

Walterboro City Council  
Regular Meeting  
May 1, 2018

## **MINUTES**

A Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, May 1, 2018 at 6:15 P.M. with Mayor Bill Young presiding.

**PRESENT WERE:** Mayor Bill Young, Council Members: Carl Brown, Judy Bridge, Paul Siegel, Bobby Bonds, James Broderick and Greg Pryor. City Manager Jeff Molinari, City Clerk Betty Hudson and City Attorney George Cone were also present. Approximately 31 persons were present in the audience.

There being a quorum present, the Mayor called the meeting to order and invited everyone to join in the invocation. Council Member Pryor gave the invocation, and Council Member Broderick led the Pledge of Allegiance to our flag.

At this point the Mayor stated that the City held its Annual Rice Festival this past week. He thanked the Rice Festival Committee, Susan Nettles and all others involved who worked hard to make the Rice Festival possible. He also thanked City staff for an outstanding job cleaning the City back up early the next day. The Rice Festival Committee had a great turnout for the Taste of Walterboro, and on Wednesday the Walterboro Downtown Criterium had a big crowd, and we also want to thank the Criterium Committee.

The Mayor recognized that during the Rice Festival, one of our Police Officers, Cody Pruitt, became a superstar on the internet. There is a video of Officer Pruitt dancing. When I looked at this video last night, it had 94,000 hits. If you want to put a smile on your face, and you haven't seen it, go back on the internet and look at it, because it really makes you feel good to see him doing that. He's a pretty good dancer!

### **PUBLIC INPUT ON AGENDA ITEMS:**

There were no public comments made on agenda items.

### **APPROVAL OF THE MINUTES:**

The Minutes of the April 3, 2018 Work Session on the 2018-2019 Budget were approved as submitted on the motion of Council Member Bridge, seconded by Council Member Broderick and passed unanimously.

### **PROCLAMATION:**

1. Proclamation No. 2018-01, to Recognize the Colleton County High School Band of Blue Varsity Winter Guard

A motion was made by Council Member Pryor, seconded by Council Member Broderick to adopt Proclamation No. 2018-01, to recognize the Colleton County High School Band of Blue Varsity Winter Guard. The motion passed unanimously.

The Mayor recognized Band Director Tom Finigan and Asst. Band Director Cathy Meschach (who also works with the Winter Guard) and student members of the Varsity Winter Guard were present at the meeting. He then called the student members to the podium to recognize them for their state championship award. This proclamation stated that the Varsity Winter Guard competed and won the 2018 SCBDA Winter Ensemble AA State Winter Ensemble Championship held on March 31, 2018 at River Bluff High School in Lexington, SC, winning their second gold medal. The student members of the Band of Blue Varsity Winter Guard include Trinity Holt, Tiffany Infinger, Shaquanay Kelly, Elizabeth Lawton, Bailey Raez, Heaven Teal, Dyneira Brown, Caroline Davis, Ja'Niah Francis, Candace Grooms, Makayla Hinz, Lexi Lee, Cheyenne Myers and

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Jada Priester. The Mayor read the proclamation in its entirety into the record and presented a copy to Mr. Tom Finigan. A copy of said proclamation is attached as part of these minutes. Mr. Finigan thanked the Mayor and Council for their recognition of this award.

**OLD BUSINESS:**

There was no Old Business before Council.

**NEW BUSINESS:**

1. **Ordinance # 2018-02, An Ordinance to Amend the FY 2017-2018 City of Walterboro, South Carolina Budget Ordinance # 2017-04, So As to Provide for Supplemental Appropriation from the City's General Fund Balance in the Amount of \$75,000, First Reading**

City Manager Molinari reminded Council that in September, 2017, City Council authorized using some fund balance to pay for the improvements to 300 Hampton Street, which are now complete. We need to amend our budget ordinance to reflect this expenditure to satisfy the auditors.

A motion was made by Council Member Siegel giving First Reading Approval to Ordinance #2018-02, to Amend the Fiscal Year 2017-2018 City of Walterboro, South Carolina Budget Ordinance # 2017-04, So As to Provide for Supplemental Appropriation from the City's General Fund Balance in the Amount of \$75,000. Council Member Pryor seconded the motion.

