126,510

**WATER/SEWER/GARBAGE RATES AND SCHEDULE
EFFECTIVE 07/01/15****I. WATER (EFFECTIVE 07/01/15)****A. Minimum Charges (Bi-Monthly Billing)**

<u>Service Size/Type</u>	<u>In-City</u>	<u>Out-of-City</u>
¾" Residential	\$ 22.31	\$ 46.22
¾" Commercial	\$ 28.68	\$ 60.21
1" Residential	\$ 34.44	\$ 84.28
1" Commercial	\$ 40.13	\$ 96.36
1 ¼" Residential	\$ 45.87	\$ 108.38
1 ¼" Commercial	\$ 51.61	\$ 120.40
1 ½" Residential	\$ 54.45	\$ 129.42
1 ½" Commercial	\$ 60.22	\$ 141.49
2" Residential	\$ 94.62	\$ 231.77
2" Commercial	\$ 100.34	\$ 243.83
3" Residential	\$ 180.61	\$ 454.50
3" Commercial	\$ 186.34	\$ 466.52
4" Residential	\$ 352.58	\$ 899.91
4" Commercial	\$ 358.32	\$ 911.95
6" Residential	\$ 696.55	\$ 1,787.75
6" Commercial	\$ 728.09	\$ 1,799.81
8" Residential	\$ 1,384.47	\$ 3,563.46
8" Commercial	\$ 1,390.21	\$ 3,575.50

*Minimum charge includes first 4,000 gallons usage.

*In-City rate applies in Colleton Industrial Area.

*Fire protection sprinklers 0.14 per head

*#31 Fire hydrant \$11.55

*#32 Fire hydrant \$33.26

B. Usage Rates

	<u>In-City</u>	<u>Out-of-City</u>
First 4,000	Included in Minimum Charge	
Next 36,000	\$ 1.48	\$ 2.98
Next 160,000	\$ 1.35	\$ 2.70
All over 200,000	\$ 1.23	\$ 2.45

Deposit \$50.00

Turn On Service Fee \$5.00

Turn Off Service Fee \$5.00

WATER/SEWER/GARBAGE RATES

Page 2

C. Water Tap Fees

<u>Service Size</u>	<u>In-City</u>	<u>Out-of-City</u>
¾" Service	\$ 589.05	\$ 1,178.10
1" Service	\$ 610.05	\$ 1,220.10
1 ½" Service	\$ 750.75	\$ 1,501.50
2" Service	\$ 2,326.80	\$ 4,653.60
Over 2" Service	Cost plus 20% (refer to water supervisor)	

II. SEWER (EFFECTIVE 07/01/15)

A. Usage Rates – Per Thousand

<u>In-City</u>	<u>Out-of-City</u>
\$ 4.31	\$ 8.15

*In-City and Out-of-City residential sewer charge based on winter-use average.

*New customers who haven't established a winter-use average are charged for actual water usage.

B. Sewer Tap Fees

	<u>In-City</u>	<u>Out-of-City</u>
Residential	\$ 376.95	\$ 753.90
Restaurant	\$ 3,794.70	\$ 7,589.40
Motel/Apartments	\$ 1,517.25 1st unit	\$ 3,034.50 1st unit
	\$ 91.18 each additional	\$ 182.35 each additional
Business	\$ 753.90	\$ 1,507.80

C. Reconnection Fees (EFFECTIVE OCTOBER 14, 2003)

Late fee \$10.00

Processing cut-off/on fee \$30.00

Water meter lock/plug/removal/replacement \$50.00

ORDINANCE # 2015-05

AN ORDINANCE AUTHORIZING THE CITY OF WALTERBORO TO GRANT AN EASEMENT TO SOUTH CAROLINA ELECTRIC & GAS COMPANY OVER PROPERTY ON OR NEAR ROBERTSON BOULEVARD

WHEREAS, the City of Walterboro has been requested to grant an easement to South Carolina Electric and Gas Company over certain lands owned by the City, in order to serve a new industry; and

WHEREAS, the City of Walterboro wishes to accommodate the industry and South Carolina Electric & Gas Company,

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WALTERBORO, IN COUNCIL ASSEMBLED, AS FOLLOWS:

That the City of Walterboro grant to South Carolina Electric and Gas Company for a consideration of One and no/100 Dollars (\$1.00):

An Easement over the tract designated as TMS # 164-00-00-091 on the records of the Assessor for Colleton County, SC in the form or substantially the same form as the easement attached hereto as an Exhibit (consisting of 2 pages plus an Exhibit "A").

That the Mayor and City Clerk of the City of Walterboro be, and they are, hereby authorized, empowered and directed on behalf of the City of Walterboro to execute and deliver said Easement, and to execute such other documents as may be necessary or desirable in connection with the granting of said easement.

ADOPTED, THIS _____ DAY OF _____, 2015.

William T. Young, Jr.
Mayor

ATTEST:

Betty J. Hudson
City Clerk

First Reading: May 26, 2015
Public Hearing: June 9, 2015
Second Reading: _____

ATTACHED PROPOSED EASEMENT

Easement # 893282

INDENTURE, made this _____ day of _____, 2015 by and between City of Walterboro of the County of Colleton and State of South Carolina, hereinafter called "Grantor" (whether singular or plural), and the SOUTH CAROLINA ELECTRIC & GAS COMPANY, a South Carolina corporation, having its principal office in Cayce, South Carolina, hereinafter called "Grantee".

WITNESSETH:

That, in consideration of the sum of One Dollar (\$1.00) received from Grantee, Grantor, being the owner of land situate in the County of Colleton, State of South Carolina, hereby grants and conveys to Grantee, its successors and assigns, the right to construct, extend, replace, relocate, perpetually maintain and operate an overhead or underground electric line or lines consisting of any or all of the following: poles, conductors, lightning protective wires, municipal, public or private communication lines, cables, conduits, pad mounted transformers, guys, push braces and other accessory apparatus and equipment deemed by Grantee to be necessary or desirable, upon, over, across, through and under land described as follows: a tract or lot of land containing 23.80 acres, more or less, and being the same lands conveyed to Grantor by deed of Walterboro-Colleton County Airport Commission, dated or recorded 9/27/1963, and filed in the Register of Deeds office for Colleton County in Deed Book 139 at Page 35.

Property is located along Robertson Boulevard near North Lemacks Street in or near the Town of Walterboro, Colleton County, South Carolina.

The right of way granted herein is for the installation, operation and maintenance of South Carolina Electric & Gas Company facilities. These facilities are more fully shown on Exhibit "A", attached hereto and made a part hereof.

TMS: 164-00-00-091(a portion of)

Together with the right from time to time to install on said line such additional lines, apparatus and equipment as Grantee may deem necessary or desirable and the right to remove said line or any part thereof.

Together also with the right to lay, construct, maintain, operate, repair, alter, replace and remove pipe lines, together with valves, tieovers and appurtenant facilities [within the easement space granted above] for the transportation of gas, oil petroleum products or any other liquids, gases or substances which can be transported through a pipe line.

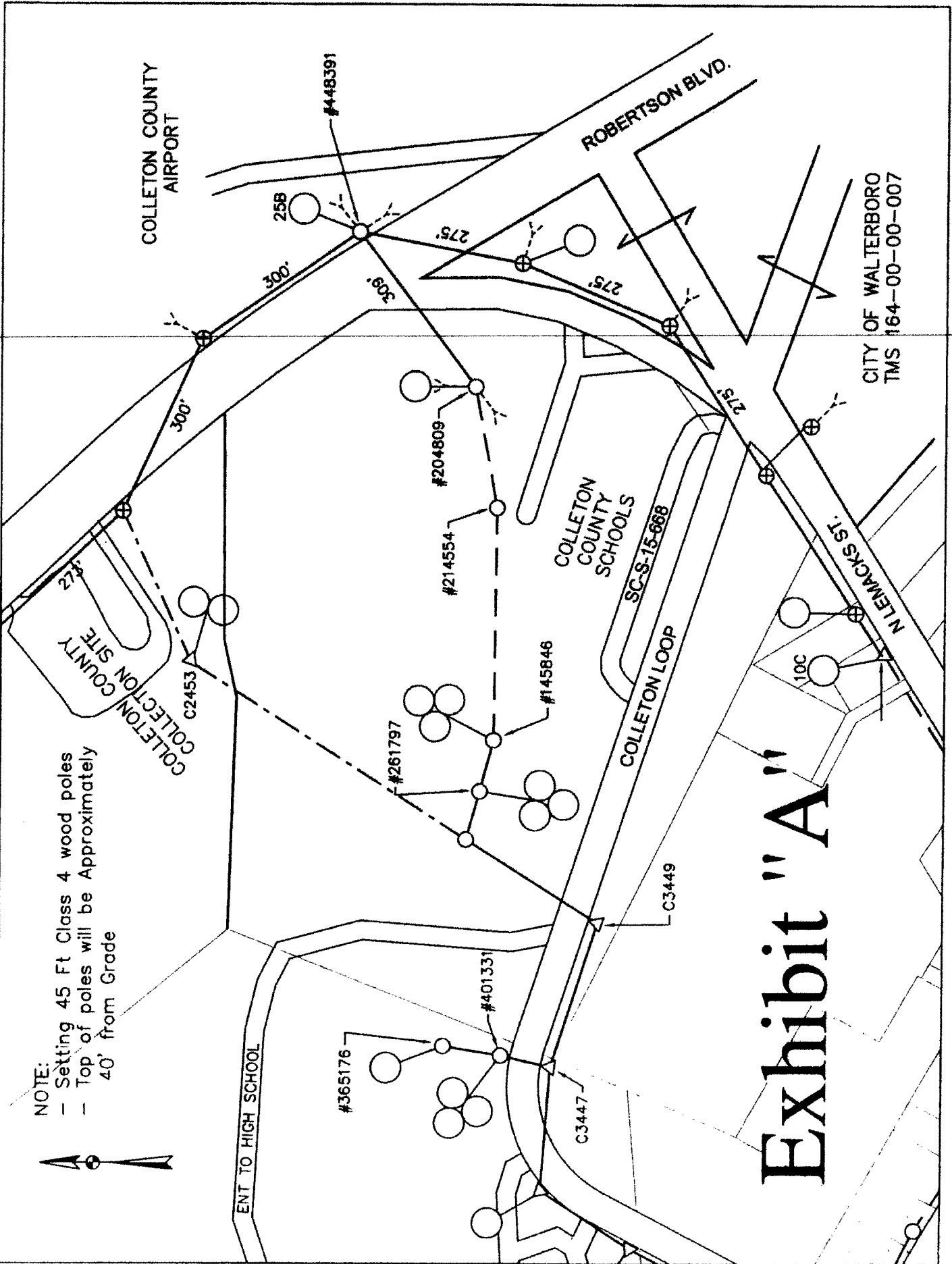
Together also with the right (but not the obligation) from time to time to trim, cut or remove trees, underbrush and other obstructions that are within, over, under or through a strip of land ("Easement Space") extending Fifteen (15) feet on each side of any pole lines and Five (5) feet on each side of any underground wires or pipe lines and within, over, under or through a section of land extending Twelve (12) feet from the door side(s) of any pad mounted transformers, elbow cabinets, switchgears or other devices as they are installed; provided, however, any damage to the property of Grantor (other than that caused by trimming, cutting or removing) caused by Grantee in maintaining or repairing said lines, shall be borne by Grantee; provided further, however, that Grantors agree for themselves, their successors and assigns, not to build or allow any structure to be placed on the premises in such a manner that any part thereof will exist within the applicable above specified Easement Space, and in case such structure is built, then Grantor, or such successors and assigns as may be in possession and control of the premises at the time, will promptly remove the same upon demand of Grantee herein. Grantor further agrees to maintain minimum ground coverage of thirty six (36) inches and maximum ground coverage of fifty four (54) inches over all underground primary electric lines. Grantor further agrees to maintain minimum ground coverage of twenty four (24) inches and maximum ground coverage of forty two (42) inches over all underground pipe (gas) lines. Together also with the right of entry upon said lands of Grantor for all of the purposes aforesaid.

