

MINUTES

A Public Hearing and Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, June 14, 2011 at 6:15 P.M., with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Dwayne Buckner, Randy Peters, Charles Lucas, Ted Parker, Franklin Smalls and Tom Lohr. City Manager Jeff Lord, City Clerk Betty Hudson and City Attorney George Cone were also present. There were approximately 17 persons present in the audience.

There being a quorum present, Mayor Young called the meeting to order and called on Council Member Smalls for the invocation, and Council Member Parker to lead the pledge of allegiance to our flag.

The Mayor announced that a flower arrangement had been brought in the room and placed by Ms. Carol Hinson of the Mayfield Garden Club. The Garden Club placed plants around town in honor of National Garden Week which was last week. He then thanked the Garden Club for bringing in this plant for us to enjoy.

PUBLIC INPUT ON AGENDA ITEMS:

There were no public comments received on the agenda items.

PUBLIC HEARING:

The Mayor opened a public hearing, duly advertised, to receive public comments on:

1. An Application for USDA Rural Development Community Facilities Grant for Replacing Obsolete City Vehicles, Dennis Averkin, Finance Director.

Mr. Dennis Averkin, Finance Director, was present to conduct this hearing.

In opening the hearing, Mr. Averkin announced that the City is planning to apply for a Rural Development Community Facilities Grant. This grant allows the city to receive a 15% match for vehicles that we have budgeted for the coming year. There are no fees and no constraints. It is a pure 15% match. Mr. Averkin further stated that the City would be purchasing those vehicles at the state contract price. Mr. Averkin then opened the hearing to receive any questions or comments.

Ms. Marsha Johnson asked how much is the total grant. Mr. Averkin responded that this would be based upon state contract prices for certain vehicles. Given the vehicles that we have budgeted for the coming year, this would be approximately \$75,740 in grant funds that the city could potentially receive. These grant funds are disbursed after the vehicles are purchased.

Ms. Johnson then asked what was the total amount of purchases to be made. Mr. Averkin responded that the total amount of purchases that we have budgeted is \$504,943. So, take 15% of that and you would get \$75,740.

Councilman Buckner then asked Mr. Averkin to explain why the grant is called a Rural Development Community Facilities Grant. Mr. Averkin explained that this is more of an equipment grant. The need that USDA guidelines fit into is the rural category which is based on the population of a city. If they can call it an LMI (lower to moderate income) community, then you would qualify for this program.

The public hearing was closed and the regular meeting began.

REQUEST FOR APPEARANCE:

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1. Mr. Carl K. Coffin, Library Director, appeared before Council to give a report on the summer activities to be held at the local Colleton County Memorial Library. He told Council there are many activities being offered by the library for adults and children to enjoy. These activities include the summer reading program which includes a new adult summer reading program, and a children's program that go from infancy through the 6th grade. There is a teen program for children from the 6th grade through high school. Last year the library serviced a number of children, quite a few thousand through the library. There is the bookmobile library, which goes out in the community. The bookmobile staff has already signed up 222 children for the program. They are serving 6 daycares and 7 summer feeding sites. At the first teen event that we had last weekend, there were 35 teens in attendance.

The program that we are doing is trying to instill in young people that there is a world of stories out there. We want people to be introduced to other cultures, and to have fun at the library. All these things are free to the community. For the teens, we have a great line up from self defense workshops, chess and game tournaments, graphic novel and all kinds of things. Many people in the community feel there is not much here for the youth to do, but there really is at the library.

Mr. Coffin then passed out flyers on the children's and teens' programs for anyone interested in a schedule of events. He announced that the children's programs are generally held on Tuesday, Wednesday and Thursday mornings from 10 A.M. to 11 or 12 Noon. There is one program on Thursday night from 6-8 PM, which is a family event. As far as the teens, their programs are generally held on Tuesday nights from 4-8 P.M.

APPROVAL OF THE MINUTES:

The Minutes of the May 10, 2011 Regular Meeting were approved as submitted on the motion of Council Member Lucas, seconded by Council Member Buckner and passed with all members voting in favor.

OLD BUSINESS:

There was no Old Business before Council.