In discussing the motion, Council Member Siegel asked what was the total cost of the improvements. City Manager responded that the cost was a little over \$100,000.

**The motion then passed with all members voting in favor.**

Next the Mayor announced that Council will consider the following two budget ordinances together. He then introduced the Budget Chairman, Council Member Judy Bridge to brief Council on these ordinances:

2. **Ordinance # 2018-03, An Ordinance Adopting the City General Fund Budget for Fiscal Year 2018-2019 and Matters Relating Thereto, First Reading**
3. **Ordinance # 2018-04, An Ordinance Adopting the City Enterprise Fund Budget for Fiscal Year 2018-2019, and Matters Relating Thereto, First Reading**

First, Council Member Bridge thanked the Finance Committee Members, Councilman Greg Pryor and Council Member James Broderick for their work on the budget. She also recognized City Manager Molinari, and Finance Director Amy Risher for all their help in putting the budget together. She stated that we are presenting a balanced budget for your consideration. She then gave a summary of the fiscal year 2018-2019 budget:

- 1) The City will be operating under a total budget of \$11,201,407. This reflects a General Fund Budget of \$7,074,507 and an Enterprise Fund Budget of \$4,126,900.
- 2) There will be no net ad valorem property tax increase. The Millage rate will remain at 86.4. 2.86 mills of general obligation debt for 800 MHZ

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radios will be retired and will be replaced by 2.86 General Fund Millage - the maximum allowable by state statute, counting back the last three (3) years to include CPI and growth rate.

- 3) There will be no business license increase, and no water or sewer rate increase.
- 4) The 2018-2019 budget contains a sanitation rate increase of \$2 for residential garbage pickup per billing cycle and 20% for commercial garbage pickup per billing cycle.
- 5) There is a 7.5% increase in health insurance premiums, effective January 1, 2019.
- 6) There is an anticipated 2.0% increase in South Carolina State Retirement contributions. Hopefully, the state will help us out like they did last year and take on 1% of that.
- 7) There is a proposed 1% cost of living adjustment for City employees.

Ms. Bridge gave a brief summary of each department's budget as follows:

Mayor and Council - Status quo.

City Manager - Status quo.

Finance - Status quo.

Public Works - Status quo

Planning and Development - \$25,000 has been allocated for demolition of substandard properties.

Police - Proposed to purchase two police vehicles.

Judicial - We will add a Public Defender.

Fire - Status quo.

Sanitation - Proposed purchase of a new residential Sanitation truck.

Parks - Status quo.

Tourism - Status quo.

Water - We will purchase new radio read meters.

Utility Support - Have a water/sewer rate study done.

Sewer - Status quo.

Sewer Support - Proposed to purchase a new pickup truck.

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A motion was made by Council Member Broderick giving First Reading Approval to **Ordinance # 2018-03**, An Ordinance Adopting the City General Fund Budget for Fiscal Year 2018-2019 and Matters Relating Thereto. Council Member Bonds seconded the motion. All in favor. None opposed. Motion carried.

A second motion was made by Council Member Siegel giving First Reading Approval to **Ordinance # 2018-04**, An Ordinance Adopting the City Enterprise Fund Budget for Fiscal Year 2018-2019 and Matters Relating Thereto. Council Member Bridge seconded the motion that passed unanimously.

4. **Ordinance # 2018-05, An Ordinance of the City of Walterboro, South Carolina, Amending the Comprehensive Fee Schedule for Utility Support Department, First Reading**

City Manager Molinari told Council that this ordinance was to amend the City's Comprehensive Fee Schedule. He reminded Council that staff is not proposing any changes in the City's water and sewer rates, but are proposing the following increases discussed at the April 17 Work Session.

- A. Staff recommended increasing the deposit on the water accounts from \$50.00 to \$100.00. One of the conversations that we had during the work session is that the Committee asked staff to do a survey of other utilities to see what they charged for water deposits. Our Finance Director surveyed 11 different jurisdictions and the average water deposit came out to be \$100.00. So, we are comfortable with that number.
- B. We are also proposing a couple of additional charges:
  - 1. Tampering fee - \$100
  - 2. Terminate/restore tap fee - \$400 fee for those individuals who go so far as to reconnect water service that has already been disconnected for non-payment.
  - 3. Missed appointment fee 3<sup>rd</sup> visit - \$25  
(One of the issues we have in our Water Department is we have some customers that when we make arrangements to come out and turn their water on, they don't show up for that appointment, and we are proposing that the 3<sup>rd</sup> time that happens, we will levy a \$25 fee).
  - 4. Also included are increases in our Sanitation rates, which affects both residential and commercial. As you are aware, these increases will just get us to the break even point for those operations.