The words "Grantor" and "Grantee" shall include their heirs, executors, administrators, successors and assigns, as the case may be.

IN WITNESS WHEREOF, Grantor has caused this indenture to be duly executed the day and year first above written.

WITNESS:

Signatures on Following Pages



NOTE:
- Setting 45 Ft Class 4 wood poles
- Top of poles will be Approximately 40' from Grade

Exhibit "A"

ORDINANCE # 2015-06

AN ORDINANCE AUTHORIZING THE CITY OF WALTERBORO TO JOIN WITH THE WALTERBORO - COLLETON COUNTY AIRPORT COMMISSION AND THE COUNTY OF COLLETON IN GRANTING AN EASEMENT TO SOUTH CAROLINA ELECTRIC & GAS COMPANY OVER PROPERTY ON OR NEAR ROBERTSON BOULEVARD

WHEREAS, the Walterboro - Colleton County Airport Commission has determined that the easement described herein below is surplus to the needs for the purposes of the Act establishing the Walterboro-Colleton County Airport Commission and that there are no restrictions on the use or disposal of such an easement under the deed from the United States of America; and

WHEREAS, the Colleton County Resources and Development Board has advised the Walterboro - Colleton County Airport Commission that a desirable industry to be operated by South Carolina Electric and Gas Company wishes to locate certain facilities upon the easement area described herein below and that the establishment and continuation of the services provided by South Carolina Electric and Gas Company will be economically beneficial to the citizenry of the county and has requested the easement described herein below be granted to South Carolina Electric and Gas Company for a consideration of One Dollar (\$1.00), all by its resolution adopted at a meeting duly called and held; and

WHEREAS, the Walterboro - Colleton County Airport Commission has agreed with the Colleton County Resources and Development Board that the easement described herein below should be granted to South Carolina Electric and Gas Company for said consideration, subject to certain conditions and restrictions and has requested that the City of Walterboro and the County of Colleton join in the easement described herein below to South Carolina Electric and Gas Company for said consideration, subject to certain conditions and restrictions, all by its resolution adopted at a meeting duly called and held,

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WALTERBORO, IN COUNCIL ASSEMBLED, AS FOLLOWS:

That the City of Walterboro join with the County of Colleton and the Walterboro - Colleton County Airport Commission in granting to South Carolina Electric and Gas Company for a consideration of One and no/100 Dollars (\$1.00):

An Easement over the tract designated as TMS # 132-00-00-028 on the records of the Assessor for Colleton County, SC in the form or substantially the same form as the easement attached hereto as an Exhibit (consisting of 3 pages plus an Exhibit "A").

That the Easement to South Carolina Electric and Gas Company be made subject to such conditions, reservations and restrictions as the Walterboro-Colleton County Airport Commission determines to be appropriate, if any.

That the Mayor and City Clerk of the City of Walterboro be, and they are, hereby authorized, empowered and directed on behalf of the City of Walterboro to execute and deliver said Easement, and to execute such other

documents as may be necessary or desirable in connection with the granting of said easement.

That the proceeds from the sale of the easement be retained by the Walterboro - Colleton County Airport Commission.

ADOPTED, THIS _____ DAY OF _____, 2015.

William T. Young, Jr.
Mayor

ATTEST:

Betty J. Hudson
City Clerk

First Reading: May 26, 2015
Public Hearing: June 9, 2015
Second Reading: _____

ATTACH PROPOSED EASEMENT DOCUMENT

Easement # 893051

INDENTURE, made this _____ day of _____, 2015 by and between City of Walterboro and County of Colleton of the County of Colleton and State of South Carolina, hereinafter called "Grantor" (whether singular or plural), and the SOUTH CAROLINA ELECTRIC & GAS COMPANY, a South Carolina corporation, having its principal office in Cayce, South Carolina, hereinafter called "Grantee".

WITNESSETH:

That, in consideration of the sum of One Dollar (\$1.00) received from Grantee, Grantor, being the owner of land situate in the County of Colleton, State of South Carolina, hereby grants and conveys to Grantee, its successors and assigns, the right to construct, extend, replace, relocate, perpetually maintain and operate an overhead or underground electric line or lines consisting of any or all of the following: poles, conductors, lightning protective wires, municipal, public or private communication lines, cables, conduits, pad mounted transformers, guys, push braces and other accessory apparatus and equipment deemed by Grantee to be necessary or desirable, upon, over, across, through and under land described as follows: a tract or lot of land containing 1539.00 acres, more or less, and being the same lands conveyed to Grantor by deed of United States of America, dated or recorded 9/25/1950, and filed in the Register of Deeds office for Colleton County in Deed Book 105 at Page 431.

Property is located along Robertson Boulevard between North Jefferies Boulevard and Colleton Loop in or near the City of Walterboro, Colleton County, South Carolina.

The right of way granted herein is for the installation, operation and maintenance of South Carolina Electric & Gas Company facilities. These facilities are more fully shown on Exhibit "A", attached hereto and made a part hereof.

TMS: 132-00-00-028 (a portion of)

Together with the right from time to time to install on said line such additional lines, apparatus and equipment as Grantee may deem necessary or desirable and the right to remove said line or any part thereof.

Together also with the right to lay, construct, maintain, operate, repair, alter, replace and remove pipe lines, together with valves, tieovers and appurtenant facilities [within the easement space granted above] for the transportation of gas, oil petroleum products or any other liquids, gases or substances which can be transported through a pipe line.

Together also with the right (but not the obligation) from time to time to trim, cut or remove trees, underbrush and other obstructions that are within, over, under or through a strip of land ("Easement Space") extending Fifteen (15) feet on each side of any pole lines and Five (5) feet on each side of any underground wires or pipe lines and within, over, under or through a section of land extending Twelve (12) feet from the door side(s) of any pad mounted transformers, elbow cabinets, switchgears or other devices as they are installed; provided, however, any damage to the property of Grantor (other than that caused by trimming, cutting or removing) caused by Grantee in maintaining or repairing said lines, shall be borne by Grantee; provided further, however, that Grantors agree for themselves, their successors and assigns, not to build or allow any structure to be placed on the premises in such a manner that any part thereof will exist within the applicable above specified Easement Space, and in case such structure is built, then Grantor, or such successors and assigns as may be in possession and control of the premises at the time, will promptly remove the same upon demand of Grantee herein. Grantor further agrees to maintain minimum ground coverage of thirty six (36) inches and maximum ground coverage of fifty four (54) inches over all underground primary electric lines. Grantor further agrees to maintain minimum ground coverage of twenty four (24) inches and maximum ground coverage of forty two (42) inches over all underground pipe (gas) lines. Together also with the right of entry upon said lands of Grantor for all of the purposes aforesaid.

The words "Grantor" and "Grantee" shall include their heirs, executors, administrators, successors and assigns, as the case may be.

IN WITNESS WHEREOF, Grantor has caused this indenture to be duly executed the day and year first above written.

WITNESS:

Signatures on Following Pages

Easement # 893051

City of Walterboro

1st Witness

By: _____

2nd Witness

Its: _____

ACKNOWLEDGMENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF **Colleton**)

The foregoing instrument was acknowledged before me, the undersigned Notary, and I do hereby certify that the within named _____ as _____, of the **City of Walterboro**, personally appeared before me this day and that the above named acknowledged the due execution of the foregoing instrument.

Sworn to before me this _____ day of _____, 2015

Signature of Notary Public State of SC

My commission expires: _____

**RIGHT OF WAY GRANT TO
SOUTH CAROLINA ELECTRIC & GAS COMPANY**

Line: **Robertson Blvd Tie**
County: **Colleton**
R/W File Number: **19612**
Grantor(s): **City of Walterboro and County of Colleton**

Return to: SCE&G
2392 West Aviation Ave MC-CH29
North Charleston, SC 29406

Easement # 893051

County of Colleton

1st Witness

By: _____

2nd Witness

Its: _____

ACKNOWLEDGMENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF **Colleton**)

The foregoing instrument was acknowledged before me, the undersigned Notary, and I do hereby certify that the within named _____ as _____, of the **County of Colleton**, personally appeared before me this day and that the above named acknowledged the due execution of the foregoing instrument.

Sworn to before me this _____ day of _____, 2015

Signature of Notary Public State of SC

My commission expires: _____

**RIGHT OF WAY GRANT TO
SOUTH CAROLINA ELECTRIC & GAS COMPANY**

Line: **Robertson Blvd Tie**
County: **Colleton**

R/W File Number: **19612**

Grantor(s): **City of Walterboro and County of Colleton**

Return to: SCE&G
 2392 West Aviation Ave MC-CH29
 North Charleston, SC 29406

ORDINANCE # 2015-07

AN ORDINANCE AUTHORIZING THE CITY OF WALTERBORO TO JOIN WITH THE WALTERBORO-COLLETON COUNTY AIRPORT COMMISSION AND THE COUNTY OF COLLETON IN APPROVING A COMMERCIAL GROUND LEASE FOR PROJECT "C."

WHEREAS, Project "C" has identified a parcel consisting of approximately 5.85 acres, more or less, located on property owned by the City of Walterboro and the County of Colleton and managed by the Walterboro-Colleton County Airport Commission; and

WHEREAS, Project "C," when completed will be investing \$3,270,000 more or less, in buildings, infrastructure, new machinery and equipment; and

WHEREAS, Project "C" is anticipated to employ approximately 127 full-time employees upon completion of the project; and

WHEREAS, the leased premises is to be used for the business purpose of aircraft management, aircraft maintenance/repair/overhaul including electronic/avionic components, aircraft modifications and upgrades, engineering design, aircraft paint, charter airline/services, flight training and simulation, aircraft brokerage, aircraft rentals, aircraft on ground services and aircraft storage services,

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WALTERBORO, SOUTH CAROLINA, IN COUNCIL ASSEMBLED, AS FOLLOWS:

That the City of Walterboro join with the County of Colleton and the Walterboro-Colleton County Airport Commission in approving the commercial ground lease for Project "C." Execution of the ground lease by the City of Walterboro is subject to approval by the Federal Aviation Authority (FAA).