NEW BUSINESS:

1. Ordinance # 2011-06 (First Reading)

Council Member Lucas, Chairman of the Budget Committee, reported that the two budgets combined for the 2011-2012 fiscal year for the city, came to \$9,386,332, of which the General Budget was \$7,387,710 and the Enterprise Budget was \$3,347,138.

He reported that the budget includes a transfer of \$1,348,516 from the Utility Fund to the General Fund. This year, we have no tax increases. The budget has a 5% water and sewer increase, which was part of a 5-year plan initiated 4 years ago. So, this would be the last increase of that set. Walterboro is still in the lower 25% cost of water and sewer in the state. We have a \$1 a month fee for a recycling program which will be initiated in this budget year. The budget includes a \$2,000,000 general obligation bond, which is for the parks rehabilitation. What we will end up doing is paying off some of the more expensive bonds we already have and then using the balance to redo the parks. The budget also contains ongoing capital equipment replacements, the "Keep the Bucks in the Boro Campaign," a 2% cost of living increase for the employees, and an additional 2 employees to be hired in the Parks Department. Compared to last year's budget, we are \$57,726 lower. We were able to retain \$34,062 back into the Utility Fund. Mr. Lucas stated that this represents a very lean

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budget. He then thanked City Manager Lord, Finance Director Averkin, department heads and the Budget Committee (Bill Young, Randy Peters) for their hard work on the budget.

A motion was made by Council Member Lucas, seconded by Council Member Lohr, giving First Reading Approval to Ordinance # 2011-06, being:

An Ordinance Adopting the City Enterprise Budget for Fiscal Year 2011-2012 and Matters Relating Thereto.

In discussing the motion, Council Member Buckner asked a question about the GASB 45 Retirement Account. City Manager Lord responded that those monies are allocated in the budget. The city had an actuarial evaluation for that last year. That evaluation holds for two years, so it is the same value as it was last year. Next year, we will get re-evaluated. He affirmed that the city is on target with this money.

Council Member Buckner expressed concern that no monies were set aside for a Municipal Public Defender. He said, I have some concerns about that. Hopefully, at our next meeting, if possible, the City Attorney could render an opinion on whether or not we are required to have a budget for a Public Defender. I know we have budgeted for a City Prosecutor, but we have no budget for a Public Defender. I think that citizens who are indigent should have representation, if there is a possibility of jail time from prosecution. With the Bucks in the Boro campaign, I think we budgeted \$20,000 for that effort. I think we need to look at that amount and maybe scale it back some. In terms of that program verses making sure that indigent people have representation, I'd rather make sure that the indigent people have representation than to spend additional monies on an advertising campaign.

Mayor Young then spoke on the concern raised by Councilman Buckner on the Public Defender position. He said, in checking with the Municipal Association, they were not aware of any municipalities that provided a public defender. They were also of the opinion that this is a county function. I understand that you disagree with that, but we can certainly get Attorney Cone's opinion on this. If we are negligent on that, then everybody in the state is also negligent. So, I think it is a county function and we are doing what the other municipalities in the state are doing, but we can certainly look into this.

The motion then passed with all members voting in favor.

2. Ordinance # 2011-07 (First Reading)

A motion was made by Council Member Lucas, seconded by Council Member Parker giving First Reading Approval to Ordinance # 2011-07, being:

An Ordinance Adopting the City Budget for Fiscal Year 2011-2012 and Matters Relating Thereto.

The motion passed with all members voting in favor.

3. Ordinance # 2011-08 (First Reading)

City Manager Lord explained that this ordinance is just to confirm all the fees that were already in place as we do each year. The only changes in fees are the 5% increase for water and sewer, and the tap fees and the recycling fee. All other fees are the same.

A motion was made by Council Member Peters, seconded by Council Member Smalls giving First Reading Approval to Ordinance # 2011-08, being:

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An Ordinance of the City of Walterboro, South Carolina, Adopting a Comprehensive Fee Schedule for Administration, Building and Codes Department; Finance Department; Public Safety Department; Sanitation Department and Utility Support Department.