A motion giving First Reading Approval to Ordinance # 2018-05, An Ordinance of the City of Walterboro, South Carolina, Amending the Comprehensive Fee Schedule for the Utility Support Department, was made by Council Member Pryor. Council Member Broderick seconded the motion.

In discussing the motion, Council Member Pryor asked just for the record, why did staff find it necessary to increase the water accounts deposit fee from \$50 to \$100? City Manager Molinari explained that this cost is primarily geared toward those customers who leave their account with a balance. Unfortunately, we do have a number of customers who do that. Also, our billing cycle is bi-monthly as opposed to monthly, so given that we are bi-monthly, a customer can rack up more charges, and this is simply a way for us to better defray that expense if we do have a customer who leaves town without properly closing out their account.

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Council Member Bridge also raised a concern on the fee for a missed appointment by a customer. She said, I see no reason why we can't impose the \$25 charge on the 2<sup>nd</sup> visit, not the 3<sup>rd</sup> visit that staff goes out to turn their water on and they don't show up. City Manager Molinari felt there would be no objections from the Finance Director or the Utilities Director if that is the direction that Council wanted to go.

Council Member Bridge then made a motion to amend Ordinance # 2018-05, to change the "missed appointment" fee to be imposed on the 2<sup>nd</sup> time, when there is a "no show for water reconnection," instead of the 3<sup>rd</sup> time. Council Member Siegel seconded the motion. All in favor. None opposed. Motion carried.

The Mayor said that the motion has been amended and now we are back to the original motion. Is there any discussion on the original motion? No discussion was held and the original motion giving First Reading Approval to Ordinance # 2018-05 passed with all members voting in favor.

5. **Ordinance # 2018-06, An Ordinance of the City of Walterboro, South Carolina, Amending the Comprehensive Fee Schedule for the Judicial Department, First Reading**

City Manager Molinari stated that the City currently has a contract with a local attorney in town, who provides public defender services. Another housekeeping matter we need to take care of; if we are going to charge a \$40 fee for application for indigent defense, the City has to pass an ordinance. Our Finance Staff has been in communication with the Municipal Association of South Carolina and this is what they have recommended. Because we don't have an agreement with the Circuit Court Public Defender, we cannot charge that \$40 fee unless City Council passes an ordinance to that effect.

A motion was then made by Council Member Bonds, seconded by Council Member Broderick, giving First Reading Approval to Ordinance # 2018-06, An Ordinance of the City of Walterboro, South Carolina, Amending the Comprehensive Fee Schedule for the Judicial Department. All in favor. None opposed. Motion carried.

6. **Ordinance # 2018-07, An Amended and Restated Ordinance Authorizing and Providing for the Issuance of Hospitality and Accommodations Fee Revenue Bonds of the City of Walterboro, South Carolina, and Other Matters Relating Thereto, First Reading**

Next, City Manager Molinari introduced the City's Bond Attorney, Mr. Lawrence Flynn, to brief Council on Ordinances # 2018-07 and 2018-08. Mr. Molinari said that Mr. Flynn will also give an overview of the financing for the Discovery Center Project. We have to not only amend our Master Bond Ordinance, but also authorize the issuance of new bonds for the Discovery Center.

Attorney Flynn told Council that he has three items that he has prepared. The first one is the Master Bond Ordinance. He said, the hospitality and local accommodations fees were authorized by the State legislature in the late 1990s and in many ways they constitute the last source of discretionary funds available to Cities and Counties. So, as that process has continued to evolve and more and more cities have implemented these fees, certain amendments have been made to the statutes authorizing such fees. One beneficial change is that the original statutory authorization did not allow cities to actually pledge these sources of revenues as security for bonds. Up until about 2012, all of the borrowings secured by hospitality and/or accommodations fees were done using an interesting structure - typically utilizing a sale-lease back arrangement.

