

Walterboro City Council
Public Hearing and Regular Meeting
August 9, 2011

MINUTES

A Public Hearing and Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, August 9, 2011 at 6:15 P.M., with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Paul Siegel, Dwayne Buckner, Charles Lucas, Randy Peters, Tom Lohr and Bobby Bonds. City Manager Jeff Lord, City Clerk Betty Hudson and City Attorney George Cone were also present. There were approximately 13 persons present in the audience.

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

Council Member Buckner then personally thanked everyone for their kind words and condolences during the death of his father, Mr. Floyd Buckner.

Taking a moment of privilege as Mayor of Walterboro, Mayor Young delivered a brief address reassuring the public of the City's commitment to a safer community and its focus on fighting crime. He stated, "I'd like to take a moment of privilege as Mayor to reassure everyone that public safety remains the number one priority of City Council. We deal with this every day as we look for innovative ways to deal with the criminal element in our community. We continue to impress on our City Manager the urgency of our responsibility to keep our citizens and their property safe, and he has, in turn, passed this on to Chief Otis Rhodes and our public safety department. We will not surrender to gangs, or to drug violence, or those who would have us live in fear."

During his speech, the Mayor also identified several areas of initiatives that the City has taken to combat crime including its 10-point plan, community safety initiative, neighborhood revitalization, education, training and technical assistance.

He noted that "neighborhood revitalization will improve the appearance of neighborhoods through demolition of vacant and dilapidated buildings, clearance, renovation, security street lighting, sidewalks for pedestrian safety, painting and minor repairs to building exteriors." Training and technical assistance will be provided by local and state law enforcement agencies. He also stated that the Department of Juvenile Justice is working with at-risk youth by offering academic assistance through mentor programs and job skills training. They are also offering work experience through community improvement activities and internships with local businesses and organizations.

Mayor Young also said, "I am also looking at supporting legislation, and I hope that Council will join me when they have a chance to look at it, which will give the solicitor's office additional tools to investigate crimes and bring those responsible to justice."

"I'd like to thank those who have formed neighborhood watch groups. We need the cooperation of everyone in Walterboro to be successful. It's important that you report all criminal activity and that you report it immediately, so that we have a better chance of apprehending those who are responsible."

Concluding his statement, Mayor Young said, "To anyone who is thinking about committing a crime in the City of Walterboro, I say to you, we will catch you, we will prosecute you and we will lock you up. Again, let me reassure everyone that we are committed to this effort. Fighting crime is a process, not a goal with a definable conclusion, but we will provide the resources necessary for our city to be successful and we will continue to do whatever is required to have positive results."

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PUBLIC INPUT ON AGENDA ITEMS:

There were no public comments received on the agenda items, however, at this point Mr. Horace Simmons, community leader of the organization, "Community Action Line Against Violence," asked if there were a way to assure the public if they see something and call it in, then their name will not be given out. City Manager Jeff Lord told Mr. Simmons that anyone calling to report a crime to the Walterboro Police Department can do so anonymously, because the phones in dispatch do not have caller I.D., so persons can call in anonymous tips.

PUBLIC HEARING:

The Mayor opened a public hearing to receive public comments on the following ordinances:

1. Ordinance # 2011-10, An Ordinance Providing for the Issuance and Sale of a Tax Increment Refunding Revenue Bond, Series 2011, of the City of Walterboro, South Carolina, and Other Matters Relating Thereto.
2. Ordinance # 2011-11, An Ordinance Providing for the Issuance and Sale of Waterworks and Sewer System Refunding Revenue Bonds, Series 2011 of the City of Walterboro, South Carolina, and Other Matters Relating Thereto.
3. Ordinance # 2011-12, An Ordinance Providing for the Issuance and Sale of a Hospitality Tax Revenue Bond, Series 2011, of the City of Walterboro, South Carolina, and Other Matters Relating Thereto.

The Mayor then said, we will go ahead and reexplain each ordinance during the public hearing, so everyone will know what we are doing, in case you wish to make a comment. City Manager Lord then called on the City's Bond Attorney, Ms. Margaret Pope and Finance Director Dennis Averkin to explain each ordinance.

Finance Director Dennis Averkin pointed out that on July 12, we brought before Council the first reading of an ordinance which would authorize us to effectively shop for better interest rates on these bond issues. We have received interest rates that are extremely favorable for the City of Walterboro, and will save the taxpayers a significant amount of money.

Ordinance # 2011-10, An Ordinance Providing for the Issuance and Sale of a Tax Increment Refunding Revenue Bonds, Series 2011, of the City of Walterboro, South Carolina and Other Matters Relating Thereto.

Mr. Averkin pointed out that the original issue of these bonds was at a 4.22%. The winning bid came from BB&T Bank at a rate of 2.64%. This will save the City approximately \$81,678.75 over the remaining duration of this issue. On an annualized difference, it's about \$7,000 a year over the remaining years. This is a substantial savings to the City. Ms. Pope pointed out that the savings figure is a net savings, after paying for the cost of getting the refunding done. She also noted that principal amount of this bond issuance would be \$1,281,800.43.