In discussing the motion, Council Member Buckner asked Mr. Lord about the increase for the recycling program. He asked if this included the green trash cans. Mr. Lord responded, yes, it is a curbside recycling program. Council Member Smalls asked when would this program be implemented. Mr. Lord responded that when the budget has had passed second reading, we can order the cans. I would think that we can place it in the bills going out on July 1, so I would think September would be the date. Council Member Lucas asked if this program was still voluntary. People will have to want to participate, he stated. City Manager Lord responded in the affirmative.

The motion then passed with all members voting in favor.

4. Ordinance # 2011-09 (First Reading)

The Mayor then introduced Margaret McGee from our bond attorney's office, Pope Ziegler of Columbia, SC.

Ms. McGee stated that this bond will refund the city's 2003 bond issue, which currently has an interest rate of 4.03%. Based on the market, we can do a little better than that on interest rate and save some monies on interest. Any monies remaining after payment of the 2003 bond, will go to pay for a new ladder fire truck and related equipment and improvements for the parks.

The bond ordinance states that the terms of payment and interest rate are subject to negotiation with the banks. We'll ask all the banks for a quote on the interest rate and then the Mayor will decide on the interest rate and the length of the bond, but the bond will not exceed 15 years. So, this is a general obligation bond.

A motion was then made by Council Member Lucas, seconded by Council Member Lohr, giving First Reading Approval to Ordinance # 2011-09, being:

An Ordinance to Provide for the Issuance and Sale of a Not Exceeding Two Million Dollar (\$2,000,000) General Obligation Bond, Series 2011, of the City of Walterboro, South Carolina, to Prescribe the Purposes for Which the Proceeds Shall Be Expended, to Provide for the Payment Thereof, and Other Matters Relating Thereto.

In discussing the motion, Council Member Buckner asked Ms. McGee to explain to the citizens in plain language what we are looking to do, and how we are going to accomplish it, by using the bond as a way of getting this accomplished.

Ms. McGee stated that the plan for parks improvements has been around for a while. There is also a need for a ladder truck for the Public Safety Department, and currently you have outstanding a bond that was issued in 2003 for an original principal amount of \$1,000,000. The City has been paying down on that, and at the end of the last fiscal year, the balance was around \$669,000. So, it will be right under \$600,000 when we pay it off. Of the \$2,000,000 that we borrow, around \$600,000 of that will pay off the 2003 bond, which has a 4.03% interest rate. The money we borrow now will be at a lower rate, so that results in interest savings for the City. Anything beyond what we need to pay off that 2003 bond, will be used to pay for the parks' improvements and the fire truck. Your tax rates won't go up, but this bond is a general obligation bond and it is secured by the taxing power of the city. While you currently won't have to raise taxes, if it ever happened that there was not enough cash

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to pay it off, you'd have to add some millage to pay this off. Your debt ceiling for general obligation debt is 8% of the assessed value of all the properties within the city. Due to some family illness of the auditor, we don't have a definite assessed value for the City of Walterboro currently. However, based on last year's and his projections, we believe it is going to be in excess of \$25,000,000, and 8% of \$25,000,000 is \$2,000,000. So, this will go right up to your debit limit, and you will not be able to issue any more general obligation debt after this until you pay this off. This does not affect your revenue debt or lease purchases or anything like that.

Council Member Peters asked about the time limit on the 2003 bond. Ms. McGee stated that the 2003 bond was for 15 years with an annual payment of \$90,130.

Council Member Parker asked Ms. McGee what rate did she expect the interest rate to come down to. She stated that the market is changing all the time, but we have seen, depending on the length of time, the interest rate come down to under 3%. That's just a ballpark figure.

Mayor Young stated how the money is used is going to depend on the bids for the park improvements and the prices for the fire truck. City Manager Lord pointed out that the balance monies will primarily be spent on the park improvements and if we get really good prices on the park improvements, then we can use the excess monies for the fire truck.

The discussion concluded, and the motion for First Reading Approval of Ordinance # 2011-09 passed with all members voting in favor.