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In 2012, Margaret Pope and I worked with the legislature to amend the statute to permit the issuance of revenue bonds secured by the local hospitality and accommodations fees. In order to be able to issue debt as a municipal body, you have to have specific authorization from the legislature to do that. The City maintains general obligation bond authorization to issue bonds secured by taxes, but anything that is secured by an independent source of revenues, like your water and sewer system, have to be separately authorized by the legislature. So, in 2012, the South Carolina Legislature amended the local hospitality and accommodations fee statute to explicitly permit the issuance of debt secured by this source of revenue. Now, all of your hospitality and accommodations fee revenues can be pledged as security for bonds.

So, the first ordinance that you have is similar to the Master Bond Ordinance that you have for your water and sewer utility system. This Master Bond Ordinance (local hospitality and accommodations fee pledge) provides that all of the money that we collect at the local level from prepared food and beverages (the local hospitality tax) and all of the revenues that we collect locally from transient accommodations (local accommodations tax), are now able to be pledged as security for our debt. We are authorized to issue many series of bonds, which are authorized to be done on a parity basis. The Master Bond Ordinance creates a uniform pledge so that all bond holders are secured by the same revenues and otherwise limits the city's ability to dilute existing bondholders through the issuance of new debt.

So, what was provided for in this first ordinance (the Master Bond Ordinance) is to pledge all of the City's local hospitality and accommodations fee revenues as security for bonds and further provide for the issuance of future bonds on a parity with the currently outstanding 2011 Hospitality Revenue Bond. Since the City maintains the 2011 Hospitality Revenue Bond, the new Master Bond Ordinance requires the consent and approval of BB&T, as the current holder of the 2011 Bond. BB&T has already provided their consent and they will also pick up the additional security of the local accommodations fee which is pledged under the Master Bond Ordinance, but was not provided at the time of issuance of the 2011 Bond.

That's a short summary of the Master Bond Ordinance. It is a really thick document – the basic premise is that you are pledging your local hospitality and accommodations fees as security for the bonds that you are going to issue to develop the improvements for the Discovery Center and any other future improvements that qualify under the statute.

One additional consideration is that the bonds are given what is called a gross revenue pledge - meaning that the revenues that are collected from the hospitality and accommodations fees are pledged to the bonds. Any festivals, like the Rice Festival this past weekend, any of those festivals or any of those things that you otherwise have discretionary planning responsibility from on an operating basis fall below the line from a security standpoint. So, you are making a promise to your bond holders that you will pay them back before you pay any other operating or maintenance or making other decisions that affect this money, you are going to pay your bond holders first. That's just part of the process. Think about the pledge of revenues as a waterfall - you have a big bucket of revenues (all of the hospitality and accommodations fees); you pour revenues out of the bucket as necessary to pay your debt, then move on to the other things you need (paying for festivals and the like), and that is done on a year-to-year basis. Under this structure, your bond holders are promised to be paid first and foremost.

Mr. Flynn further said, what is the risk factor as far as the bank or the person who is ultimately lending you the money? I guess it's twofold, he said. There is a risk

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that the local accommodations or the local hospitality tax fee numbers collections fall below their existing thresholds. The bank assumes the risk that these sources of funds will remain sufficient for the life of these bonds while they are outstanding. For this reason, you have covenanted in the Master Bond Ordinance that you will not reduce the amounts of local hospitality and accommodations fees being collected. The second risk (and the one thing you can't obviously control) is that this is a source of revenues that has really been dictated directly by the legislature. The legislature has chipped away at fiscal Home Rule and they could make changes to the levy and imposition of these fees. That is something we can't control - that's a risk factor to the bank or lender.

So, to make a long story short, the first document you have in front of you is this Master Bond Ordinance. It takes both sources of revenues - local hospitality and accommodations fees. It allows us to issue revenue bonds secured by those sources of funds, and its purposes are going to be limited to the purposes in the state statutes. Generally speaking, it will be for tourism-related facilities buildings, operations, civic centers, and other provisions in Section 6-1-730. You can also pay for a limited amount of operations and maintenance responsibilities, police, fire, solid waste (to the extent approved and after bonds are paid).