The Mayor opened the floor for any comments or questions from the public. **No comments or questions were received on Ordinance # 2011-10.**

Ordinance # 2011-11, An Ordinance Providing for the Issuance and Sale of Waterworks and Sewer System Refunding Revenue Bonds, Series 2011 of the City of Walterboro, South Carolina, and Other Matters Relating Thereto.

Mr. Averkin stated that the principal amount of this new bond issue would be \$2,051,000,000. Currently the city has debt service reserve funds held in escrow,

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which we will simply use to pay down the principal. So, we are using that money advantageously to actually reduce the amount of outstanding debt owed by the City. The new refunding rates are for two bond issues (2011A and 2011B). The interest rate for 2011A is 2.04% and for 2011B the interest rate is 2.98%. The net percentage savings of these bonds is 3.96%. The total savings over the remaining life of these issues is \$489,846.15. Ms. Pope pointed out that of this savings of \$489,846.15, we are using \$330,624,52 of the city's own money from this debt service account. The savings is still over \$100,000. The interest rates on these bonds were submitted by BB&T Bank.

No public comments were received on Ordinance # 2011-11.

Ordinance # 2011-12, An Ordinance Providing for the Issuance and Sale of a Hospitality Tax Revenue Bond, Series 2011, of the City of Walterboro, South Carolina, and Other Matters Relating Thereto.

Finance Director Dennis Averkin reminded Council that this is the bond issue that was used to fund the Veterans Victory House. He reported that a bid was procured at the rate of 2.64% as opposed to the old rate of 4.11% for this bond. The refunding issue will save the City approximately \$63,804.07, which is approximately \$6,203.06 a year.

Combining the savings of all three issues:

Revenue Bond -	\$489,846.15
TIF:	- \$ 81,678.75
Hospitality	- \$ 63,804.07
Total	\$635,328.97

Mr. Averkin stated, if you wanted to net this out, the total savings would be around \$300,000, and this is worthwhile.

There were no comments or questions on this Ordinance # 2011-12.

Mayor Young congratulated Finance Director Dennis Averkin and Ms. Margaret Pope for the good job done in securing the bids on the bonds. He felt it was a good thing to save the City \$300,000.

The public hearing was then closed, and the regular meeting began.

APPROVAL OF THE MINUTES:

Upon motion by Council Member Peters, seconded by Council Member Lucas, the following minutes were approved as submitted:

1. Minutes of the June 14, 2011 Public Hearing and Regular Meeting.
2. Minutes of the June 28, 2011 Public Hearing and Regular Meeting.
3. Minutes of the July 12, 2011 Regular Meeting.

OLD BUSINESS:

1. **Ordinance # 2011-10**, An Ordinance Providing for the Issuance and Sale of a Tax Increment Refunding Revenue Bond, Series 2011, of the City of Walterboro, South Carolina, and Other Matters Relating Thereto.

Upon Motion of Council Member Peters, seconded by Council Member Lucas, Ordinance # 2011-10 was given Second Reading and Adoption.

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In discussing the motion, Council Member Buckner stated, I want to say that I appreciate the work of the Pope, Seigler Law Firm and city staff for finding this extra \$300,000 savings over a 10-year period. The only issue now is what we are going to do with this extra \$300,000. My thought would be that we could use this money to help the dilapidated areas of the city and high crime areas, especially for those particular areas that need sidewalks, especially coming off of Walterboro Village, coming from the Village into South Jefferies, and sidewalks on Henderson Street. Mr. Buckner pointed out the article by Mr. Horace Simmons expressing the need for sidewalks in the Blanchard Line area. I would like to see us as Council, and hopefully the community, make a commitment to take this money and beautify these areas of the city that need development and revitalization.

Mayor Young then stated, I would like to remind Council that the issue before Council is the issue of the re-issuance of the bonds, and that is what we are considering at this time, not how we will spend savings.

Council Member Lucas then asked if the rates were locked in? Ms. Pope responded that the rates are locked in as long as we close 30 days from the date of the bid. We have until, I think, August 29th.

Ms. Pope then said, there is one point I wanted to let you know. I am often asked what is the difference in the ordinance between first and second readings. The only change in each of these ordinances is that we actually inserted the bid and the name of the bank. We previously had them so that the City Manager would review the bids and just award it to the lowest interest rate. But because we received the bids before Second Reading, we just went ahead and put the interest rate and the name of the bank that won the award into the ordinances.

Council Member Peters then asked what was the timing left on the bonds. Mr. Averkin said the time limit ranged between 5 and 10 years. On another question raised by Council Member Peters, Ms. Pope pointed out that on the utility bonds, we have two issues. They were both at the same interest rate, but one was much shorter than the other, and we went back to BB & T Bank about this. So, what he did instead of giving us an interest rate of 2.98% for the entire issue, he backed up and the smaller piece that matures in about 5 years would be at a rate of \$2.04 which actually saves more money. In conclusion, Ms. Pope stated that most of them are 10 years or 11 years. Mr. Averkin pointed out that none of the new maturity dates extend beyond the original maturity dates.