5. Consideration of Bids Received for Water Systems Improvements for Ladson Street Water Line Extension

City Manager Lord reported that the City received bids for the Ladson Street Water (ISO Site # 8) System Improvements on May 26. This is on Exit 53, and is similar to the 12-inch line we put there. This is an additional loop in there to help with our ISO coverage. Seven bids were received as follows:

1.	J. Baucom Construction	\$82,751.75
2.	J. H. Hiers Construction	\$83,569.75
3.	Tri-County Utilities	\$94,140.00
4.	Malphrus Utilities	\$104,798.00
5.	James F. Pederson Co.	\$116,702.50
6.	Anson Construction	\$116,842.00
7.	Green Construction	\$153,955.00

Utilities Director Wayne Crosby reported that the city received a grant of \$113,428.57 for this project. Engineering services for easements and construction will be paid from this grant, so we have approximately \$103,000 to go toward construction.

Mr. Crosby stated that two of the bids received would qualify in the range of available funds. They are: J. Baucom Construction \$82,751.75 and J. H. Hiers Construction \$83,569.75. J. H. Hiers Construction is a local contractor and there is a difference of \$900 with the low bid of \$82,751.75 from J. Baucom Construction. Mr. Crosby also reported to Council that each of the contractors submitting bids has the experience and resources to complete the project.

A motion was made by Council Member Peters to award the bid to J. H. Hiers Construction in the amount of \$83,569.75 (a local contractor). Council Member Lucas seconded the motion. Council Member Buckner expressed a concern that some of the work that the City has done with the water lines has left black splotches on the

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pavement, after the road had already been newly paved. Mr. Crosby answered that this particular project will be constructed on private easements and no work will be done in the roadway.

The motion then passed unanimously.

6. Consideration of Bids Received for Water Systems Improvements for Lemacks St., Valley St., and Springwood Dr. Water Line Extension

Utilities Director Wayne Crosby reported that this project will be constructed in a residential area. The project will be constructed with CDBG grant funds. There were 7 bids accepted on this project as follows:

C & W Construction	\$198,515.00
J. H. Hiers Construction	\$215,226.95
BES	\$285,834.65
James F. Pederson	\$290,025.25
L-J Inc.	\$290,318.00
Green Construction	\$358,226.40
Anson Construction	\$394,890.00

Mr. Crosby reported that the low bid was submitted by C & W Construction. He said, we have worked with this contractor in the past and feel they have the capability and resources to complete this project. Mr. Crosby also pointed out that the low bid is approximately \$23,000 over the available grant funding and budgeted funds for this project. He recommended that the city move forward with the project and use program income funds monies to pay the balance.

A motion was then made by Council Member Parker to accept the low bid from C & W Construction in the amount of \$198,515 for the Lemacks, Valley and Springwood Drive Water System Improvement Project. Council Member Smalls seconded the motion. In discussing the motion, Council Member Buckner asked if any of the bidders were minority owned contractors? Mr. Crosby responded he was not sure, however, C & W is not a minority-owned contractor. Mr. Lord also responded that he had no knowledge whether any of the bidders were minority owned contractors. Mr. Crosby then told Mr. Buckner that this is a state grant, so that's not a qualification or consideration that they will allow in order to get the grant monies. Mr. Buckner repeated his concern with potential damage to the pavement during the project construction. Mr. Crosby stated that there is a lot of asphalt work in this project. We have tried to minimize the asphalt work. We actually took a \$27,000 deduction in order to directional drill under the pavement. The reason for that is in a residential neighborhood, you have a lot of phone lines, gas lines, etc. We did some directional drilling that added additional cost and that is why we came up over budget. Mr. Crosby also reported that Springwood Drive is on DOT's list to be resurfaced next year.

The motion then passed with all members voting in favor of awarding the construction contract for the Lemacks St., Valley St., and Springwood Drive Water Line Extension Project to C & W Construction for \$198,515.00.

7. Consideration of Amendment to the City Manager's Employment Contract

The Mayor explained that this adds one month of severance pay to Mr. Lord's employment contract. This matter was discussed at the retreat and everyone supported adding a month to his severance package.

