REGULAR MEETING OF CITY COUNCIL
JANUARY 16, 2014 – 5:30 PM
COUNCIL CHAMBERS
GEORGETOWN, SOUTH CAROLINA

1. CALL TO ORDER

Notice of this meeting has been made in accordance with the 1976 Code of Laws of South Carolina Freedom of Information Act.

MEMBERS PRESENT
Mayor Jack M. Scoville, Jr.
Council Member Brendon M. Barber, Sr.
Council Member Rudolph A. Bradley
Council Member Carol R. Jayroe
Council Member Edward S. Kimbrough, Jr.
Council Member Clarence C. Smalls
Mayor Pro Tempore Peggy Wayne

ALSO PRESENT
Mr. Chris Carter, City Administrator
Mrs. Elise Crosby, City Attorney
Ms. Ann U. Mercer, City Clerk
Mrs. Debra Bivens, Finance Director
Mr. Jonathan Heald, Public Services Director
Mr. Alan Loveless, Electric Utility Manager
Mr. Rick Martin, Building Official/Zoning Administrator
Mr. Tee Miller, Economic Development Director
Chief Joey Tanner, Georgetown Fire Department

MEDIA
Georgetown Times - Mr. Scott Harper
WGTN/WLMC - Mr. Rod Stalvey

2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES

Mayor Jack M. Scoville, Jr. called the Regular Meeting of City Council to order at 5:30 PM and requested all cell phones or electronic devices be turned off or placed on mute.

3. INVOCATION & PLEDGE OF ALLEGIANCE

Council Member Rudolph Bradley rendered the invocation. Mayor Scoville led the Pledge of Allegiance.

4. OATH OF OFFICE

Miss Alma White, Georgetown County Clerk of Court, administered the Oath of Office to Council Member Brendon M. Barber, Sr.

5. ELECT MAYOR PRO TEMPORE

Motion to nominate Mayor Pro Tempore

Council Member Bradley nominated Council Member Barber M. Barber to serve as Mayor Pro Tempore. Council Member Kimbrough nominated Council Member Wayne to serve as Mayor Pro Tempore. Mayor Scoville asked for other nominations, comments or questions.

Mayor Scoville asked all in favor of Mr. Barber to signify by raising their right hand. Mayor Scoville and Council Members Bradley and Barber voted in favor.

Mayor Scoville asked all in favor of Mrs. Wayne to signify by raising their right hand. Council Members Jayroe, Kimbrough, Smalls and Wayne voted in favor. Mayor Scoville congratulated Mayor Pro Tempore Peggy Wayne.

RESULT:	**ADOPTED [4 TO 3]**
MOVER:	Edward S Kimbrough, Council Member
AYES:	Clarence C. Smalls, Peggy P. Wayne, Carol R. Jayroe, Edward S. Kimbrough
NAYS:	Jack M. Scoville Jr., Brendon M. Barber Sr., Rudolph A. Bradley

6. PUBLIC COMMENTS

No one signed up to speak during Public Comments.

7. INTRODUCTION OF NEW EMPLOYEES

Mrs. Debra Bivens introduced Mrs. Sandy Little who has been hired as an accountant in the Finance Department.

8. PRESENTATION

A. Presentation of the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2013.

Mr. David Phillips and Ms. Genia Kornegay with Greene, Finney and Horton were both present for the audit presentation. Using a PowerPoint presentation, Mr. Phillips presented an overview of the Comprehensive Annual Financial Report for the year ending June 30, 2013. He said this is a Comprehensive Annual Financial Report which includes 10 years of statistical data compiled by the Finance Department. He thanked Mrs. Bivens and her staff for all their time and effort. The Auditing Standards Board International and the U. S. have merged and have a new set of clarity standards. The best opinion term has changed from unqualified to unmodified. The City received an unmodified opinion. The General Fund balance increased $540,000 primarily due to higher business license fees. The City has received the GFOA Award for Excellence in Financial Reporting for 23 straight years. He highlighted the opinion stating it is the City's responsibility to prepare the