Mr. Flynn then asked if there were any questions on the Master Bond Ordinance. Mayor Young then said, as I understand, this is an amendment to our Master Bond Ordinance? Mr. Flynn responded, it is an amendment, but it is bigger than that since the 2011 Bonds were not actually issued under a Master Bond Ordinance. In 2011, we did a one-all bond approval which would also allow for additional series of bonds to be issued. This Master Bond Ordinance is amending and restating that original ordinance; in that sense, the 2011 authorization and everything else will be controlled under this new Master Bond Ordinance.

The other documents you have in front of you tonight are: the 2018 Series Ordinance approving this particular set of hospitality and accommodations bonds, series 2018; and a reimbursement resolution which is a tax-related document which allows you to go back and reimburse the City for any out-of-pocket expenditures that you may have allowed to occur prior to the actual issuance of the bonds.

A motion was made by Council Member Broderick giving First Reading Approval to Ordinance # 2018-07; being: An Amended and Restated Ordinance Authorizing and Providing for the Issuance of Hospitality and Accommodations Fee Revenue Bonds of the City of Walterboro, South Carolina, and Other Matters Relating Thereto. Council Member Siegel seconded the motion.

In discussing the motion, Council Member Siegel said, I know that we will have a fixed obligation as to say that this particular bond is for the Discovery Center, and if I interpret your words in the simplest sense, it sounded like all of the money is pledged as security, but not all the money we receive to make our debt service for those funds. In other words, there could be other appropriations in our fund for other purposes. Attorney Flynn responded, absolutely.

With the second ordinance you have in front of you (2018 Series Ordinance), which approves a specific series of bonds - the 2018 Hospitality and Accommodations Fee Bond. You currently generate a fairly significant amount of money off both these sources of funds (hospitality and accommodations fee). And the sources continue to grow; they seem to be going in the right direction. Some assumptions have been made that you will continue to generate additional revenues every single year. From memory, I think you had about \$450,000 in hospitality tax revenues this year and roughly \$250,000 in accommodations. So, that combined pledge will be given to the bond holders. The bond holders know that is the bucket of funds that they can rely on from you every year. Think about loan to value ratios as a credit consideration here

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– it is not specifically on point, but the same principals generally apply. If you are collecting \$700,000 a year, the bank is not going to let you borrow more money than you can repay. They know \$700,000 is the most they can rely upon as security. Applying basic credit principals, they are only going to let you borrow an amount that gives you the ability to borrow up to say \$500,000 a year. That creates built in coverage, so we anticipate that you will have some residual money left over from year to year.

The number for this bond is \$2.5 million as the authorized amount. We have bids coming in for the Discovery Center Project, as an agenda item today, and you will see that the numbers came in less than that, but we wanted to use the authorization. As structured by your financial advisor and your finance director, we anticipate annual debt service of \$400,000; whatever is left will then be appropriated by Council in your budget authorizations.

**The motion giving First Reading to Ordinance # 2018-07 then passed unanimously.**

7. **Ordinance # 2018-08, An Ordinance Providing for the Issuance and Sale of Not Exceeding Two Million Five Hundred Thousand Dollars (\$2,500,000) Hospitality and Accommodations Fee Revenue Bonds, Series 2018 of the City of Walterboro, South Carolina; Providing for the Issuance of Bond Anticipation Notes; and Other Matters Relating Thereto, First Reading**

Attorney Lawrence Flynn told Council that the Master Bond Ordinance is the general authorization to issue hospitality and accommodations revenue bonds. In order to then actually issue and authorize the issuance of a particular series of bonds, Council will need to adopt a separate Series Ordinance, and that is what this is. So, we have established the precedent of being able to issue the debt (under the Master Bond Ordinance), and now we are authorizing a specific series of bonds, in an amount not exceeding \$2.5 million. So, this is the ordinance that is specifically authorizing you to borrow hospitality and accommodations fee revenue bonds for the Discovery Center. There is also some authorization in there - if it is financially advantageous – you are permitted to refund 2011 bonds if it is determined that there was a savings associated with it. That authorization is built into this Ordinance and together with the planned Discovery Center improvements - that's the reason that the number is \$2.5 million, which we recognize is in excess of the actual bids for the Discovery Center. We like to maintain the discretion as to the amount; additionally, we have delegated certain decisions to the City Administrator to make a decision as to the bond and to what amount, what term, infrastructure and other deal related items.