ADOPTED, this ____ day or _____, 2015.

William T. Young, Jr.
Mayor

ATTEST:

Betty J. Hudson
City Clerk

First Reading: _____
Public Hearing: _____
Second Reading: _____

PROPOSED COMMERCIAL GROUND LEASE ATTACHED

occupancy, use, maintenance, upkeep and preservation of the leased premises and of said leasehold interest and of this Lease shall be borne and paid by Lessee so that the rental together with any such adjustments constitute the minimum income realized by Lessor from the Premises. Lessee will indemnify and hold harmless Lessor from and against such costs, expenses and charges.

4. BASING OF AIRCRAFT IN COLLETON COUNTY

During the term of this lease, Lessee shall make a good faith effort to base whatever aircraft it owns or leases at the subject Property in Colleton County on tax assessment day for such aircraft. Notwithstanding the foregoing, the Lessor specifically recognizes that the ownership will be a function of the needs of the Lessee and, accordingly, nothing in this section shall be construed to require Lessee to own any number of aircraft, having any economic value, at any time.

5. DUE DILIGENCE; REGULATORY APPROVAL

Lessee shall use reasonable due diligence to determine the suitability of the leased premises for its purposes and shall use its reasonable best efforts to obtain all necessary approvals and permits within three hundred sixty (360) days from the signature date of this lease. The lease is subject to all zoning regulations affecting the premises, buildings, use, and other restrictions and matters of record.

Lessee shall use its reasonable efforts to complete and file within three hundred sixty (360) days from the signature date of this lease every application necessary to obtain any regulatory approvals required to locate aircraft hangars, commercial structures, and improvements on the leased premises. Lessee shall notify Lessor promptly of any significant development with respect to any application it files under this section. Lessor shall provide Lessee with all reasonable assistance necessary for Lessee to perform Lessee's obligations under this subsection.

6. USE OF PREMISES; LIMITATIONS ON USE

The leased premises is to be used for the business purpose of aircraft management, aircraft maintenance/repair/overhaul, MRO, including electronic/avionic components), aircraft modifications and upgrades (including service bulletin (SB), supplemental type certificate (STC) and airworthiness directive (AD) implementation), engineering design, aircraft paint, charter airline/services, flight training and simulation, aircraft brokerage, aircraft rentals, aircraft on ground (AOG) services, aircraft storage services.

Lessee shall not otherwise use, or permit, the leased premises, or any part thereof, to be used for any other purposes without Lessor's prior written consent. Lessee shall, at its sole cost, comply with all requirements pertaining to the leased premises of any insurance organization or company necessary for the maintenance of insurance as herein required, covering any buildings and appurtenances at all times located on the leased premises.

Lessee shall not sell from mobile fuelers, fuel farms, tanks, or other typical fueling devices, aviation fuels of any kind upon the premises or otherwise at the Airport without the express written permission from the Walterboro-Colleton County Airport Commission, which may be withheld or conditioned in its sole discretion.

Lessee shall not produce any disturbances on any Airport property that interferes with Airport operations by the Lessor or the Federal Aviation Administration or air navigational communications or flight equipment on the Airport.

A. General Privileges, Uses, and Rights. Lessor hereby grants to Lessee the following general privileges, uses, and rights, all of which shall be subject to the terms, conditions and

covenants herein set forth. Said rights shall be subject to such Federal, State, and Local ordinances, rules and regulations as now or may hereafter have application at the Airport:

1) The general use of all public Airport facilities and improvements, which are now or may hereafter be connected with or appurtenant to said Airport, except as hereinafter provided, to be used by Lessee for commercial aviation activity pursuant to regulations enacted by the Lessor. For the purpose of this Lease, public Airport facilities shall include all necessary landing area appurtenances including, but not limited to, approach areas, runways, taxiways, aprons, aircraft parking areas, roadways, sidewalks, navigational aids, lightning facilities, terminal facilities, or other public facilities appurtenant to said Airport;

2) The right of ingress to and egress from the leased premises over and across public roadways currently serving the Airport for Lessee, Lessee's agents and servants, patrons and invitees, suppliers of service, and furnishers of material.

B. Specific Privileges, Uses, and Rights. In addition to the general privileges, uses, and rights described above, Lessor hereby grants to Lessee the right to engage in commercial aviation activity on the Premises as defined in subparagraphs 1 through 4 below subject to the conditions and covenants hereafter set out:

1) The loading and unloading of aircraft in any lawful activity as incidental to the conduct of any services or operations outlined in this Paragraph;

2) The maintenance, storing, and servicing of aircraft which shall include overhauling, rebuilding, repairing, inspection, and licensing of same,;

3) The training on the Airport of personnel in the employ of Lessee in any art, science, craft, or skill pertaining directly or indirectly to aircraft;

4) The location, construction, erection, maintenance, and removal of improvements (including hangars, shops or related office space), in any lawful manner, upon or in the leased premises, for the purpose of carrying out any activities provided for herein, subject, however, to the conditions herein generally or particularly set forth.

C. Concessions and Services Excluded. Without limiting the generality of the foregoing, the following concessions and services and the establishment thereof shall be specifically excluded from this Lease such that the Lessee is prohibited from engaging thereof unless the Lessee has obtained prior written Lessor approval:

1) Food sales except the sale and/or furnishing of food and beverages through cafeteria and catering services to employees and customers of Lessee; and,

2) News and sundry sales except as incidental to provision of services to customers contemplated by this Agreement.

D. Covenant of Continued Operations. During the term of this Lease and renewals, the Lessee shall lease and occupy the Leased Premises and operate its business on the Leased Premises in accordance with the use requirements of Paragraph 6 and shall not cease business operations for more than 180 days in any 365 day period of time, subject to an event of force majeure (such as strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, acts of God or other reason of a like nature). The breach of this covenant by Lessee shall constitute an event of default.

E. Subordination to Federal; State Obligations. This lease and the rights of Lessee granted herein shall be subordinate to the Lessor's federal and state obligations and Lessee must comply with current and future federal grant assurances of Lessor and conditions of state aid and

Lessee consents to future modification of the lease to conform to same. This lease and Lessee's rights herein shall also be subordinate to local ordinances and codes.

7. WARRANTIES OF TITLE AND QUIET POSSESSION; EXCLUSION OF FURTHER WARRANTIES

Lessor covenants that Lessor is seized of the leased premises in fee simple and has the full right to make this Lease subject to the requirements and regulations of the Federal Aviation Administration and that Lessee shall have quiet and peaceable possession of the leased premises during the term hereof. The Lessor retains the right to temporarily close the Airport or any of its facilities for maintenance, improvements, or for safety of the public.

Lessee acknowledges that as of the date of this Lease it has inspected, analyzed, reviewed, and evaluated the Leased Premises, that it and its representatives will have conducted such investigation of the Leased Premises as deemed necessary by Lessee and that it is thoroughly aware of the condition of the Leased Premises. The Leased Premises and any other property or rights furnished or to be furnished under or in connection with this Lease to Lessee are furnished **"AS IS", "WHERE IS" AND WITH ALL FAULTS AND WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY NATURE WHATSOEVER, EXPRESS OR IMPLIED, ORAL OR WRITTEN, AND IN PARTICULAR, WITHOUT ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** Without limiting the generality of the foregoing, Lessee acknowledges and agrees: (i) that Lessor neither represents nor warrants that the Leased Premises or any part thereof leased under this Lease will operate satisfactorily; (ii) that, except as specifically set forth herein, Lessor shall have no liability or responsibility for the condition and/or operation of the Leased Premises; and (iii) that Lessee is leasing the Leased Premises based solely upon its own inspection, evaluation, review and analysis, and Lessee assumes the entire risk associated with such inspection, evaluation, review and analysis being incomplete or inaccurate.

8. WASTE, NUISANCE AND HAZARDOUS MATERIAL PROHIBITED

During the term of this Lease, Lessee shall comply with all applicable laws affecting the leased premises, the breach of which might result in any penalty on Lessor or forfeiture of Lessor's title to the leased premises. Lessee shall not commit, or suffer to be committed, any waste on the leased premises, or any nuisance.

Lessee will not place nor suffer to be placed on the leased premises any material or substance classified as hazardous by the South Carolina Department of Health and Environmental Control or the United State Environmental Protection Agency or the successor agency of either, other than reasonable quantities of such lubricants and other items reasonably necessary for the maintenance of aircraft and related equipment. Lessee will remove any such hazardous material or substance which is placed on the leased premises after the inception of this Lease prior to the termination of this Lease.

During the one hundred and twenty (120) day due diligence period specified above, Lessee may cancel this Lease with refund of rental paid should it discover any such hazardous material or substance which has been placed on the leased premises prior to the commencement of the initial lease term.

Lessee shall provide a complete and proper arrangement for the adequate sanitary handling and disposal of all trash, garbage and other refuse occurring as a result of Lessee's occupancy of the premises. Lessee shall provide and use Lessor approved receptacles for all garbage, trash and other refuse and shall place them on the premises in a location acceptable to the Lessor for their removal. Piling of boxes, cartons, barrels, or other similar items in an unsightly manner on or about the premises is forbidden.

9. APPROVALS

As a condition precedent to the Lessor's ability to lease the property to the Lessee, the Lessor shall promptly apply for and obtain the written form of the United States of America acting through the Federal Aviation Administration verifying that the lease and the terms would not violate the Airport's federal obligations. In the event that Lessor is unable to obtain said written verification, then Lessor and Lessee will in good faith work to modify the terms of this Lease as necessary to obtain any such verification upon mutual agreement in writing. Further, as an additional condition precedent to Lessor's ability to lease the property to Lessee, Lessor shall apply for and obtain federal environmental approvals for the proposed development and construction and written approval from the FAA prior to commencement of construction. The failure of any of these conditions shall cause an immediate termination of this agreement.

10. ABANDONMENT OF PREMISES WITH IMPROVEMENTS AND OF PERSONALTY

If Lessee abandons, vacates, or surrenders the leased premises and improvements, or be dispossessed by process of law, (1) the improvements constructed thereon and (2) any personal property belonging to Lessee left on the premises for a period exceeding ninety (90) days after dispossession or abandonment shall be deemed to be abandoned by Lessee as to Lessor. In that event, Lessor shall have immediate right to enter upon and re-take possession of the leased premises and this lease shall be terminated with reservation of all rights and remedies to Lessor as set forth in this lease.

11. LESSOR'S RIGHT OF ACCESS

Lessee shall permit Lessor and the agents and employees of Lessor to, upon reasonable advance notice to Lessor, enter upon the leased premises at all reasonable times for the purpose of inspecting the same, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the premises thereby occasioned, and shall permit Lessor and its agents and employees, at any time within the last three (3) months prior to the expiration of this Lease, to place on the leased premises any usual or ordinary "To Let" or "To Lease" signs and exhibit the premises to prospective tenants at reasonable hours.

