

MINUTES

A Rescheduled Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, November 12, 2019 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, Assistant City Manager Hank Amundson, City Attorney George Cone, Attorney Brown McLeod, and City Clerk Betty Hudson 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 invited everyone to join in the invocation and the pledge of allegiance. The Mayor then gave the invocation and Council Member Bridge led the pledge of allegiance to our flag.

At this point, the Mayor said, this is our first meeting since we got our new wall decoration, which looks good - entitled "Walterboro, the Front Porch of the Lowcountry" (with a red rocker). He told Christan Spires, you did a good job and this looks really good.

PUBLIC INPUT ON AGENDA ITEMS:

There were no public comments or questions on agenda items.

PUBLIC HEARING:

The Mayor then opened a public hearing, duly advertised, to receive public comments on a proposed USDA Rural Development Project to acquire police vehicles, public utility vehicles, and an excavator.

City Manager Molinari recognized Finance Director, Amy Risher, to brief Council on the proposed USDA grant.

Finance Director Amy Risher told Council that the public hearing tonight is to receive comments and questions to submit applications for a Community Facility Grant to USDA Rural Development. The City would like to submit two applications to USDA.

The first application is for a grant in the amount of \$49,900 to assist in purchasing two police cars. The match requirement for this grant would be \$41,100, which will be in the City's budget for fiscal year 2020-2021.

The second application is for \$50,000 to assist in purchasing one pickup truck and one excavator for the Water Department. The equipment will require a match of \$46,000, which will also be in the budget for 2020-2021.

Concluding, Ms. Risher stated that the City has been awarded multiple grants through the USDA over the last six to eight years.

The Mayor then opened the floor to receive any questions or comments from the public.

No public comments or questions were raised. The public hearing was closed.

PRESENTATION:

1. 2018-2019 Comprehensive Annual Financial Report - The Baird Audit Group, LLC - Ms. Brenda Carroll

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Ms. Brenda Carroll thanked Council for using her company as your auditors again this year. It's always a pleasure to come down to the Lowcountry and spend some time.

A financial auditing report was distributed to all Council Members and Ms. Carroll gave a brief review. She stated that under the Independent Auditor's Report, the City received an "unqualified opinion" or clean opinion, which is the best opinion that you can receive. Once again, you did a great job this year.

Under the Statement of Net Position, the City's governmental activities totaled \$19,811,500. Your business-type activities were \$27,515,000. The business type activities are your water, sewer and sanitation departments. Your liabilities for the governmental funds were \$16,070,000 and for the business-type activities, your liabilities were 4,765,723. So, your net position for governmental activities was \$5,180,618 and the business-type activities net position was \$22,749,000.

Ms. Carroll stated that the City's net position in the governmental fund, the unrestricted, was a negative amount of (\$8,592,000). That is due to the requirement that came into effect a few years ago to report your net pension liability. That net pension liability was \$8,900,000, and your other employee post retirement benefits were \$2,658,000. So, you have basically about \$11,000,000 that was in liability for those two things, which you actually may not ever pay out that total amount, because it is based on your percentage of the entire state's benefit, and there are a lot of calculations.

Ms. Carroll then went over the Statement of Activities, which showed where you get your revenues from and your expenses for the year to tell you where they went. The change in net position which is basically what you had leftover in the government fund was \$644,000 and in your business-type activities was \$52,000.

In the water & sewer and sanitation fund, your total net position was \$22,749,591. Your unrestricted fund net position was a -\$2,064,419, but that is primarily due to your revenue bonds payable, that will be paid out over the next many years.

Ms. Carroll gave further summary information contained in the report. Under the Schedule of Expenditures, Ms. Carroll stated that the City spent last year \$921,554 of federal funds. That means that you were able to do activities, borrow up to \$1,000,000 that came from federal funding, not from the City budget. Most of that was spent on the I-95 Loop Project and the water facilities on Jefferies Blvd.

Once again, you did get a clean opinion unmodified, again that is the best that you can get. There were no significant deficiencies or material weaknesses in internal controls over major federal award programs were disclosed during the audit. There were no findings noted for the year ending June 30, 2019.

The Mayor thanked Ms. Carroll for the concise report. He said, we do feel lucky to have a staff that we have. What a good job our staff does - Amy and all those folks, and year after year, they get recognized for the good work they do. So, we are doing what we are supposed to do and we are not doing anything we shouldn't be doing.