Mr. Flynn then said, one of the other things I like to follow up is that the statute we follow also requires a public hearing prior to final adoption. So, there will be a public hearing on the issue of this debt prior to Second Reading of this 2018 Series Ordinance.

A motion was made by Council Member Broderick giving First Reading Approval to Ordinance # 2018-08, An Ordinance Providing for the Issuance and Sale of Not Exceeding Two Million Five Hundred Thousand Dollars (\$2,500,000) Hospitality and Accommodations Fee Revenue Bonds, Series 2018 of the City of Walterboro, South Carolina; Providing for the Issuance of Bond Anticipation Notes; and Other Matters Relating Thereto. Council Member Bridge seconded the motion.

In discussing the motion, City Attorney Cone asked Mr. Flynn if he had an estimate of what the interest rate would be on this under the new tax law. Mr. Flynn responded, that's actually a really good question. I am not a financial advisor, and when the economy collapsed, the Feds introduced some new regulations that say



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lawyers can't be financial advisors. But what I can do is speak in hypothetical based on information provided by the City's financial advisor, Compass Municipal Advisors. You are starting to see the rates on the local government investment pool go up. You are starting to see banks come to call in on the City for investment opportunities, and that is because rates are starting to move, and that's a beneficial thing when you have cash sitting on the sidelines. It is not necessarily a great thing when you are going out to borrow money in the markets. So, we have seen rates start to move against us in the last several months, especially since the start of the new year. The one thing that is kind of weighing on that is that the benefit that you have as a local government is that you get to borrow money at a tax-exempt interest rate. So, historically, the difference between a taxable interest rate 30-35%; you hear people talk about a 10-treasury note, that's a taxable obligation issued by the federal government. So, if I wanted to go out and put \$1,000 in a taxable 10-year treasury, I am going to take 1% or 2%, whatever the number is. Historically, if I were going to go out and buy the same 10-year municipal bond of the City of Walterboro, if it's done on a tax exempt basis, and I am giving you the benefit of the doubt that you (the City) also have a triple A credit, it will result in a reduction of about 35%, because of the implicit subsidy built in as a result of the tax exemption - which number just so happens to represent the (formerly) highest tax rate. In the corporate income tax setting - who are the main purchasers of your types of borrowing - banks and investment funds that buy this type of debt, they would pass on their savings, because they didn't have to pay interest income on the money that they weren't allowed to be returned in the form of interest. So, that 35% hopefully got passed on to you as a subsidy.

Well, what happened in the Federal Tax Bill that passed at the end of 2017, the Feds reduced the corporate income tax rate from 35% to 21%. That means that the inherent 35% subsidy that you were getting has gone from 35% to 21%. So, how will they make that up? They don't give you the same subsidy; rates are moving up and you don't get the same benefits. So, yes, you are going to see higher interest rates than you would have even if you had done it back in December. However, timing the market is obviously something that's always going to be difficult to do. Generally speaking, we are still in a historically low interest rate environment, and we have seen that continue to play out in the municipal markets. I think we are going to keep it short enough that I don't think the interest rate is going to make that material a difference with this borrowing.

**The motion giving First Reading Approval to Ordinance # 2018-08 then passed unanimously.**

The Mayor then said, it's been a long time getting to this point. We first started talking about building a Discovery Center in 2001. So, that's how long it has been since we first started talking about building a Discovery Center. So, this is a good day, and I appreciate Council's support of that project. The people I have talked to about it are excited about it, so it will be exciting to see this building become a reality.

8. **Ordinance # 2018-09, An Ordinance to Amend the Zoning Map of the City of Walterboro, South Carolina, to Provide for Changes in the Zoning Districts of the City of Walterboro by Changing the Zoning Classification of One Parcel of Land on Carn Street Designated as TMS # 163-11-00-058 from Medium Density Residential (MDR) District to Neighborhood Commercial District (NCD), First Reading**

Assistant City Manager Hank Amundson briefed Council on this agenda item. He told Council that the Planning Commission met last month to review a request to rezone a parcel of property, TMS # 163-11-00-058, located at 300 Carn Street from Medium Density Residential (MDR) to Neighborhood Commercial District (NCD). It was a home that had been unoccupied for some time and sold at an auction and sold to Mr.