12. SUBLETTING AND ASSIGNMENT

Lessee may, only upon a grant of permission and consent of Lessor, sublet the premises to any affiliate(s) and/or subsidiaries of Lessee. Lessee shall not otherwise sublet the premises in whole or in part without Lessor's written consent. The making of any sublease shall not release Lessee from, or otherwise affect in any manner, any of Lessee's obligations hereunder.

Lessee may permissibly assign this Lease to any lender(s) of Lessee, as permitted in Section 20 herein, providing financing to Lessee for construction and/or improvement purposes. Lessee may permissibly assign and transfer its rights and obligations under this lease upon sale of its business to the purchaser. Lessee shall not otherwise assign or transfer this Lease, or any interest herein, without the prior written consent of Lessor. Consent to an assignment shall not be deemed consent to any subsequent assignment. No assignment or transfer of this Lease shall release Lessee from, or otherwise affect in any manner, any of Lessee's obligations hereunder and Lessee shall remain responsible for the obligations of Lessee hereunder which were undertaken or should have been undertaken before assignment.

Neither this Lease nor the leasehold estate of Lessee nor any interest of Lessee hereunder in the leased premises or any buildings or improvements thereon shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatsoever, and any such attempted involuntary assignment, transfer, or sale shall be void and of no effect. If Lessee violates the terms of Item 12, this Lease, at the option of Lessor, shall terminate.

13. TAXES AND ASSESSMENTS

(a) Taxes as additional rental. As additional rental hereunder, Lessee shall for the period from and after the Commencement Date until the termination of this Lease pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, rates, charges, license fees, county liens, levies, excises, or imposts, whether general or special, or ordinary or extraordinary, of every name, nature and kind whatsoever, including all governmental charges of whatsoever name, nature, or kind, which may be levied, assessed, charged, or imposed, or which may become a lien or charge on or against the land hereby leased, or any part thereof, the leasehold of Lessee herein, the premises described herein, the improvements erected on the Leased Premises, or on or against Lessee's estate hereby created which may be a subject of taxation, or on or against Lessor by reason of their ownership of the fee underlying this Lease, during the entire term hereof, excepting only those taxes hereinafter specifically excepted.

(b) Assessments Affecting Improvements. Specifically and without in any way limiting the generality of the foregoing, Lessee shall pay all special assessments and levies or charges made by any county of political subdivision for improvements, and shall pay the same in cash as they shall fall due and before any such assessments or levies or charges are made by any county or political subdivision. If the right is given to pay either in one lump sum or in installments, Lessee may elect either mode of payment and its selection shall be binding on Lessor. If, by making any such election to pay installments, any of such installments shall be payable after the termination of this Lease or any extended term thereof, such unpaid installments shall be prorated as of the date of termination, and amounts payable after such date shall be paid by Lessor. All of the taxes and charges under this section shall be prorated at the commencement and expiration of the term hereof.

(c) Taxes Excepted. Anything in this section to the contrary notwithstanding, Lessee shall not be required to pay any estate, gift, inheritance, succession, income or excess profits taxes which may be payable by Lessor or Lessor's legal representative, successors, or assigns, nor shall Lessee be required to pay any tax that might become due on account of ownership of property other than that herein leased which may become a lien on the property herein leased or collectable out of the same.

(d) Contesting Taxes. If Lessee shall in good faith desire to contest the validity or amount of any tax, assessment, levy, or other governmental charge herein agreed to be paid by Lessee, Lessee shall be permitted to do so, and to defer payment of such tax or charge, the validity or amount of which Lessee is so contesting, until final determination of the contest, on giving to Lessor written notice thereon prior to the determination of the contest, which shall be at least Thirty (30) days prior to delinquency, and on protecting Lessor on demand by a good and sufficient surety bond against any such tax, levy, assessment, rate, or governmental charge, and from any costs, liability, or damage arising out of any such contest.

(e) Disposition of Rebates. All rebates on account of any such taxes, rates, levies, charges, or assessments required to be paid and paid by Lessee under the provisions hereof shall belong to Lessee, and Lessor will, on the require of Lessee, execute any receipts, assignments, or other instruments that may be necessary in the premises in order to secure the recovery of any such rebates, and will pay over to Lessee any such rebates that may be received by Lessor.

(f) Receipt. Upon reasonable request of Lessor, Lessee shall use its reasonably best efforts obtain and deliver receipts for all taxes, assessments and other items required hereunder to be paid by Lessee.

14. SITE PLAN APPROVAL

Lessee shall be required to submit architectural plans to Lessor in advance of construction of any proposed improvements before construction may begin. Lessee shall also be required to submit the Standard Form 7460-1 (Notice of Proposed Construction or Alteration) to the FAA for approval for all site plan proposals. Lessee can submit this form via the internet at the following website: <https://oeaaa.faa.gov/oeaaa/external/portal.jsp>

Within One hundred eighty (180) days from the execution of this lease, Lessee shall prepare at its sole expense a site plan for the buildings, improvements, parking areas, drainage, rights of way, access roads and landscaping to be placed on the leased premises by Lessee and shall submit such site plan to Lessor for Lessor's written approval.

In the event of disapproval of Lessee's site plan, Lessor shall provide Lessee an itemized statement of the reasons therefore within thirty (30) days after the site plan is submitted to Lessor.

In the event Lessor disapproves Lessee's site plan, Lessee shall notify Lessor within ten (10) business days of Lessee's intent either to terminate the Lease or conform the site plan to Lessor's demands. In the event Lessee elects to terminate the Lease, Lessor shall promptly refund to Lessee any lease payments made to Lessor. In the event Lessee elects to conform, Lessee shall submit a site plan to Lessor that conforms to the requirements set forth by Lessor in Lessor's itemized statement of reasons for disapproval.

15. CONSTRUCTION ON THE PREMISES

(a) Plans and Specifications. Within sixty (60) days following Lessor's approval of Lessee's site plan, Lessee shall, at Lessee's sole expense, submit to Lessor, for Lessor's approval, plans and specifications for any improvements to be erected on the premises (collectively the "Plans"). Together with such Plans, Lessee shall provide for whatever information that the Walterboro-Colleton County Airport Commission engineer reasonably requires. If Lessor does not provide Lessor's approval, Lessee may terminate this Lease, whereupon Lessor shall promptly refund to Lessee any Lease payments paid from Lessee to Lessor.

In the event of disapproval by Lessor and/or FAA, Lessor shall provide Lessee an itemized statement of reasons therefore within forty-five (45) days after the plans are submitted to the FAA via Form 7460. The FAA has forty-five (45) days to make a determination after Lessee submits Form 7460. In the event Lessor fails to provide such itemized statement to Lessee within forty-five (45) days following Lessee's submission of said Plans to Lessor, Lessor shall be deemed to have approved said Plans as submitted. This time period may be reasonably longer due to delay in FAA approval.

Within one hundred eighty (180) days from the date on which Lessor approves Lessee's Plans, Lessee shall, at Lessee's sole expense, commence, and shall thereafter, diligently prosecute to completion, the construction of the improvements substantially in accordance with such Plans, subject to the deadlines set forth herein.

(b) Alterations, improvements, and changes permitted. Lessee shall have the right to make such alterations, improvements, and changes to any improvement which may from time to time be on the premises as Lessee may deem necessary, or to replace any such structure with a new one of at least equal value, provided that prior to making any structural alterations, improvements, or changes, or to replacing any such building, Lessee shall obtain Lessor's written approval of plans and specifications therefore, which shall not be diminished and the structural integrity of the building shall not be adversely affected by any such alterations, improvements, or changes, or that any proposed new building is at least equal in value to the one which it is to replace, as the case may be. In the event of disapproval, Lessor shall give to Lessee an itemized statement of reasons therefore. Lessee will in no event make any alterations, improvements, or other changes of any kind to any building on the premises that will decrease the value of such buildings, or that will adversely affect the structural integrity of the building. Lessee shall also be required to submit the Standard Form 7460-1 (Notice of Proposed Construction or Alteration) to the FAA for approval for all site plan changes. Lessee can submit this form via the internet at the following website:

<https://oeaaa.faa.gov/oeaaa/external/portal.jsp>

(c) Disposition of new improvements. Any new building and improvements constructed by Lessee on the premises, and all alterations, changes, or improvements constructed by Lessee on the premises, and all alterations, changes, or additions made thereto shall remain the property of Lessee during the lease term subject to any financing thereon and/or relating thereto (hereinafter the "Financing"). Any liens placed on said buildings and improvements shall be subordinate to this Lease; provided, however, that Lessor will promptly execute and deliver reasonable subordination, non-disturbance and attornment instruments relating to the Financing.

(d) Construction of the improvements. Subject to any delay(s) resulting from or relating to Lessor's issuance of any requisite approvals under this Lease, construction of improvements shall commence within one hundred eighty (180) days after Lessor approves the Plans and shall be substantially completed within twenty-four (24) months after such commencement. For purposes of this provision, "commencement" shall mean the beginning of installation of the foundation for the improvement. Once commenced, Lessee shall diligently proceed with the construction of the improvements. For purposes of this provision, "completion" shall mean the earlier of (1) use and occupancy of the improvements by Lessee, or (2) issuance of a final certificate of occupancy for the improvements. Failure to commence and complete construction by the assigned dates constitutes an event of default entitling Lessor to all remedies set forth in this Lease and available at law, including termination of the Lease.

(e) Access Road. Lessee intends to and shall be permitted to construct an access road to the nearest public right of way for ingress to and egress from the improvements at a location and of a size necessary for Lessee's intended use and in compliance with all applicable laws and otherwise of a mutually agreeable nature, as reflected on the approved plans (the "Access Road"). Lessee shall be responsible for all costs to construct the Access Road. Lessee shall coordinate the design of the Access Road with Lessor in order to incorporate such Access Road within the improvements. Lessee agrees to maintain and keep in good repair the Access Road. Lessee shall erect all fencing, gates, and security equipment deemed necessary by the Lessor, the FAA and the Department of Homeland Security to secure and restrict access to Airport property through the Access Road (the "Security Improvements"). The allowance of this access shall be subject to approval by the Federal Aviation Administration, Department of Homeland Security and all other appropriate governmental authorities.

(f) Aircraft Apron. The Lessee shall construct an aircraft apron for FAA Subgroup 3B load rating. Lessor and Colleton County will work with the South Carolina Department of Commerce and other agencies to seek any available funds for these improvements, however, the Lessor shall not be obligated to expend its funds for the improvements. Both parties agree to discuss 10-year airport and Project C investment plans to seek opportunities for reduction in redundant activities/investments, efficiencies, and cost avoidance. Lessee agrees the aircraft apron shall be a permanent fixture to the real property and shall be owned at all times by the Lessor and be deemed a part of the Leased Premises.