APPROVAL OF THE MINUTES:

The following Meeting Minutes were approved upon motion by Council Member Broderick, seconded by Council Member Brown, and passed unanimously:

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1. Minutes of the June 4, 2019 Regular Meeting.
(Approved as submitted).
2. Minutes of the October 1, 2019 Regular Meeting.
(Approved as submitted).

OLD BUSINESS:

There was no Old Business.

NEW BUSINESS:

1. **Resolution # 2019-R-11**, a Resolution Authorizing the City Manager and City Clerk to Execute Forms Pursuant to USDA Rural Development Community Facilities Grant Applications in an Amount Not to Exceed \$99,900.00 for the Purchase of Police Vehicles, Public Utility Vehicles, and Excavator for the City of Walterboro

City Manager Molinari reminded Council that the Finance Director Amy Risher had already summarized the information on this resolution very well. He asked for Council's favorable consideration. He said, as you are aware the City has been successful for the last several years in securing funds from USDA for the purchase of police vehicles and other equipment. If approved, we will incorporate that into the next budget for fiscal year 2020-2021.

The Mayor noted that this resolution refers to the public hearing we had earlier in the meeting.

A motion was made by Council Member Siegel to approve Resolution # 2019-R-11, Authorizing the City Manager and City Clerk to Execute Forms Pursuant to USDA Rural Development Community Facilities Grant Applications in an Amount Not to Exceed \$99,900.00 for the Purchase of Police Vehicles, Public Utility Vehicles, and Excavator for the City of Walterboro. Council Member Pryor seconded the motion that passed with all members voting in favor. A copy of said resolution is attached as part of these minutes.

2. **Resolution # 2019-R-12**, Certification of the November 5, 2019 Municipal Election Results

City Manager Molinari stated that the Municipal Election Commission met on November 7, 2019 to certify the results of the General Election held on Tuesday, November 5, 2019. The Election Commission has declared Judy Bridge, Ladson Fishburne and Paul Siegel elected as members of City Council of the City of Walterboro.

A motion was made by Council Member Bonds to adopt Resolution # 2019-R-12, Certifying the November 5, 2019 Municipal Election Results. Council Member Broderick seconded the motion. All in favor. None opposed. Motion carried. The Mayor congratulated Council Members Elect Judy Bridge, Ladson Fishburne and Paul Siegel. A copy of said resolution is attached as part of these minutes.

3. **Consideration of Funding Recommendations from the Accommodations Tax Advisory Committee**

Mr. Molinari stated that at the October 17, 2019 meeting, the Accommodations Tax Advisory Committee made four recommendations for funding from the 65% Tourism Fund as follows:

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<u>65% Tourism Fund</u>	<u>Requested</u>	<u>Approved</u>
a. SC Artisans Center -25 Anniversary Advertising Campaign	\$4,380	\$4,380
b. Coastal Electric Trust - 7 th Annual Smoke in the Boro	\$10,000	\$9,650
c. Lowcountry & Resorts Island - guidebooks and promotions	\$20,000	\$10,000
d. Walterboro Criterium - 2019 USA CRITS Championship Series	\$21,500	\$21,000
Totals	\$55,880	\$45,030

He stated that should these requests be approved, the projected remaining balance for 2019-2020 will be approximately \$63,720. These remaining funds will be for consideration at the next scheduled meeting in February 2020.

A motion was made by Council Member Bridge to approve the funding recommendations from the Accommodations Tax Advisory Committee. Council Member Siegel seconded the motion. All in favor. None opposed. Motion carried.

4. Acceptance of Resignation of Mark McRoy from the Municipal Election Commission

A motion was made by Council Member Brown, seconded by Council Member Broderick, to accept the resignation of Mark McRoy from the Municipal Election Commission. The motion passed unanimously.

Also, under New Business, the following agenda items were approved by motion as follows:

5. A request to close streets for the Turkey Trot 5K Run/Walk on November 28, 2019 from 8:30 A.M. to 9:30 A.M. by Walterboro-Colleton Chamber of Commerce. Motion to approve this request was made by Council Member Pryor, seconded by Council Member Bridge, with all members voting in favor.

6. A request for street closings for the Annual Christmas Parade on Thursday, December 5, 2019 at 6:30 P.M. by Christan Spires, Tourism Director. Ms. Spires told Council that generally the Annual Christmas Parade is held on the first Sunday in December. This year that Sunday fell on the Thanksgiving weekend. So, we have opted to hold the parade on the First Thursday Event on Thursday, December 5. The parade route is the same as every year. The Mayor announced that the parade will be held at 6:30 p.m. instead of 6:00 P.M. and the Tree Lighting Ceremony will be held at 5:30 p.m. The motion to approve the request for the Christmas Parade on December 5th was made by Council Member Bridge and seconded by Council Member Broderick. All in favor. None opposed. Motion carried.