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A motion was made by Council Member Parker, seconded by Council Member Smalls, to adopt the amendment to add an additional month to the City Manager's severance package. In discussing the motion, Mr. Buckner asked Mr. Lord, why are we bringing this up now to increase the severance pay from four months to five months at this time? Mr. Lord responded, this is what I was asked to put on the agenda, and secondly, I don't think it is appropriate for me to discuss contractual negotiations. Councilman Buckner stated he felt this item should be discussed in Executive Session. Mayor Young stated that he asked that this item be placed on the agenda. It needs to be done in conjunction with the budget year. It is also what we discussed at the retreat. We could have done this in an executive session as a personnel matter, but in the interest of being transparent, we put it in the public part of the meeting.

The motion passed with a vote of 6/1 with Mayor Young and Council Members Peters, Lucas, Parker, Smalls and Lohr voting in favor and Council Member Buckner voting against the motion for adoption.

8. Certification of the May 24, 2011 Municipal Election Results (Resolution # 2011-R-08)

A motion was made by Council Member Buckner, seconded by Council Member Lohr to adopt Resolution # 2011-R-08 as submitted, certifying the May 24, 2011 Municipal Election Results. The motion passed unanimously. A copy of said resolution is attached as part of these minutes.

9. Request to Use the City Parking Lot for the International Food and Arts Festival, August 27, 2011

A motion was made by Council Member Peters, seconded by Council Member Smalls granting the use of the City Parking Lot for the International Food and Arts Festival on August 27, 2011. Council Member Buckner recused himself from voting on this agenda item since he is a member of the International Food and Arts Board. The motion then passed with a vote of 6/0 with Mayor Young, Council Members Peters, Lucas, Parker, Smalls and Lohr voting in favor. Council Member Buckner did not vote due to a potential conflict of interest.

COMMITTEE REPORTS:

Council Member Tom Lohr gave a brief status report on the Youth Advisory Commission. The highlights of his report were as follows:

- 1) A handout was provided to all Council Members.
- 2) Arts Council - Out of the programs of the Arts Council, 47 percent of the programs are used for minority scholarship for kids to participate in arts programs in the summer. So not everything is charged to the children. So, I publically thank the Arts Council for their efforts. I am sure with the upcoming \$5,000, they will do as well as they can.
- 3) There are groups that receive scholarships for intercity youth and disadvantaged minorities.
- 4) Mr. Lohr recognized the efforts of Wayne Bennett for his youth employment program. He also recognized the efforts of the people who helped to get this program in Walterboro; namely, City Manager Jeff Lord, Chief of Police Otis Rhodes, and Mayor Bill Young. This program will start the 3rd week in June. The students will start July 2 at Clemson Extension. This is to teach life skills to help them with part-time employment. Afterwards, these children will more likely be gainfully employed and will pursue their education. Mr. Lohr also thanked the Mr. Reggie Lord,

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- retiring SLED representative, and Governor Sanford. They were responsible for getting the youth program here.
- 5) There is a USTA, United States Tennis Association Program that was spearheaded by Mr. William Stead, former President of the Walterboro Tennis Association. This is a youth tennis program and the program is free. A USTA grant was received, and the group will be providing nets on the back tennis court. They will also provide smaller rackets and smaller balls.
 - 6) Mr. Lohr said the Rec. Commission had 100 more participants last fall than previously in the fall sports, mainly in football. The Rec. is also expanding fields and attracting tournaments in, which will bring in outside people to stay at motels and eat at restaurants.
 - 7) The Walterboro Soccer Club is an open organization. They have a tremendous field out toward the Recreation Center. They are also continuing to add membership. They have been scheduling tournaments that will also bring in people from out of town.

Mayor Young expressed his thanks to Mr. Lohr for his continued good work with the Youth Commission.

The Mayor also thanked Council Member Charles Lucas for his work as chairman of the Budget Committee.

There being no further business to consider, a motion to adjourn the meeting was made by Council Member Parker, seconded by Council Member Lucas and passed unanimously. The Mayor adjourned the meeting at 7:10 P.M. Notice of this meeting was distributed to all local media and posted on the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

APPROVED August 9, 2011