16. REPAIRS TO OR DESTRUCTION OF IMPROVEMENTS

(a) Maintenance of improvements. Lessee shall, throughout the term of this Lease, at its own cost, and without any expense to Lessor, keep and maintain the premises, including all buildings and improvements of every kind which may be a part thereof, and all appurtenances thereto, including parking areas and sidewalks adjacent thereto, in good, sanitary, and neat order, condition and repair, and, except as specifically provided herein, restore and rehabilitate any improvements of any kind which may be destroyed or damaged by fire, casualty, or any other cause whatsoever. Lessor shall not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description, whatsoever to the leased premises or any buildings or improvement thereon. Lessee shall also comply with and abide by all federal, state, county, and other governmental statutes, ordinances, laws, and regulations affecting the leased premises, the improvements thereon, or any activity or condition on or in such premises.

(b) Damage to and destruction of improvements. The damage, destruction, or partial destruction of any building or other improvement which is a part of the premises shall not release Lessee from any obligation hereunder, except as hereinafter expressly provided, and in case of damage to or destruction of any such building or improvement, Lessee shall at its own expense promptly repair and restore the same to a condition as good or better than that which existed prior to such damage or destruction.

(c) Destruction. In the event that, at any time during the term of this Lease, the improvements shall be destroyed or damaged in whole or in part by fire or other cause within the definition of the insurance policies carried or required to be carried by Lessee in accordance with this Lease, then, Lessee, at its own cost and expense, shall cause the same to be repaired, replaced or rebuilt with a building substantially the same as the improvements prior to the damage and subject to Lessor's approval of the improvements, within a period of time which, under all prevailing circumstances, shall be reasonable; provided, however, that if the building on the leased premises shall be substantially damaged or destroyed by fire or such other cause during the last year of the Initial Term or during any Extended Term such that the building is no longer usable, Lessee shall have the right to terminate this Lease by written notice to the Lessor within ninety (90) days after such damage or destruction. Lessee shall continue to pay basic rent and all other rents and charges during any restoration and there shall be no rent abatement hereunder as a result of any fire or other casualty. If Lessee shall so terminate this Lease, Lessee shall promptly raze the building and any other portion of the improvements required by Lessor and promptly restore the leased premises to a safe, "raw" land, condition reasonably suitable for a new development utilizing the insurance proceeds therefore and to restore the leased premises to a safe condition.

17. HISTORICAL ARTIFACTS

If at any time during construction on the Property or Lessee's occupation of the Property, the Lessee finds any historical artifacts, said artifacts shall be made available to the Lessor and shall remain a possession of the Lessor.

18. SIGNS

Lessee, at its own risk and expense and in accordance with the Site Plan approved by Lessor, may erect or place in a lawful manner signs concerning its operations on the grounds of the leased premises. Lessee shall maintain such signs in a good state of repair. Lessee shall indemnify Lessor against any loss, cost, or damages resulting from the erection, maintenance, existence, or removal of such signs. At the end of the lease term or any renewal thereof, Lessee shall remove the signs at its expense.

19. UTILITIES

Lessee shall fully and promptly pay for all water, gas, heat, light, power, telephone service, and other public utilities of every kind furnished to the premises throughout the term hereof, and all other costs and expenses of every kind whatsoever of or in connection with the establishment, use, operation, and maintenance of utilities on the premises and Lessor shall have no responsibility of any kind for any payment thereof.

20. LIENS AND MORTGAGES

(a) Lessee's duty to keep premises free of liens. Lessee shall keep the premises and every part thereof and all buildings and other improvements at any time located thereon free and clear of any and all mechanics', materialmen's, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of Lessee, any alteration, improvement, or repairs or additions which Lessee may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessee on or about the premises, or any obligations of any kind incurred by Lessee, and at all times promptly and fully to pay and discharge any and all claims on which any such lien may or

could be based, and to indemnify Lessor and all of the premises and all buildings and improvements thereon against all such liens and claims of liens and suits or other proceedings pertaining thereto.

(b) Contesting liens. If Lessee desires to contest any such lien, it shall notify Lessor of its intention to do so within Thirty (30) days after the filing of such lien. In such case, and provided that Lessee shall on demand protect Lessor by a good and sufficient surety bond against any such lien and any cost, liability, or damage arising out of such contest, Lessee shall not be in default hereunder until Sixty (60) days after the final determination of the validity thereof, within which time Lessee shall satisfy and discharge such lien to the extent held valid; but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of Lessee hereunder. In the event of any such contest, Lessee shall protect and indemnify Lessor against all loss, expense, and damage resulting there from.

(c) Lessee's mortgages. Lessee may permissibly obtain Financing and provide leasehold mortgage(s)/security interest(s) relating thereto subject to the terms of this Lease.

21. INSURANCE

(a) Insurance coverage of premises. Lessee shall, at all times during the term of this Lease and at Lessee's sole expense, keep all improvements which are now or hereafter a part of or located on the premises insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such improvements, with said policy to be endorsed as follows if Lessee is able to readily obtain such endorsement:

"It is hereby agreed and understood by Company and Insured that any proceeds paid from the referenced policy for any loss or occurrence shall only be used for the repair and/or replacement of the designated hangars and other improvements."

(b) Personal injury liability insurance. Lessee shall maintain in effect throughout the term of this Lease personal injury liability insurance covering the premises and its appurtenances and the sidewalks fronting thereon in the amount of One Million Dollars (\$1,000,000.00) for injury to or death of any one person, and Three Million Dollars (\$3,000,000.00) for injury to or death of any number of persons in one occurrence, and property damage liability insurance in the amount of Three Million Dollars (3,000,000.00).

(c) Lessee's duties as to insurance. All of the policies of insurance referred to in this section shall be written in form satisfactory to Lessor and by insurance companies satisfactory to Lessor. Lessor agrees that it will not unreasonably withhold its approval as to the form or to the insurance companies selected by Lessee.

Lessee shall pay all of the premiums therefor and deliver copies of such policies, or certificates thereof, to Lessor. If obtainable by Lessee, each insurer mentioned in this section shall issue an endorsement on the policy or policies issued by it, or by independent instrument furnished by Lessor, that it will give to Lessor Thirty (30) days written notice before the policy or policies in question shall be altered or canceled. Lessor agrees that it will not unreasonably withhold its approval as to the form or to the insurance companies selected by Lessee.

(d) Cost of insurance deemed additional rental. The cost of insurance required to be carried by Lessee in this section shall be deemed to be additional rental hereunder.

(e) Other Insurance. The Lessee is required to carry builder's risk insurance for the period of construction, and the following for the term of the lease: property casualty insurance for the full replacement value, comprehensive general liability insurance, workman compensation insurance, rental insurance in an amount equal to the amount of basic for one (1) year, special extended coverage, and such other insurance as the ground Lessor reasonably requires.

(f) Conditions. All insurance coverage shall name the Lessor as an additional insured, if obtainable, and provide the Lessor with at least thirty (30) days prior written notice of cancellation, modification or amendment in coverage. The Lessor shall be provided with copies of the insurance policies together with insurance certificates to ensure that the proper coverage are maintained. The amount of deductibles shall be agreed upon by the Lessor and self-insurance is prohibited.

22. RE-DELIVERY OF PREMISES & SURRENDER OF IMPROVEMENTS

On termination of this Lease for any reason, Lessee shall immediately and quietly quit and surrender to Lessor the leased property and all improvements thereto, except that Lessee shall be entitled to remove any personal property and any of Lessee's signs, to the extent such can be removed without structural damage to the improvements. Lessee shall execute immediately upon delivery, all documents reasonably requested by the Lessor to transfer and surrender Lessee's right and title in and to the leased property and all improvements thereon including, but not limited to, a deed of conveyance and Bill of Sale/Transfer. Lessee shall promptly quit and surrender the premises and improvements, and deliver to Lessor actual possession and ownership of the premises and improvements.

Lessee shall have the right to remove from the premises and improvements all movable trade fixtures, movable equipment, aircraft and articles of personal property used or procured for use in connection with the operation of its business within ninety (90) days after the Termination date, provided that Lessee shall promptly repair, or cause to be repaired, any damage resulting to the premises or improvements by reason of this removal.

Upon expiration or the earlier termination of the Term, title to all improvements, including fixtures, shall vest in and become the property of Lessor without any additional compensation or further instrument of conveyance. Lessee shall, if so requested, deliver, at no cost or expense to Lessor, a confirmatory deed or other document requested by Lessor of the foregoing. The improvements shall be surrendered and transferred to Lessor free and clear of all liens or claims to or against them by Lessee or any third persons, and Lessee shall defend and indemnify Lessor against all liability or loss arising from such liens or claims.

The parties covenant and agree for themselves and all parties claiming under them that the improvements are real property. It is the intent of the parties that the separation of title to the improvements during the term of this lease and the leased premises is not to change the character of the improvements of the real property. It is also the intention and agreement of the parties that the ownership of Lessee's leasehold estate and all of Lessee's right, title and interest in and to the improvements shall be non-separable and that any attempt to transfer such right, title and interest in the improvements shall be void and ineffective unless accompanied by a complete transfer of Lessee's leasehold estate in accordance with the terms hereof.

23. REMEDIES CUMULATIVE

All remedies hereinbefore and hereinafter conferred on Lessor shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law.

24. NOTICE OF DEFAULT

Lessee shall not be deemed to be in default hereunder in the payment of rent or the payment of any other monies as herein required or in the furnishing of any bond or insurance policy when required herein unless Lessor shall first give to Lessee written notice of such default and Lessee fails to cure such default within thirty (30) days following receipt of such written notice.

Except as to the provisions or events referred to in the preceding sentence of this section, Lessee shall not be deemed to be in default hereunder unless Lessor shall first give to Lessee written notice of such default, and Lessee willfully fails to cure such default within sixty (60) days following receipt of such written notice or such default cannot be cured within sixty days and Lessee has begun to cure the default and is proceeding to the full curing of such default with all reasonable diligence.

25. DEFAULT

In the event of any uncured breach of this Lease by Lessee, Lessor will have all other rights or remedies available to it under applicable law.

Should Lessor elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may either terminate this Lease or it may from time to time, without terminating this Lease, re-let the leased premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such reasonable rental or discretion of Lessor may deem advisable with the right to make alterations and repairs to the leased premises. Upon Lessor's re-entry, the Lessee shall not be relieved of, and shall remain responsible for, all obligations under this lease, including but not limited to, payment of past due rent and payment of future rent due for the remainder of the contract term.

On each such re-letting, at the option of Lessor, rents received by Lessor from such re-letting shall be applied, first, to the payment of any indebtedness, other than rent due hereunder from Lessee to Lessor; second, to the payment of any reasonable expenses of such re-letting and of such reasonable alterations and repairs; third, to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder.

If Lessee has been credited with any rent to be received by such re-letting and such rent shall not be promptly paid to Lessor by the new tenant, or if such rentals received from such re-letting during any year is less than that to be paid during that year by Lessee hereunder, Lessee shall pay any such deficiency to Lessor. Such deficiency shall be calculated and paid monthly.

No such re-entry or taking possession of the leased premises by Lessor shall be construed as an election on the part of Lessor to terminate this Lease unless a written notice of such intention is given to Lessee or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Notwithstanding the foregoing, Lessee shall have the option of terminating the lease at any time after twelve months following Lessor's re-letting the leased premises.