financial statements and have effective internal controls. Greene, Finney and Horton's responsibility is to issue an opinion. Again, he noted the City received the best opinion they can receive. GFH gives reasonable assurance. In order to give absolute assurance every single transaction processed during the year would have to be viewed. He said this would be cost preventative. The total fund balance for the General Fund increased from $6.67 million to $7.21 million. There is a nonspendable fund balance of $97,000 for prepaids and inventories, restricted fund balance of $8,000 for safe streets and an unassigned fund balance of $7.10 million, which is 90% of 2013 actual expenditures and 80% of 2014 budgeted expenditures. Unassigned means there are no constraints…the funds are available for Council to place a constraint for the use. GFOA recommends a minimum of 16.7%, two months. The strong fund balance gives Council flexibility down the road. He mentioned Mr. Chris Carter will be speaking to Council in the near future about a Capital Improvement Program. Mr. Phillips said this would be a great idea for some of these funds. He encouraged Council to consider setting up a committed fund balance for disaster recovery which meets the accounting requirements. The City has OPEB which is retiree medical insurance. He asked Council to take a look at funding this by putting money in the bank so when the claims come due, the money is there. With the fund balance Council can begin to move on some of the prioritized items. Major reasons to maintain an adequate fund balance include cash flow through the second half of the calendar year; property taxes and business licenses are cyclical; significant emergencies and unanticipated expenditures; flexibility for discretionary funding needs; potential for better interest rates on debt issues; to cover potential shortfalls from the state due to budget cuts or as a result of the change in legislation and extremely important given the uncertain economic times.

General Fund revenues for 2013 were $6.93 million which included $3.03 million in property taxes; $3.06 in licenses, permits and franchise taxes; $550,000 in intergovernmental revenues; $160,000 in fines and forfeitures and $130,000 in other revenues. As a result of the higher MASC collections for insurance and broker taxes the City collected 8% over the amount budgeted. General Fund expenditures were $7.86 million. This included $1.5 million in general government; $5.19 million in public safety; $920,000 in public works and $250,000 in other expenditures. This was a decrease of $104,000 from the prior year, primarily due to lower salaries and benefits due to unfilled positions, most of which were filled at the end of FY 2013 or in FY 2014. Expenditures were $1.74 million under budget, of which $1.27 million related to the delay in the building of the fire station on the Eagle Electric property and $300,000 in lower salaries and benefits.

The Electric Fund had a change in net position of $160,000 compared to $1.1 million in the prior year. Total revenues decreased approximately $456,000, or 3%, from the prior year. This decrease was primarily due to a wetter summer compared to the prior year, which has a great impact on the revenues. Total operating expenses increased $370,000, or 3%, from the prior year, primarily due to higher costs for purchased electricity.

Water and Wastewater Funds had a change in net position of $80,000 compared to $189,000 in the prior year. Total revenues decreased approximately $288,000, or 6%, from the prior year. This decrease was primarily due to a wetter summer compared to the prior year. Total operating expenses remained fairly constant with the prior year and were approximately $4.5 million.

The GASB 34 statements indicate the City has total assets of $83.74 million, of which $55.65 million is in capital assets, $23.06 million in cash and investments and $5.03 million in other assets. Liabilities are $14.44 million, of which $10.32 million is in long-term obligations and $4.12 million in accounts payable and other accrued liabilities. Assets minus liabilities equals the net position which is $69.3 million in total of which $48.7 million is net investment in capital assets, $2.42 million in restricted and $18.18 million in unrestricted. One key item on the government wide financials: if the capital assets are added they have to be depreciated over time. In the expense numbers, $2.66 million is non-cash depreciation.

