

MINUTES

A Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, December 4, 2018 at 6:15 P.M. with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Carl Brown, Paul Siegel, Judy Bridge, Bobby Bonds, James Broderick and Greg Pryor. City Manager Jeff Molinari, City Clerk Betty Hudson and City Attorney George Cone, along with Attorney Brian McLeod were also present. Approximately 13 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 and the Pledge of Allegiance. The Mayor gave the invocation and Council Member Siegel led the Pledge of Allegiance to our flag.

PUBLIC INPUT ON AGENDA ITEMS:

No questions or comments were raised on agenda items.

PRESENTATION:

1. 2017-2018 Comprehensive Annual Financial Report - The Baird Audit Group, LLC - Ms. Brenda Carroll

Ms. Brenda Carroll reported that the City received an "unqualified opinion" on its audit report, which is the best opinion that you can receive. Basically, it says that your financial statements are presented fairly in all material respects, and that the financial position of the governmental activities, your component units and all your major finances were presented fairly.

Ms. Carroll stated, that does not mean that we checked every entry that was made for the whole year, but we do test and no discrepancies were found.

On page 110, is the independent audit report on compliance for each of the major programs. That is basically your single audit report. Again, that's on the federal grants that you receive. Again, you did not have any finding. So, again, it was a clean opinion. No adjustments were required.

During the year, if you look through the statements just briefly, you will see several sections. You will see our audit report and you will see the management report, which is written by your management. It basically describes how your government operates, and what some of the economic forecasts are, and things that are happening in your plans for the future by your organization. That is your statement.

Ms. Carroll stated, as you will see your total net position. The total for your primary government net position was \$27,337,950. You did have an increase of \$1,146,000 for the year, which is good. The unrestricted portion of your net position is -6,618,000. That's caused by having to report the pension and liabilities that you have. That is required by the new standards, and you are required to report that, even though you may never pay it all out, but that is the projection.

You will also see all of your total balances in the report and your restricted cash balance.

Ms. Carroll stated there is a lot of information in this report. She said, I suggest if you have time to read through the report. It gives you a lot of detail about what's happening in the government.

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Ms. Carroll told Council that last year the City had one finding and that finding has now been corrected. So, there was no problem with anything recurring on that.

Ms. Carroll then said, we would like to thank you for having us as your auditor. We enjoyed working with Amy. Amy was great, a lot of help to us. We will be glad to take any questions.

Mayor Young then thanked Ms. Carroll. He said, I spent some time with them too when they were doing the audit and we appreciate the good work you have done, and we appreciate the work that the people on our staff do. We are really fortunate to have them and they do an excellent job.

OLD BUSINESS:

There was no Old Business before Council.

NEW BUSINESS:

1. **Ordinance # 2019-01**, An Ordinance Amending the Code of Ordinances of the City of Walterboro, South Carolina, Chapter 8, Article II, Business and Professional Licenses, So As to Clarify and Strengthen Portions Thereof and to Provide for Annual Classification Update, First Reading

City Manager Molinari stated that the General Assembly has been working with the Municipal Association in streamlining and trying to simplify the Business License process and the Municipal Association has produced a model Business License Ordinance which they recommended that all municipalities in the state adopt. In your agenda packets is the ordinance. Highlighted in red are the changes and I will just walk through a couple of the major changes.

The first and probably the most important change to this document is the definition of gross income, which means "gross receipts or gross revenues." There was a case that made its way all the way to the Supreme Court, which involved the City of Goose Creek, and the way that they defined gross income. Because they did not do it per the recommended ordinance, the plaintiff in the case successfully argued that only the net income from his business could be used in the calculation of the business license. So, this clarifies the definition of gross income, changing it from total income to "gross receipts or gross revenues."

Then if you look at the next page under Section 4, License tax, this changes the period from May 1 to April 30. Then there are a few deletions within the document, but this is the best practice recommended for the Business License Ordinance. I would be happy to answer any questions that City Council may have.

A motion was made by Council Member Broderick, seconded by Council Member Pryor, giving First Reading Approval to Ordinance # 2019-01, An Ordinance Amending the Code of Ordinances of the City of Walterboro, South Carolina, Chapter 8, Article II, Business and Professional Licenses, So As to Clarify and Strengthen Portions Thereof and to Provide for Annual Classification Update.

In discussing the motion, Mayor Young commended that the Municipal Association has been working on standardizing business licenses, and one of the things that have to be done is the dates have to be standardized and people have to be brought into a standard document like this. So, this will be important going forward as they move into technology that will make it easier for businesses to do business, and that's where this is headed.

The motion then passed with all members voting in favor.