26. LESSOR'S RIGHT TO PERFORM

In the event that Lessee by failing or neglecting to do or perform any act or thing herein provided by it to be done or performed, shall be in default hereunder and such failure shall continue for a period of sixty (60) days after written notice from Lessor specifying the nature of the act or thing to be done or performed, then Lessor may, but shall not be required to, do or perform or cause to be done or performed such act or thing (entering on the leased premises for such purposes, if Lessor shall so elect), and Lessor shall not be liable nor be held liable or in any way responsible for any loss, inconvenience, annoyance, or damage resulting to Lessee on account thereof, and Lessee shall repay to Lessor on demand the entire expense thereof, including compensation to the agents and employees of Lessor. Any act or thing done by Lessor pursuant to the provisions of this section shall not be or be construed as a waiver of any such default by Lessee, or as a waiver of any covenant, term, or condition herein contained or the performance thereof, or of any other right or remedy of Lessor, hereunder or otherwise. All amounts payable by Lessee to Lessor under any of the provisions of this Lease, if not paid when the same become due as in this Lease provided, shall bear interest from the date they become due until paid at the rate of twelve percent (12%) per annum, compounded annually.

27. BANKRUPTCY AND INSOLVENCY

(a) Prohibition and involuntary assignment. Neither this Lease nor the leasehold estate of Lessee nor any interest of Lessee hereunder in the leased premises or in the building or improvements thereon shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatsoever (except through statutory merger or consolidation, or devise, or intestate succession) and any such attempt at involuntary assignment, transfer, or sale shall be void and of no effect.

(b) Effect of bankruptcy. Without limiting the generality of the provisions of the preceding Paragraph (a) of this section, Lessee agrees that in the event any proceedings under the Bankruptcy Code or any amendment thereto be commenced by or against Lessee, and, if against Lessee, such proceedings shall not be dismissed before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan or reorganization, or in the event Lessee is adjudged insolvent or makes an assignment for the benefit of its creditors, or if a receiver is appointed in any proceeding or action to which Lessee is a party, with authority to take possession or control of the leased premises or the business conducted thereon by Lessee, and such receiver is not discharged within a period of six months after his appointment, any such event or any involuntary assignment prohibited by the provisions of the preceding Paragraph (a) of this section shall be deemed to constitute a breach of this Lease by Lessee and shall, at the election of Lessor, but not otherwise, without notice or entry or other action of Lessor terminate this Lease and also all rights of Lessee under this Lease and in and to the leased premises and also all rights of any and all persons claiming under Lessee.

28. EFFECT OF EMINENT DOMAIN

(a) Effect of total condemnation. In the event the entire leased premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and Lessee shall thereupon be released from any liability thereafter accruing hereunder.

(b) Effect of partial condemnation. In the event a portion of the leased premises shall be so appropriated or taken and the remainder of the property shall not be suitable for the use then being made of the property by Lessee, or if the remainder of the property is not one undivided parcel or property, Lessee shall have the right to terminate this Lease as of the date of such taking on giving to Lessor written notice of such termination within ninety (90) days after Lessor have notified Lessee in writing that the property has been so appropriated to taken.

(c) Condemnation award. In the event of the termination of this Lease by reason of the total or partial taking of the premises by eminent domain, then in any such condemnation proceedings Lessor and Lessee shall be free to make claim against the condemning or taking authority for the amount of any damage done to them, respectively, as a result thereof.

In the event of a partial taking of the premises and this Lease is not terminated, then Lessee shall have the right to make and to pursue any and all available claims against the condemning or taking authority .

29. SURRENDER OF LEASE

The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation shall terminate all existing subleases.

30. WAIVER

The waiver by Lessor of, or the failure of Lessor to take action with respect to any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition, or subsequent breach of the same, or any other term, covenant, or condition therein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Lease,

other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

31. EFFECT OF LESSEE'S HOLDING OVER

Any holding over after the expiration of the term of this Lease, with consent of Lessor, shall be construed to be a tenancy from year to year, at an annual rental as required to be paid by Lessee based on the annual rental rate for the period immediately prior to the expiration of the term plus an increase and adjustment based on the percentage increase in the CPI/FMV hereof, and shall otherwise be on the terms and conditions herein specified, so far as applicable.

32. PARTIES BOUND

This Lease, including all the covenants and conditions herein contained shall, subject to the provisions limiting assignment, transfer, and subletting, apply to, inure to the benefit of and bind the heirs, successors, personal representatives, executors, administrators, and assigns of all of the parties hereto.

33. TIME OF THE ESSENCE

Time is of the essence of this Lease, and of each and every covenant, term, condition, and provision hereof.

34. SECTION CAPTIONS

The Captions appearing under the section number designations of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

35. NOTICES

All notices, demands, or other writings in this Lease provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and actually delivered to the party to which it is to be given or made or sent, or deposited in the United States mail, registered or certified with return receipt requested, postage prepaid and addressed as follows:

AS TO LESSOR:

Walterboro – Colleton County Airport Commission
Attention: Airport Manager
Post Office Box 8
Walterboro, SC 29488

AS TO LESSEE:

The address to which any notice, demand or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

36. RECORDING SHORT FORM LEASE

At the option of either party hereto, a Lease in short form (Memorandum) shall be executed by all parties which contains the term of the Lease and a legal description of the leased premises, but not the amount of Lease payments to be made hereunder. Should either party hereto elect to record the Lease in short form, the cost of all documentary stamps, or conveyancing, transfer tax and recording fees shall be paid by the party requesting the Lease in short form.

Lessee, immediately after receipt of the short form Lease in proper form delivered to Lessee by Lessor, shall have same properly executed; attested and acknowledged and shall return same to Lessor. Lessor, immediately after receipt of the short form Lease in proper form delivered to Lessor by Lessee, shall have same properly executed, attested and acknowledged and shall return same to Lessee.

37. SEVERABILITY

If any term or provision of this Lease or the application hereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons whose circumstances are other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

38. GOVERNING LAW

This Lease shall be governed by and interpreted under the laws of the State of South Carolina. Notwithstanding the amount in controversy, the Court of Common Pleas for Colleton County in the State of South Carolina shall have subject matter jurisdiction over all disputes arising out of this Lease and the Court of Common Pleas for Colleton County in the State of South Carolina shall have personal jurisdiction over Lessor and Lessee as to any disputes arising out of this Lease and the parties consent to same.

39. ATTORNEY'S FEES

If any legal action or other proceeding (including, without limitation, appeals or bankruptcy proceedings) whether at law or in equity, which arises out of, concerns, or relates to this agreement, any and all transactions contemplated hereunder, the performance hereof, or the relationship created hereby; or is brought for the enforcement of this agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees, court costs and all expenses even if not taxable as court costs, incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

40. NUMBER AND GENDER

All terms and words used in this Lease, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Lease or any paragraph or clause contained herein may require, the same as if such words had been fully and properly written in the number and gender.

41. NONDISCRIMINATION

Lessee, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree:

1) That no person, on the grounds of race, color, creed, political ideas, sex, age, or physical or mental disability, shall be excluded by Lessee from participation, denied by Lessee the benefits of, or be otherwise subjected by Lessee to discrimination in the use of Airport facilities, or the exercise of its rights and privileges under this Lease.

2) That in Lessee's alteration or maintenance of any improvements on behalf of Lessee and the furnishing of services, no person shall be excluded by Lessee from participation in, denied the benefits of, or otherwise be subjected by Lessee to discrimination on the grounds of race, color, creed, political ideas, sex, age or physical or mental disability.

3) That Lessee shall use the Airport facilities in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

Lessee shall furnish its services and charge for the same on a fair, equal and nondiscriminatory basis to all users thereof, and it shall charge fair, reasonable, and nondiscriminatory prices for each unit or service. However, Lessee may be allowed to make reasonable discounts or other similar type of price reductions to purchasers on a nondiscriminatory basis.

42. COUNTERPARTS; ENTIRE AGREEMENT; MODIFICATION; ASSIGNABILITY

This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same instrument.

Neither the Lessor nor the Lessee nor any of their agents have made any statement, promises or agreements verbally or in writing in conflict with the terms of this Lease. Any and all representations by either of the parties or their agents made during negotiations prior to the execution of this Lease and which representations are not contained in the provisions hereof shall not be binding upon either of the parties hereto.

No modifications, alterations, or amendments of this Lease shall be binding or valid unless in writing and duly executed by both Lessor and Lessee.

Neither party to this Lease may assign its rights hereunder without the prior written consent of the other party (not to be unreasonably withheld or delayed). Notwithstanding the foregoing, a merger or consolidation of Lessee with or into any other corporation shall not constitute a violation of this section.

43. RESERVATIONS, RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS

The leased premises shall be let subject to the Reservations, Restrictions, Equitable Restrictions, Covenants, Conditions, Reserved Easements and Affirmative Obligations set out in Exhibit "2" hereto.

44. NO EMPLOYMENT OF UNAUTHORIZED ALIENS

The Lessee shall not knowingly employ an unauthorized alien as defined in the South Carolina Illegal Aliens and Private Employment Act, S.C. Code of Laws Section 41-8-10, et seq. as amended, and further Lessee shall comply with all the provisions set forth in the said act.

45. INDEMNIFICATION OF LESSOR

Lessor shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by Lessee, its employees, agents, or by an person whatsoever may at any time be using or occupying or visiting the leased premises or be in, on, or about the same, where such loss, injury, death, or damage is caused by or results from or arises out of any act, omission, or negligence of Lessee or of any occupant, sub Lessee, visitor, or user of any portion of the premises, or shall result from or be caused by any other matter or thing whether of the same kind as or of a different kind than the matters or things above set forth excepting for and excluding Lessor's act(s), omission(s) or negligence, ("Covered Claims"). If and to the extent that Lessee's insurance does not cover Lessor relative to any such Covered Claims, Lessee shall indemnify Lessor against all such Covered Claims. Lessee hereby waives all claims against Lessor for damages to the building and improvement that are now on or hereafter placed or built on the premises and to the property of Lessee in, on, or about the premises, and for injuries to persons or property in or about the premises, from any cause arising at any time. In any event, the foregoing three (3) sentences and the provisions thereof shall not apply to any loss, injury, death, or damage arising by reason of the act(s), omission(s), negligence or misconduct of Lessor, its agents, or employees.

46. AIRPORT FEE SCHEDULES; AIRPORT RULES AND MINIMUM STANDARDS

Lessee agrees to pay all applicable service fees, fuel charges, fuel flowage fees, ramp fees, and all other fees and surcharges set forth by the airport in its aeronautical service provider policies and standard fee schedules, as may be amended from time to time.