The Mayor announced that the First Thursday Event this past Thursday had a huge crowd downtown. He said there were so many cars parked downtown, and it's getting better every time.

7. A request to close streets for the Martin Luther King, Jr. Day Parade on January 19, 2020. Motion to approve this request was made by Council Member Siegel and seconded by Council Member Pryor. The motion passed unanimously.

8. A request to close E. Washington Street for the First Thursday Event of each month in 2020 from 5:30 p.m. to 8:30 p.m. by Christan Spires, Tourism Director. Motion to approve this request was made by Council Member Broderick and seconded by Council Member Bridge. All in favor. None opposed. Motion carried.

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At this point, the Mayor announced that we also had the Festivelo here this week in Walterboro. So, we had a lot of cyclists here in town.

COMMITTEE REPORTS:

There were no Committee Reports given.

CITY MANAGER'S REPORT:

1. **Recommendation to Award Contract for Construction of the Mable T. Willis Boulevard Well**

City Manager Molinari stated that the Utilities Department received bids from three (3) contractors for the construction of a deep well on Mable T. Willis Boulevard that would be capable of yielding more than 1,000 gallons per minute.

The bids received were as follows:

<u>Contractor</u>	<u>Bid</u>
Pinholster Construction, LLC (Savannah, GA)	\$1,257,897.10
AAA Utility & Construction, LLC (Columbia, SC)	\$1,685,220.06
AC Shultes of Carolina, Inc. (Rocky Point, NC)	\$1,742,805.00

Mr. Molinari pointed out that this project would increase the volume and pressure of the water supplied to the surrounding area and would also enhance fire protection capabilities. He said, the City's engineer, Hybrid Engineering, evaluated the experience of the bidders and found the low bidder, Pinholster Construction, LLC (Savannah, GA) to be qualified and capable of performing the project. Staff recommends awarding the contract to Pinholster Construction, LLC in the amount of \$1,257,897.10.

Mr. Molinari also said, as you are aware, the City was awarded a \$1,000,000 grant from the SC Rural Infrastructure Authority for the project. So, the City's share is \$257,897.10. The contractor has agreed to allow the City to subcontract the clearing of the project site, which will save approximately \$40,000, and the savings will be addressed as a deductive change order once the project has been awarded. The City's share of the project which will be approximately \$217,897.10 will be absorbed into the Enterprise Fund budget and will be reconciled with a later budget amendment at the end of the 2019-2020 fiscal year.

A motion was made by Council Member Pryor to accept staff's recommendation to award the construction contract for the Mable T. Willis Boulevard Well to the low bidder, Pinholster Construction, LLC (Savannah, GA) in the amount of \$1,257,897.10. Council Member Broderick seconded the motion. In discussion the motion, Council Member Siegel asked if staff anticipated that there would be a match for this project. Mr. Molinari responded, yes, when in this current budget, we allocated approximately \$100,000 for design and engineering for this project. The Rural Infrastructure Authority only pays for construction costs. They don't pay for design and engineering. When we were first started ball-parking the project, we were looking at roughly a \$1,000,000 project. The bids that came in were a little bit higher than that. So, we've got enough of a reserve in our Enterprise Fund to absorb the match, and depending on how successful a year we have financially, would dictate how significant of a budget amendment we would have to make at the end of the fiscal year.

The motion then passed with all members voting in favor.

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EXECUTIVE SESSION:

The Mayor announced that in a moment, he would be asking for a motion to go into Executive Session. And, when I do that, we will be going into Executive Session for:

1. A Discussion of Matters Encouraging the Location or Expansion of Business - Economic Development Incentives.
2. Potential Purchase of Property.
3. Personnel Matter: Mayoral Appointments to Internal/External Committees, Boards and Commissions.

The Mayor then entertained a motion to enter into an Executive Session. Council Member Brown So Moved and Council Member Broderick seconded the motion. The motion passed unanimously.

The meeting then convened into an Executive Session.

At approximately 8:03 P.M., a motion was made by Council Member Pryor to exit Executive Session and return to Open Session. Council Member Bridge 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, and seconded by Council Member Bonds. The motion passed unanimously. The meeting adjourned at 8:03 P.M. Notice of this meeting was distributed to all local media, 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: March 3, 2020