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2. Consideration of Lease Purchase Proposals for 2019 Freightliner Sanitation Truck

City Manager Molinari recalled that in July 2018, City Council approved the purchase of a new residential sanitation vehicle in the amount of \$239,045. Our Finance Director solicited proposals from several local financial institutions on October 30, 2018 to finance the truck. The City received two proposals, one from South State Bank and one from BB&T. The proposals received were as follows:

<u>Financial Institution</u>	<u>Term</u>	<u>Rate</u>
South State Bank	5 years	3.12% APR
BB&T	5 years	3.28% APR

City staff recommends South State Bank to finance the purchase of the sanitation truck with an interest rate of 3.12%.

A motion was made by Council Member Siegel to approve the lease proposal from South State Bank to finance the 2019 Freightliner Sanitation Truck. Council Member Bridge seconded the motion.

In discussing the motion, Council Member Brown asked, who is that leased by? Is that a bank or what is it? Mr. Molinari responded this is through South State Bank.

No further discussion was held and the motion passed with a vote of 6/0, with Mayor Young and Council Members Bridge, Siegel, Bonds, Broderick and Pryor voting in favor. Council Member Brown recused himself from voting on this item due to a potential conflict of interest.

3. Resolution # 2018-R-17, Approving the Financing Terms for 2019 Freightliner Sanitation Truck

The City Manager then said, we just need to adopt a resolution approving the financing terms.

A motion was made by Council Member Pryor to adopt Resolution # 2018-R-17, approving the Financing Terms for the 2019 Freightliner Sanitation Truck. Council Member Broderick seconded the motion.

The motion passed with a vote of 6/0, with Mayor Young and Council Members Bridge, Siegel, Bonds, Broderick and Pryor voting in favor. Council Member Brown recused himself from voting on this item due to a potential conflict of interest. A copy of said resolution is attached as part of these minutes.

4. Consideration of Quotes Received for Workers' Compensation Insurance for Calendar Year 2019

City Manager Molinari reported that City staff solicited rate quotes for Workers' Compensation coverage for 2019. There are two providers for governmental entities in the state, which are the SC Municipal Insurance Trust, which is an affiliate of the Municipal Association of SC, and the South Carolina State Accident Fund.

The rate quotes received were as follows:

<u>Provider</u>	<u>Price</u>
SCMIT	\$142,840
SC State Accident Fund	\$163,340

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City staff recommends SCMIT as the Workers' Compensation provider for the City of Walterboro in the amount of \$142,840. Mr. Molinari pointed out that by becoming a member of SCMIT, it also allows the City to be eligible for the multi-policy discount, because we are already covered through SMIRF, which is for our property and liability insurance. This will provide an additional savings of \$4,641. In addition, the City would be eligible for matching grants to provide personal protective equipment for Fire and Public Works personnel and bulletproof vests for the Police Department. If approved, the coverage would go into effect on January 1, 2019.

A motion was made by Council Member Broderick to accept the quote for Workers' Compensation coverage for the calendar year 2019 from the South Carolina Municipal Insurance Trust (SCMIT) in the amount of \$142,840. Council Member Bridge seconded the motion that passed unanimously.

5. Consideration of Bids Received to Purchase a Pickup Truck for the Sewer Support Department

At this point, the City Manager said that he had provided a memo and supporting documentation from Public Works Director Michael Crosby. The 2018-2019 Sewer Support Department budget has \$27,200 allocated for the purchase of a new full size pickup truck. The City received quotes from three different vendors as follows:

Rizer Chevrolet (Walterboro, SC)	2019 Chev 1500 Crew Cab	\$27,764.00
Family Chevrolet (St. George, SC)	2019 Chev 1500 Crew Cab	\$28,025.00
Walterboro Motor Sales (Walterboro, SC)	2019 F-150 Crew Cab	\$28,119.00

Mr. Molinari stated that staff recommends acceptance of the low bid from Rizer Chevrolet, Walterboro, SC in the amount of \$27,764. He noted that the \$564 shortfall would be absorbed by the Sewer Support Department.

A motion was made by Council Member Bridge to accept the low bid from Rizer Chevrolet in the amount of \$27,764 for the purchase of a pickup truck for Sewer Support Department. Council Member Broderick seconded the motion that passed with all members voting in favor.

6. Consideration of Request by the Colleton County Veterans Council to Add a Memorial Recognizing Those Who Have Fallen in the Line of Duty in the Global War on Terrorism to the Colleton County Veterans War Memorial

Mr. Bob Tiegs, Treasurer of the Colleton County Veterans Council, addressed Council. He said that he would like to thank the Mayor and the members of City Council for hearing our request this evening. He then briefly read the printout contained in the agenda packet. He stated the following:

In 1989, the City of Walterboro granted permission to a committee of citizens to design, plan and erect the Colleton County Veterans War Memorial inside the Walterboro Plaza on Washington Street. The Veterans Council would like to continue on with the intent of that original proposition that would continue on adding new names that they come across in the years to come, and also continue to honor and recognize the sacrifices that are made by Colletonians. So, what we are looking to do is to add an additional memorial, just like the ones that are already down there, with one being titled "The Global War on Terrorism," and it would pick up from the end of the Vietnam War up until the present date and on into the future.