The Mayor then stated, I will not be voting on this because of my affiliation with BB&T Bank. I did a recusal statement earlier on this, so I will not be voting on this.

The motion to adopt Ordinance # 2011-10 passed with all members voting in favor, except Mayor Young recused himself from voting due to a conflict of interest because of his relationship with BB&T Bank.

2. **Ordinance # 2011-11**, An Ordinance Providing for the Issuance and Sale of Waterworks and Sewer System Refunding Revenue Bonds, Series 2011 of the City of Walterboro, South Carolina, and Other Matters Relating Thereto.

A motion giving Second Reading and Adoption to Ordinance # 2011-11 was made by Council Member Lucas, and seconded by Council Member Peters.

In discussing the motion, Council Member Buckner was recognized and stated, I just want to go on record reiterating my support that the re-issuance of these bonds is contingent upon the hope that the money we save on these bonds re-issuance would

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go toward making sure that those areas that need the most development and revitalization and high crime areas, that we designate the money to be able to address those issues.

Mayor Young then said, and I'd also like to say that we already have almost a million dollars in the new Safety Initiative going toward neighborhoods for that purpose. We can also save the taxpayers this money, too, and not spend it.

The Mayor then stated, again, I am recusing myself from voting on this because of my association with BB&T Bank.

The motion to adopt Ordinance # 2011-11 passed with all members voting in favor, except Mayor Young recused himself from voting due to a conflict of interest because of his relationship with BB&T Bank.

3. **Ordinance # 2011-12**, An Ordinance Providing for the Issuance and Sale of a Hospitality Tax Revenue Bond, Series 2011, of the City of Walterboro, South Carolina, and Other Matters Relating Thereto.

A motion was made by Council Member Peters, seconded by Council Member Lucas giving Second Reading and Adoption to Ordinance # 2011-12.

In discussing the motion, Council Member Buckner stated, Mr. Mayor it is my understanding if you are recusing yourself from voting then you've got no place to make any positive comments during the discussion period, but you have done so not only once sir, but twice. Therefore, I would like to caution you on talking during the discussion, if you are recusing yourself. I don't know if it is appropriate for you to participate in the discussion during that time.

The Mayor then stated, you are right Mr. Buckner, but when you did that I told you privately. But I am referring to what you are talking about which actually is out of order, which is how to spend the saved money which is not an issue which is before Council. But you are correct on that.

There was no further discussion, and **the motion to adopt Ordinance # 2011-12 passed with all members voting in favor, except Mayor Young recused himself from voting due to a conflict of interest because of his relationship with BB&T Bank.**

NEW BUSINESS:

1. Request to Use Great Swamp Sanctuary for Colleton Medical Center's American Health Walk on September 10, 2011.

Ms. Linda Poole, RN at Colleton Medical Center was present to present this item to Council. Ms. Poole said this is my second year as the team leader for the American Heart Walk for the hospital. We are affiliated with the American Heart Lowcountry Walk which will be in Charleston on September 17. The release we are asking for the use of the Great Swamp Sanctuary is because we do this to raise money. We charge about \$20 a walker. This year, we did have a whole bunch to participate, but it was our first year. We have people walk through the Sanctuary that have never been through it before. So, we are asking to use it again this year on September 10, starting at 8:00 A.M. beginning at Jefferies and Washington Street.

A motion granting the request to use the Great Swamp Sanctuary for the American Heart Walk on September 10 as requested was made by Council Member

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Buckner, seconded by Council Member Lucas and passed with all members voting in favor.

The Mayor announced that the city would also have a ribbon cutting ceremony that day for the new boardwalk, but we will have more information on that later.

COMMITTEE REPORTS:

No committee reports were given.

The Mayor then entertained a motion to enter into an Executive Session. Council Member Lucas so moved to enter an Executive Session. Council Member Buckner seconded the motion that passed unanimously. The Mayor announced that the meeting would enter an Executive Session for a discussion of appointments and receipt of legal advice, and a discussion regarding the development of security personnel and devices.

The meeting then convened into an Executive Session.

The meeting returned to Open Session, and a motion was made by Council Member Lucas to appoint R. Clenton Campbell as the Public Prosecutor. Council Member Peters seconded the motion. Council Member Bobby Bonds then recused himself from voting on this matter to avoid any potential conflict of interest in that he has a law partner who may appear in the city's public court from time to time. Council Member Paul Siegel also recused himself from voting on this matter. He stated, my reason is that I want to avoid the appearance of a conflict in interest, because I may and I am reserving the right to practice in the courts.

The motion passed with a vote of 5/0 with Mayor Young, Council Members Buckner, Lucas, Peters and Lohr voting in favor. Council Members Bonds and Siegel recused from voting due to a potential conflict of interest as stated.

There being no further business, a motion to adjourn was made by Council Member Peters, seconded by Council Member Lucas and passed unanimously. The Mayor adjourned the meeting at 8:10 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 23, 2011