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Todd Crosby. Mr. Amundson then showed Council a Map of the property. He pointed out that the property is located adjacent to a piece of property that is currently zoned Neighborhood Commercial, and is also located adjacent to property that is zoned General Commercial. So, it's not like this zoning is out of the ordinary. This is simply giving them the option to have an office in an attempt for reuse of that property. Concluding, Mr. Amundson stated that the Planning Commission voted unanimously to approve and recommend the rezoning from Minimum Density Residential to Neighborhood Commercial District.

Council Member Pryor then made a motion giving First Reading Approval to Ordinance # 2018-09, An Ordinance to Amend the Zoning Map of the City of Walterboro, South Carolina, to Provide for Changes in the Zoning Districts of the City of Walterboro by Changing the Zoning Classification of One Parcel of Land on 300 Carn Street Designated as TMS # 163-11-00-058 from Medium Density Residential (MDR) District to Neighborhood Commercial District (NCD). Council Member Broderick seconded the motion.

In discussing the motion, Attorney Cone asked Mr. Amundson if he had any indication of whether the owner intends to use this property to its permitted use, conditional use or special exceptions? Mr. Amundson pointed out that the permitted use is Neighborhood Commercial and this is to put in an office.

Mayor Young then asked if the change for this property had been posted on the property already? Mr. Amundson answered that the proposed change in use had been properly posted in the newspapers and signs posted around the property prior to the Planning Commission Meeting. The Mayor asked if any public comments or opposition to this property's use were received? Mr. Amundson responded that no comments had been received.

**The motion giving First Reading Approval to Ordinance # 2018-09 then passed with all members voting in favor.**

9. **Resolution No. 2018-R-05, A Resolution to Express the Intention of the City Council of the City of Walterboro, to Cause the City of Walterboro to be Reimbursed with the Proceeds of Obligations for Certain Costs Associated with the Renovation of the Walterboro Wildlife Discovery Center**

Attorney Lawrence Flynn told Council that this is another tax related rule that says if you were to spend any money on the project, and you want to reimburse that expense with bond proceeds, you can do so; however, the reimbursement is limited under the tax rules to 60 days from the date of this resolution. We didn't know if there were anything that you were doing on a pre-development standpoint, properties that you were acquiring, contractors that you were paying or architects that you have a liability for, but this is going to allow you to go back and seek reimbursement for certain expenses, if necessary.

A motion was made by Council Member Bridge to adopt Resolution #2018-R-05, a Resolution to Express the Intention of the City Council of the City of Walterboro, To Cause the City of Walterboro to be Reimbursed with the Proceeds of Obligations for Certain Costs Associated with the Renovation of the Walterboro Wildlife Discovery Center. Mayor Young seconded the motion. All in favor. None opposed. Motion carried. A copy of said Resolution is attached as part of these minutes.

10. **Resolution No. 2018-R-06, to Adopt Policy Statements for Organizational Commitment to a Safe Workplace, Safety Policy, Risk Management Policy and Loss Control Policy**

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City Manager Molinari reminded Council that last month, Council voted to join the SCMIRF Program effective July 1, 2018. One of the questions from City Council at the meeting was if there was anything that the City can do to reduce the City's premium, and this is one of those steps to make us eligible for the Risk Management Credit. We have this resolution before you and the net effect is that it gives us a 5% reduction on our auto liability, general liability, law enforcement liability and public officials liability and takes our total premium down from \$234,053 to \$227,405, which is a \$6,603 savings.

A motion was made by Council Member Bonds to adopt Resolution # 2018-R-06, to Adopt Policy Statements for Organizational Commitment to a Safe Workplace Safety Policy, Risk Management Policy and Loss Control Policy. Council Member Broderick seconded the motion. All in favor. None opposed. Motion carried. A copy of this resolution is attached as part of these minutes.