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Mr. Tiegs pointed out that the new memorial would not be any different from what's already there. We have talked to contractors and they said it's bricked, it would look exactly like the bricks which are already there. Steedley Monument is going to use the same granite that they have there for the slab, and even the font and the lettering are going to be exactly the same size as what's already down there. The only difference, because of the limitations of the size of the wall and what we are doing, is that instead of having two window frames, it's only going to be one window frame. So, it's going to be one window framed up, same size, same bricks and everything. We are going to be using the same procedures that they did when they started this program. They reached out to the citizens of Colleton County to let us know whom they have in their family who has made sacrifices. We don't know everybody. Even though, Janet Smith, our Veterans Service Officer has contact with all those people, she is not allowed to break that confidence, when they come there to talk to her. She can't tell us who has a loved one who has passed on. The families are going to have to reach out to us.

7. Consideration of Fiscal Year 2019-2020 Budget Calendar

Next, City Manager Molinari told Council that this is the same outline that we used last year. Just to highlight a couple of dates, on April 2, 2019 we are proposing the first meeting for the budget committee, whereby budgets would be distributed and a summary of the budget given by City staff. Then, on April 16, 2019, we would conduct a full budget committee meeting where staff would go through and present the entire City budget, and I would be happy to answer any questions. If not, staff asks for your favorable consideration of this proposed calendar.

A motion was made by Council Member Bonds, seconded by Council Member Bridge to approve the budget calendar for the 2019-2020 budget. The motion passed with all members in favor.

8. Notice of 2019 City Council Retreat, Location and Time

Next, the City Manager announced for public notice that the Walterboro City Council will conduct its 2019 Annual City Council Planning Retreat beginning Friday, January 11, 2019 and running through Saturday, January 12, 2019 to be held at the Wampee Conference Center, 1190 Chicora Drive, Pinopolis, SC. No formal action will be taken on any item at the retreat. Any action items will be brought back to a regular City Council meeting for Council's consideration.

9. Consideration of Rescheduling the Christmas Tree Lighting/Parade for Sunday, December 16, 2018. The tree lighting will be at 5:00 p.m. and the parade at 6:00 p.m.

City Manager Molinari stated that due to the inclement weather on Sunday, December 2, we were not able to hold our annual tree lighting and parade. In talking with Christan Spires and looking at the event calendar and communicating with Chief Wade Marvin and the Mayor, we are looking at an alternate date of Sunday, December 16, 2018 to have the tree lighting and the parade. The tree lighting will be at 5:00 p.m. with the parade to follow at 6:00 p.m.

A motion was made by Council Member Pryor to reschedule the Christmas Tree Lighting and Parade to Sunday, December 16th, with the Tree Lighting at 5:00 p.m. and the parade at 6:00 p.m. Council Member Siegel seconded the motion that passed unanimously.

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10. Consideration of Rescheduling the January 1, 2019 City Council Meeting

City Manager Molinari told Council that due to January 1 being a holiday, the proposed change would be to hold the meeting on Tuesday, January 8, 2019. A motion was made by Council Member Bridge to reschedule the January 1, 2019 City Council Meeting to the next week, January 8, 2019. Council Member Siegel seconded the motion. All in favor. None opposed. Motion carried.

COMMITTEE REPORTS:

There were no Committee Reports given.

CITY MANAGER'S REPORT:

1. Consideration of Proposals for Water, Sewer and Sanitation Collection Rate Study

City Manager Molinari told Council that the 2018-2019 Utility Support Department budget allocated \$50,000 for a rate study of the City's water, sewer and sanitation collection operations. In October the City issued a Request for Qualifications from the professional utility business planning firms to lead and facilitate the development of a comprehensive cost of service and rate study to our water, sewer and sanitation collection operations. The four primary components of the study are to review a capital improvement plan, conduct a cost of service study, do a utility rate plan and then make recommendations.

The City received nine (9) statements of qualifications. Of those nine, City staff selected four (4) firms to interview. These were: Stantec, Willdan Financial Services, Thomas & Hutton and Raftgelis. An internal committee consisting of the City Manager, Assistant City Manager, Finance Director, Utilities Director and Director of Public Works conducted the interviews. After the interviews were completed, the committee selected two (2) finalists in which to request a Request for Proposal (RFP). The proposals received were as follows:

<u>Firm</u>	<u>Price</u>
Stantec	\$56,645
Willdan Financial Services	\$49,800

City staff recommends awarding the rate study contract to Willdan Financial Services in the amount of \$49,800.