Lessee agrees to be bound by and comply with all rules, regulations, minimum standards, and policies of the Airport and the Walterboro-Colleton County Airport Commission in existence now as well as those adopted in the future, including, but not limited to, the "Lowcountry Regional Airport Rules and Regulations and Minimum Standards," the requirements of which are fully incorporated into this Lease by reference.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

SIGNATURE PAGES TO FOLLOW

Exhibit "1"

INSERT Survey

EXHIBIT "2"

RESERVATIONS, RESTRICTIONS, EQUITABLE RESTRICTIONS, COVENANTS, CONDITIONS,
RESERVED EASEMENTS AND AFFIRMATIVE OBLIGATIONS IMPOSED IN CONNECTION WITH THE
LEASE OF CERTAIN REAL ESTATE LOCATED AT LOWCOUNTRY REGIONAL AIRPORT BY THE
WALTERBORO – COLLETON COUNTY AIRPORT COMMISSION, COUNTY OF COLLETON, AND
CITY OF WALTERBORO TO

DATED _____.

The Lessor make the following reservations and impose the following restrictions, equitable restrictions, covenants, conditions, reserved easements, and affirmative obligations on the leased premises, and these reservations, easements, restrictions, equitable restrictions, covenants and affirmative obligations shall be enforceable by the Lessor herein for the term of the Lease.

1. Lessor reserves unto itself, its successors and assigns, for its benefit and the benefit of the public a right-of-flight for the passage of aircraft in the airspace above the surface of the real estate leased by this lease, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for the navigation of, or flight in said airspace, and further reserve use of said airspace for landing on, taking off from, and operation of the Lowcountry Regional Airport.

2. No structure or object, whether natural or manmade, may be placed upon or allowed to remain upon the leased premises of a height exceeding one hundred thirty-eight (138) feet above mean sea level (Note: Lowcountry Regional Airport is ninety-six (96) feet above mean sea level). Your buildings shall not exceed forty-two (42) feet in height above ground level.

3. All structures, objects of natural growth and other obstructions now or in the future located on the leased premises shall comply with the height restrictions in Federal Aviation Regulations, Part 77, as the same may be amended from time to time.

4. No use may be made of or permitted on the leased premises that would interfere with landing or taking off of aircraft at the Lowcountry Regional Airport, or otherwise constitute an airport hazard to aviation taking place in the airspace above the leased premises.

5. The access to or use of taxiways joining or part of the Lowcountry Regional Airport from the leased premises will be governed by the "grant of access" policy of Walterboro-Colleton County Airport Commission, dated July 2, 1981, as the same may be amended from time to time and Lessee agrees for itself and its successors and assigns to be bound by the "grant of access" policy of the Walterboro-Colleton County Airport Commission, dated July 2, 1981, as the same may be amended from time to time, which "grant of access" policy is incorporated herein by reference.

These reservations, restrictions, equitable restrictions, covenants, conditions, reserved easements and affirmative obligations shall be binding upon Lessee and Lessee's successors in interest in the leased premises. Lessee expressly agrees on behalf of Lessee and Lessee's heirs, successors and assigns to prevent any use of the leased premises that would violate or fail fully to comply with any of the uses of the restrictions, equitable restrictions, covenants, conditions, reserved easements and affirmative obligations set out herein.

LESSOR INITIALS: _____

DATE: _____

LESSEE INITIALS: _____

DATE: _____



MEMORANDUM

TO: Mayor and City Council

FROM: City Manager

DATE: June 1, 2015

SUBJECT: Economic Development Administration Grant Matching Requirements
Improvements to Wastewater Treatment Plant

The City is submitting an application to EDA for grant assistance with improvements to the Wastewater Treatment Plant. The total projected construction cost of the improvements is \$3,400,000. The City is requesting \$2,040,000 from EDA. To capitalize on Colleton County's recent designation as a Promise Zone area, the EDA grant application is due on Friday, June 12th. The Lowcountry Council of Governments is assisting the City with the application and the grant requires the applicant to match local funding in the amount of \$1,360,000. City staff will continue to explore additional grant opportunities outside of EDA to reduce the City's costs to the greatest extent possible.

City staff asks for Council's favorable consideration of committing a match in the amount of \$1,360,000. If you have any questions, comments, suggestions or concerns, please do not hesitate to come by City Hall or call me anytime.

Sincerely,

Jeffrey P. Molinari
City Manager



MEMORANDUM

TO: Mayor and City Council
FROM: City Manager
DATE: June 4, 2015
SUBJECT: Engineering Services for Improvements to Wastewater Treatment Plant

URS has provided a task order in the amount of \$332,988 to perform design and engineering services for necessary upgrades to the Wastewater Treatment Plant to include biosolids storage and improvements in dewatering sludge to include the installation of two (2) screw presses. The City has excess capacity in the Water Consumer Deposit account to fund the improvements.

City staff asks for Council's favorable consideration of URS's proposal in the amount of \$332,988. If you have any questions, comments, suggestions or concerns, please do not hesitate to come by City Hall or call me anytime.

Sincerely,

Jeffrey P. Molinari
City Manager

Attachment

EXHIBIT
to the
GENERAL AGREEMENT for PROFESSIONAL ENGINEERING SERVICES
INDIVIDUAL TASK ORDER No. 36

A. Description of Project

1. The Project consist of the following:

- Walterboro Wastewater Treatment Plant (WWTP) Biosolids Handling Upgrade as proposed in Technical Memorandum – Feasibility Study for Biosolids Handling dated May 2015:

B. Scope of Services

1. Preparation of Construction Plans and Specifications

The ENGINEER is to prepare construction plans and specifications for the items proposed for construction in Part A. The plans and specifications will describe the materials, and related items that enter into the Project. In preparing such plans and specifications, the ENGINEER shall perform professional services as hereinafter provided which are normal civil, sanitary and structural engineering services and other normal services incidental thereto. The following services shall be included in this item:

- a. The ENGINEER will review as-built drawings, maintenance records, and other available information provided by OWNER.
- b. The ENGINEER will conduct a formal review meeting with the Owner at the 60-percent and 100-percent design completion state. The Owner will be provided copies of plans and specifications for review in advance of the review meetings.
- c. The ENGINEER shall survey the on-site portion of the Project. In doing so, the ENGINEER shall endeavor to locate existing utilities, structures, etc., as may have an impact on design of the facility. The OWNER and ENGINEER acknowledge that there may be buried utilities, structures, etc. which may not be detected or whose exact depth or location cannot be determined by the ENGINEER.

- d. Based on information contained in the design documents, the ENGINEER shall submit an opinion of the probable cost for the Project including construction costs, contingencies and other related items. Since the ENGINEER has no control over the cost of labor, materials, equipment, or the Contractors methods of determining price or competitive bidding, the ENGINEER cannot and does not guarantee that proposals, bids, or the Project construction cost will not vary from the ENGINEER's opinion of the probable cost of the Project.
- e. Conduct a geotechnical investigation.

2. Bid Phase

The ENGINEER shall assist the OWNER in advertising the Project for bids, receiving bids, and preparing contracts for construction as follows:

- a. The ENGINEER shall prepare an "Advertisement for Bids" and shall have the advertisement published in area newspapers and other locations as appropriate. Costs for publishing will be paid by OWNER.
- b. During the advertisement period, the ENGINEER shall prepare and distribute copies of plans and specifications to construction contractors, subcontractors, equipment suppliers, etc. for their use in preparing bids. The contractors, subcontractors, equipment suppliers, etc. will be charged for the ENGINEER's cost of providing plans and specifications. The ENGINEER shall answer questions of contractors, subcontractors, equipment suppliers, etc. and shall issue addendums to the plans and specifications as appropriate.
- c. The ENGINEER shall attend the bid opening and assist the OWNER in opening and reading the contractors' bids.
- d. The ENGINEER shall review bids received and shall prepare a recommendation of award to the OWNER. Once the OWNER has accepted bids for the Project, the ENGINEER will prepare contract documents and coordinate the completion of these by the contractor and the OWNER.

3. Construction Phase

The ENGINEER shall assist the OWNER during the construction phase of the various Projects by providing various office management services as follows:

- a. Prior to commencement of construction of the Project, the ENGINEER shall schedule and conduct a preconstruction conference to review Project schedules, requirements, conditions, etc.
- b. The ENGINEER will provide the following construction administration services as follows:
 - 1) Prepare a "Notice to Proceed" to be sent to the contractor.
 - 2) Submit progress reports as required by the OWNER or other responsible agency.
 - 3) Review shop drawings, material and equipment submittals provided by the contractor for the Project.
 - 4) If a construction change order is required, prepare, approve and submit proposed change order request to the Owner for approval.
 - 5) Review the contractor's periodic requests for payment and make recommendations to the OWNER concerning payments to the contractor.
 - 6) Conduct "special inspections" per latest International Building Code requirements.
 - 7) Review contractor questions and request for information (RFI's) and provide recommendations to the OWNER and contractor.
 - 8) Prepare and furnish to the OWNER one complete set of plans, drawings and/or maps showing the Project as constructed. These plans, drawings and/or maps shall be marked "Record Drawings".

4. Permitting

The ENGINEER shall provide the OWNER copies of plans and specifications for the Project for review and approval. Upon approval by the OWNER, the ENGINEER shall submit copies of the Project plans and specifications for review

and approval by federal and state agencies listed below. The ENGINEER shall work with these agencies and assist the OWNER in efforts to obtain the necessary permits and/or approvals from these agencies. The ENGINEER is to furnish such agencies with the required number of copies of plans and specifications as follows:

- a. South Carolina Department of Health and Environmental Control – Land Disturbance Permit or Waiver.
- b. South Carolina Department of Health and Environmental Control – Construction Permit.
- e. All permit fees shall be paid by the OWNER.

5. Special Services

In addition to the foregoing services, the following special services may be required and must be authorized in advance in writing by the Owner after the total cost of such services has been agreed to by both parties:

- a. Laboratory tests, well tests, specialized geological, hydraulic or other studies may be recommended by the ENGINEER. The cost of such tests and/or studies shall be borne by the OWNER; provided, however, that the OWNER shall be advised of and give consent to such tests and/or studies prior to their being made.
- b. Necessary preparation of sketches, maps, plats, etc., for easements, litigation, shall be provided by the ENGINEER, if requested by the OWNER.
- c. Redesign done by the ENGINEER at the request of the OWNER
- d. Services during re-advertisement for bids for construction
- e. Assistance in obtaining and administering funding for the Project
- f. Collect and submit copies of weekly payrolls from contractors and subcontractors, if required.
- g. City and/or County Planning Commission or other planning authority approvals
- h. Preparation of plans and specifications for “Alternate” bid items

- i. Assistance with administering "Liquidated Damages" or other construction penalties
- j. Construction contract negotiations after bids are received
- k. Easement plats to cross private property.
- l. Other assistance or services as requested by the OWNER and not specifically provided for herein.

C. Compensation

Based on the percentage of completion of each item and as services are rendered compensation to the ENGINEER for the services outlined above shall be in accordance with the following:

- 1. For services rendered under Item B.1 through B.4 – Preparation of Construction Plans and Specifications, Bid Phase, Construction Phase and Permitting, compensation to the ENGINEER shall be a Lump Sum cost of \$332,988.
- 2. For services rendered under Item B.5 – Special Services, compensation to the ENGINEER shall be on an hourly basis in accordance with the Hourly Rate Schedule of Attachment "A" of the *General Agreement for Professional Engineering Services* of which this Exhibit is a part.