11. **Resolution No. 2018-R-07, A Resolution to Declare May 6-12, 2018, as "Municipal Clerks Week in Walterboro" to Recognize and Honor the Valuable Contributions that Municipal Clerks Make to Cities and Towns in South Carolina and to Recognize the 40th Anniversary of the Municipal Finance Officers, Clerks and Treasurers Association, An Affiliate of the Municipal Association of South Carolina**

Council adopted Resolution No. 2018-R-07, declaring May 6-12 as Municipal Clerk's Week in Walterboro, honoring the work of Walterboro City Clerk Betty Hudson. The resolution also recognizes the 40th anniversary of the South Carolina Municipal Finance Officers Clerks and Treasurers Association.

The motion to adopt Resolution # 2018-R-07 as submitted was made by Council Member Broderick and seconded by Council Member Pryor. All in favor. None opposed. Motion carried. The Mayor asked City Clerk Betty Hudson to come to the podium. He then read the resolution in its entirety into the record and presented a copy to Ms. Hudson. A copy of said resolution is attached as part of these minutes.

12. **Consideration of Bids Received for Improvements to the Walterboro Wildlife Sanctuary Discovery Center**

Next, City Manager Molinari told Council that on April 17, 2018, the City received six bids for construction of the new Walterboro Wildlife Sanctuary Discovery Center as follows:

	<u>Contractor</u>	<u>Bid</u>
1.	Branks General Contractors (Johns Island, SC)	\$2,250,000.00
2.	Consensus Construction & Consulting, Inc. (Myrtle Beach, SC)	\$2,398,000.00
3.	Harbor Services, Inc. (Mt. Pleasant, SC)	\$2,094,513.00
4.	IP Builders, Inc. (Walterboro, SC)	\$1,846,990.00
5.	IPW Consultant Group, LLC (North Charleston, SC)	\$2,498,719.00
6.	Solid Structures (West Columbia, SC)	\$1,955,000.00

Mr. Molinari stated that the low bidder was IP Builders, Inc., Walterboro, SC, in the amount of \$1,846,990.00. He stated that IP Builders met all the requirements for the bid, and that staff requests authorization to negotiate a contract for services with IP Builders. The City Manager pointed out that the funding for this project will come from the issuance of local hospitality and accommodations tax revenue bonds and a \$200,000 Undiscovered SC grant.

Mr. Molinari stated that he had also provided to Council a short spreadsheet, showing the breakdown of the construction costs, the exhibit costs, factoring in the \$200,000 Undiscovered SC grant, as well as the local accommodations tax match that

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the City is required to put in as a part of that grant, and showing a balance of \$1,685,690. He stated that the City can handle that debt service, and asked for Council's favorable consideration to negotiate a contract with IP Builders.

A motion was made by Council Member Brown authorizing staff to negotiate a contact with IP Builders for the Walterboro Wildlife Sanctuary Discovery Center. Council Member Broderick seconded the motion that passed with all members voting in favor.

**COMMITTEE REPORTS:**

There were no Committee Reports given.

**EXECUTIVE SESSION:**

The Mayor then entertained a motion to enter into an Executive Session.

A motion was made by Council Member Brown to enter an Executive Session, seconded by Council Member Pryor and passed unanimously. The Mayor then announced that the meeting would enter into an Executive Session for:

1. The Provision of Services Encouraging Location or Expansion of Industries or Other Businesses in the Area Served by the City of Walterboro.
2. Contractual Matters:
  - a. Financial Services.
  - b. Walterboro Wildlife Sanctuary.
3. Personnel Matter - Appointment to Accommodations Tax Advisory Committee.

The Mayor announced that Council may take action on matters discussed in Executive Session after coming back into Open Session. The meeting then entered into an Executive Session.

At approximately 8:44 P.M., a motion was made by Council Member Brown to exit Executive Session and return to Open Session. Council Member Siegel seconded the motion. All in favor. None opposed. Motion carried.

The meeting returned to Open Session and no action was taken as a result of the Executive Session.

There being no further business to consider, a motion to adjourn the meeting was made by Council Member Bridge, seconded by Council Member Bonds and passed unanimously. The meeting adjourned at 8:44 P.M. Notice of this meeting was distributed to all local media and 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

**APPROVED: July 3, 2018**