A motion was made by Council Member Bridge to accept the low bid of Willdan Financial Services in the amount of \$49,800 to conduct the water, sewer and sanitation collection rate study. Council Member Broderick seconded the motion. In discussing the motion, Council Member Bridge asked how soon would the rate study be started. Mr. Molinari responded, if approved by Council, we would like to move forward as soon as possible, because I would like to be able to incorporate the recommendations into our budget process.

Council Member Bonds then stated, to my knowledge since I have been on Council, we have never had one of these. So, to that extent, explain to me why we are spending \$50,000 to do this? Why can't we just call and see what other people are charging for their water and kind of fall into the middle, which is what we have done

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in the past. In the past, we have raised water rates saying those people are up here, and we are still at the bottom and cheap, so let's put it up some, and we are still below 50 percent. Give me more information on this?

Mr. Molinari then stated that the last rate study that the City did was back in 2007. So, it's been about eleven (11) years. The primary reasoning for it is to make sure that our rates are valid and are covering the cost of providing the service, but also and most importantly is capital planning for the future. We obviously have and are looking at some potential significant investments in our water and sewer operations and having to find a way to pay for those improvements and to be able to incorporate it into our rate structure. Also, we have never to the best of my knowledge conducted a rate study of our sanitation collection operations. We obviously do both residential and commercial sanitation, but it's really for establishing and creating a rate structure that will be able to pay for our capital needs moving forward.

Council Member Bonds then asked, don't some of our grants require us to be able to show that we can cover, is that part of what we are going to be doing? We have to show that we have the ability to service our system to be able to qualify for certain grants? Mr. Molinari responded, that's correct. We have to be able to, what they refer to is a debt service ratio - that we have to be able to meet. So, that's absolutely correct, and as you are aware, we are pursuing a number of different grant opportunities for our water and our sewer system.

Council Member Broderick then asked, would that help us possibly in the future if we need to do any bond issues or anything like that to show. Mr. Molinari responded, certainly.

Mayor Young then said, to get back to Mr. Bond's question, can we not get enough information ourselves without doing a rate study and spending \$50,000? You know this might be needed, but with rate studies, you never have a rate study without rates going up. I mean, it always happens.

Mr. Molinari responded, I think the real value in it, obviously whatever we do from a rate standpoint is ultimately going to have to be approved by City Council, but what they can show are different scenarios as far as if you adjust your rates here, these are the types of projects, these are the types of things that you can accomplish. If you don't, these are things that are going to remain unfunded. The previous rate study that we had done back in 2007 was done by an engineering firm and what we are proposing for this study is a financial planning firm, which would map out a path for us to be able to pay for these capital expenditures moving forward.

Mayor Young, then said, but this would give us some documentation to show that we could pay for a revenue bond if we issued them for the expansion. Mr. Molinari responded, yes.

The motion then passed with all members voting in favor.

2. Consideration of Request by CTS/CHS Alumni Association to Fund a Historical Marker for the USO/Colleton Training School at the Ray T. Johnson Building Located at 229 Gruber Street

The Mayor welcomed Ms. Pat Grant, Colleton County Clerk of Court and Mr. Herman Bright to the meeting.

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City Manager Molinari informed Council that he had attached a memo and supporting documentation from Mr. Herman Bright, interim President of the Colleton Training School/Colleton High School Alumni Association requesting the City to fund a historical marker recognizing the Colleton Training School in the amount of \$2,010. They had spoken to us earlier as we were administering the grant for phase III of the North Lemacks Street project and had hoped to potentially fund a marker if we had any funds left over. Unfortunately, we did not, but we can use the purchase of the marker as part of our required match for the CDBG grant. We also have a little less than \$1,500 in a housing account, which needs to be closed out and this is associated with a CDBG Grant that the City received back in the late 1980s where it was used for housing rehabilitation. The remaining \$512.28 will come from the Parks Department budget. The alumni association has gone through the time and expense of applying to the South Carolina Department of Archives and History with the text for the marker. They have already been approved, and if the City were to fund the marker, they would be able to order it and it would be located in front of the Ray T. Johnson Building on Gruber Street.

A motion was made by Council Member Siegel to approve the request for funding for this historical marker. Council Member Bonds seconded the motion that passed with all members voting in favor.

The Mayor thanked everyone for being here tonight. He then entertained a motion to enter into Executive Session. Council Member Brown so Moved. Council Member Bridge seconded the motion that passed unanimously. The Mayor announced that the meeting will convene into an Executive Session for a personnel matter regarding the Fire Chief search. He then wished everyone a Merry Christmas.

The meeting convened into an Executive Session.

At approximately 7:11 p.m., a motion was made by Council Member Bonds to exit the executive session and return to Open Session. Council Member Broderick 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, a motion to adjourn was made by Council Member Bridge, seconded by Council Member Bonds. All in favor. None opposed. Motion carried. The Mayor adjourned the meeting at 7:11 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: January 8, 2019