D. Schedule

Submit Construction Permit Application Package to SCDHEC	September 1, 2015
Award Construction Contract	December 1, 2015
Submit Progress Report to SCDHEC	June 1, 2016
Complete Construction	September 1, 2016

This Agreement formally entered into and agreed upon this ____ day of _____,
20 __.

URS

Michael Beckman

Michael A. Beckman, P.E.

Vice President

ATTEST:

Michelle Rucibony

City of Walterboro

Jeffrey P. Molinari

City Manager

ATTEST:

City of Waterboro Biosolids Storage and Dewatering Upgrade

Item #	Label & Task	Rate/Hour	Dept. Head	Project Manager (MSE)	Project Manager (MSE)	Project Manager (MSE)	Senior Design Technician	Engineering Associate	Admin. Services	Electrical Eng. Assoc.	Electrical Project Manager	Project Insp.	Survey Crew	Survey Mgr/Supv.	Individual Task Totals	Hours @ 4.25/hr	Subcontract	Material/Supply	Total Cost
Professional Services																			
1	Interval Kickoff Meeting, Project Setup		2	2	2	2		5	4						17	\$ 1,360	\$ -	\$ -	\$ 1,360
2	Develop Project Schedule		4	4	4	4		2							2	\$ 140	\$ -	\$ -	\$ 140
3	Project Management		6	6	6	6		7	4	0	0	0	0	0	19	\$ 1,600	\$ -	\$ -	\$ 1,600
Design																			
1	Site Visit/Survey		9							9					9	\$ 720	\$ -	\$ -	\$ 720
2	Geotechnical		60	10	40	100	310	60							190	\$ 1,560	\$ -	\$ -	\$ 1,560
3	Plans		30		60	24		40		24					148	\$ 1,224	\$ -	\$ -	\$ 1,224
4	Specs		6												6	\$ 480	\$ -	\$ -	\$ 480
5	Equipment Selection		4							40	80				124	\$ 1,032	\$ -	\$ -	\$ 1,032
6	Electrical		4												4	\$ 320	\$ -	\$ -	\$ 320
7	HVAC		4												4	\$ 320	\$ -	\$ -	\$ 320
8	Structural		16												16	\$ 1,280	\$ -	\$ -	\$ 1,280
9	QA/QC		16												16	\$ 1,280	\$ -	\$ -	\$ 1,280
10	100% and 100% Review Meeting/Minutes		2												2	\$ 160	\$ -	\$ -	\$ 160
11	Cost Estimate		2												2	\$ 160	\$ -	\$ -	\$ 160
12	Project Management		40	20	4	40		4							108	\$ 864	\$ -	\$ -	\$ 864
Permitting																			
1	Stormwater		18					18							18	\$ 1,440	\$ -	\$ -	\$ 1,440
2	Construction Permit		0	0	0	0	0	12	0	0	0	0	0	0	12	\$ 960	\$ -	\$ -	\$ 960
Modeling																			
1	Prepare Advertisement		8					1							8	\$ 640	\$ -	\$ -	\$ 640
2	Bidder's Questions		8												8	\$ 640	\$ -	\$ -	\$ 640
3	Address		12												12	\$ 960	\$ -	\$ -	\$ 960
4	Attend Bid Opening		6												6	\$ 480	\$ -	\$ -	\$ 480
5	Evaluate Bids		1												1	\$ 80	\$ -	\$ -	\$ 80
6	Prepare Recommendations, contract docs, etc.		1												1	\$ 80	\$ -	\$ -	\$ 80
7	Confirming Documents		4												4	\$ 320	\$ -	\$ -	\$ 320
8	Project Management		4	2	2										12	\$ 960	\$ -	\$ -	\$ 960
Construction Administration (8 Months)																			
1	Pre-Construction Agenda/Meeting/Minutes		6												6	\$ 480	\$ -	\$ -	\$ 480
2	Shop Drawing Review		40					40							40	\$ 3,200	\$ -	\$ -	\$ 3,200
3	Progress Meeting Agenda/Meeting/Minutes (9-4)		20	10	20	120		60							110	\$ 880	\$ -	\$ -	\$ 880
4	Misc. Construction Admin		18												18	\$ 1,440	\$ -	\$ -	\$ 1,440
5	Contractor Pay Request		24												24	\$ 1,920	\$ -	\$ -	\$ 1,920
6	Start Up		4												4	\$ 320	\$ -	\$ -	\$ 320
7	Permit to Operate		20												20	\$ 1,600	\$ -	\$ -	\$ 1,600
8	As-built		20												20	\$ 1,600	\$ -	\$ -	\$ 1,600
9	Special Inspections		40	8	10	8			20						88	\$ 7,040	\$ -	\$ -	\$ 7,040
10	Project Management		66	18	98	513	66	60	20	48	0	0	0	0	678	\$ 5,616	\$ -	\$ -	\$ 5,616
Totals																			
Total Planned Engineering Hours			211	62	216	633	380	196	94	128	96	0	0	0	2118	\$ 17,272	\$ -	\$ -	\$ 17,272
Total Planned Engineering Cost			\$ 151,963	\$ 3,990	\$ 11,320	\$ 84,890	\$ 36,840	\$ 17,644	\$ 5,068	\$ 12,510	\$ 13,000	\$ 680	\$ 3,790	\$ 440	\$ 1,713	\$ 141,000	\$ -	\$ -	\$ 141,000



MEMORANDUM

TO: Mayor and City Council
FROM: City Manager
DATE: June 4, 2015
SUBJECT: North Lemacks Street Revitalization Project Phase III – Engineering Services

The City requested proposals for engineering services for Phase III of the North Lemacks Street Revitalization CDBG project to include:

- Pedestrian trails
- Removal of asphalt aprons
- Gateway feature
- Community garden

The City received proposals from three (3) engineering firms. Pursuant to the requirements of the CDBG grant, the proposals were evaluated and individually scored by a committee comprised of the Public Works Director, Utilities Director and City Manager. The evaluation consisted of six (6) criteria: overall experience of the firm, project team, familiarity with the City of Walterboro, project approach and schedule, qualifications and cost. Wood + Partners scored the highest on the evaluation.

Johnson, Mirmiran & Thompson (Charleston, SC)	\$49,000
Wood + Partners (Hilton Head Island, SC)	\$32,000
Johnson, Laschober & Associates (Mt. Pleasant, SC)	\$15,000

City staff respectfully requests City Council's favorable consideration of Wood + Partners to perform the engineering services for Phase III of the North Lemacks Street project in the amount of \$32,000. There is a total of \$43,694 in the project budget for engineering services. CDBG will be providing \$11,582 and the City's match will be \$20,418. Pursuant to CDBG requirements, formal approval of execution of a contract with Wood + Partners is contingent upon approval by the South Carolina Department of Commerce. If you have any questions, comments or concerns, please do not hesitate to contact me or come by City Hall at your convenience.

Sincerely,

Jeffrey P. Molinari
City Manager

Attachments

Project Schedule

The following project schedule assumes notice to proceed with design and engineering services on or around June 1, 2015. A realistic six-month plan development process has been provided to meet the requirements of the RFP.

June 2015	Receive Notice to Proceed Project Kick-off Meeting Survey and Base Mapping
June to July	Coordination meetings with SCDOT and City of Walterboro Preliminary Design Agency reviews and Comments
August	Prepare and Submit SCDOT Encroachment Permit Prepare and submit for SCDHEC CZC
August to September	Final Design Advertisement and Bidding
October to November	Construction Substantial Completion
December	Project Closeout

Cost Proposal

The fees to provide the basic services outline in this proposal are to be considered lump sum. The estimated breakdown for each work phase as well as a list of hourly rate for all assigned personnel *is set forth below*. The cost of particular phases of work may exceed the estimate below, but the total for items with the total fee will not be exceeded without approval and authorization by the City of Walterboro.


Project Preparation:	\$41,000
Bid Phase:	\$3,000
Permitting:	\$2,400
Construction Phase:	\$2,600

The maximum costs for the Design Services is: **\$49,000**
 Construction Observation (2 months, 20 hrs/week average): \$14,400
 The maximum cost for the Construction Administration Services is: **\$14,400**

Rate Schedule

Project Manager	\$94.00
Civil Engineer	\$86.00
Landscape Architect	\$86.00
Electrical Engineer	\$92.00
Professional Surveyor	\$110.00
Survey Crew	\$81.00

We appreciate your consideration of the JMT Team to provide Civil Engineering and Landscape Architectural Services. We offer an experienced team with the commitment, knowledge, and resources to complete this project on time and on budget. We are excited at the prospect of providing these services to the City and are available to meet with the committee to further discuss our capabilities, approach and experience. Please contact me at 843-556-2624 or joconnor@jmt.com should you have any questions about our submission. We ask for your strong consideration to utilize the talents of the Johnson, Mirmiran & Thompson (JMT) Team.

Very truly yours,
 Johnson, Mirmiran & Thompson

 James K. O'Connor, PE, Vice President





**Cost of Services,
Hourly Rates &
Project Schedule**

Cost of Services & Hourly Rates:

Our team will the services outlined in our approach to the project for the following fees, plus reimbursable expenses:

- 1. Land Surveying Services\$2,500.00

- 2. Design, Bidding and Construction Phase Services:
 - Design Development & Construction Document Services\$16,000.00
 - Bidding & Negotiation Services..... \$3,500.00
 - Construction Phase Services..... \$7,000.00
 - Total Design, Bidding & Construction Phase Services \$26,500.00**

- 3. DOT Permitting Services\$3,500.00

For WPI's services provided on a time and material / hourly basis, compensation shall be at the following hourly rates (effective January 1, 2014):

Partner/President	\$190.00
Sr. Principal.....	\$150.00
Principal	\$135.00
Senior Project Manager	\$125.00
Project Manager.....	\$110.00
Landscape Architect/Sr. Planner	\$100.00
Landscape Architect/Planner	\$ 90.00
Project Planner	\$ 80.00
Administrative/Clerical.....	\$ 55.00

Project Schedule:

We will work with the City of Walterboro and the Lowcountry Council of Governments to complete the project in a timely manner.

The surveying and construction document phase may be completed in a 3 to 4 month period.

Permitting and submittal services may be completed in a 2 to 4 month period and could run concurrent with some aspects of the detailed design phase, depending on scope of work and items to be permitted.

Bidding and negotiations phase and award of the contract may be completed in a 2 to 3 month period.

The construction phase may be completed in a 2 month period.

Our firm stands ready to begin work immediately and has the capacity and resources to complete this project in the timely manner.

Our team welcomes the opportunity to meet with you and discuss our planning process and associated fees with your selection committee in more detail.



COST OF SERVICES

Design Development and upfront coordination (Items 1-3)	\$ 3,500
Plans/Specification/Permitting (Items 4-6)	\$ 4,000
Bidding Services (Item 7-8)	\$ 1,500
Services During Construction (Item 9)	\$ 4,000
	<hr/>
	\$ 13,000
Estimated Expenses	\$2,000
Total	\$15,000