The following highlights capital assets. Total capital assets were $55.65 million at the end of the year, an increase of $1.03 million from the prior year. Total capital asset additions of $389,000 for governmental activities which consisted of additions to construction in progress of approximately $188, 000 which were related to Front Street Extension, Phase II and East Bay Boat Landing along with $201,000 for purchase of vehicles and other capital assets. On the Enterprise Funds there were additions of $3.31 million for business-type activities which consisted of $2.43 for meter replacement, roof replacement of $249,000, electric poles, transformers and related equipment of $289,000 and vehicles and other capital assets of $342,000. The depreciation expense was $930,000 on governmental activities and $1.73 million on business-type activities. The total long-term obligations were $10.32 million, a decrease of $737,000. Governmental activities long-term obligations increased by $141,000 primarily due to higher compensated absence and OPEB (retiree medical) liability balances, partially offset by normally scheduled principal payments. Business-type activities long-term obligations decreased by $878,000 primarily due to normally scheduled principal payments, partially offset by higher compensated absence and OPEB liability balances. GASB 63 was implemented this year. Two new terms are being introduced to the balance sheet. The new equation is assets, plus *deferred outflows*, minus liabilities, minus *deferred inflows*, equals net position. Currently the City has no outflows or inflows. Next year in GASB 65 certain assets will become deferred outflows and certain liabilities will become deferred inflows. Clarity Auditing Standards became applicable to the City in 2013. The main change for the City is an improved format of the Independent Auditor's Report. Future significant changes in accounting principles include: GASB 65 effective in 2014, certain assets and liabilities will become deferred outflows and inflows, respectively and current and prospective bond issuance costs will be expensed when incurred. GASB 67/68 becomes effective in 2015 for the City's participation in a cost sharing multiple-employer plans-South Carolina Retirement System and South Carolina Police Officers Retirement System. The City will be required to record its pro-rata portion of the net pension liability associated with these plans in

its Statements of Net Positions, which will significantly decrease the City's net position. This will be a fundamental change. The City's current estimate is $7.62 million for the South Carolina Retirement System and $5.06 million for the South Carolina Police Officers Retirement System. Expect rates to increase in future years. This is a result of the retirement systems shortfall.

Speaking to funds set aside for disasters, Mr. Phillips said the City has $1.1 million set aside; however, GASB wants a formal commitment under their criteria so it can qualify and be recognized.

No findings, significant deficiencies or material weaknesses were noted by GFH. If more than $500,000 is expended in federal awards, the government requires a special audit. No single audit was required for FY 2013.

The management letter contained two comments. One being the potential component unit, Winyah Auditorium. Currently City Council has the ability to appoint or remove board members. GASB states if you have that ability, they may be part of you and they should be reported in the financial statements. GFH does not think they are material to the City so they are not reported. If they ever became material they would have to be included and have an audit…a lot of complications. This is something for City Council to consider. Perhaps by lessening the ties in the bylaws. The second recommendation is the capital asset software system. He stated the City's software is somewhat difficult. Staff has been working with the software vendor to correct this problem.

Mr. Phillips said from a fund balance standpoint, the City is in an extremely good position and he challenged Council to utilize where we are and get ahead of the curve.

Mayor Scoville thanked Mrs. Bivens and the Finance Department. Mrs. Bivens thanked her staff for all their hard work.

9. CITY ADMINISTRATOR REPORT

Mr. Carter reported a RFQ is posted on the City's website which calls for qualified engineers or architectural firms to submit qualifications to undertake a study of the fire-impacted area on Front Street. The focus of the study is to examine the feasibility on options of building back, such as flood proof construction technique as opposed to rebuilding, elevating new construction above the base flood elevation. Waccamaw Regional Council of Governments developed the RFQ and is simultaneously seeking CDBG funds for funding of the elevation of alternative study. It is believed this study can help the owners of the properties more objectively develop plans for rebuilding on Front Street.

Asbestos testing results were delivered last week and presented to owners this week. There are two sections of the fire destroyed area that can immediately begin debris removal. Removal of debris will have to be undertaken by asbestos

contractors. A meeting of the property owners will be held on January 29th after more details are gathered by the owners and how they wish to jointly proceed with debris removal.

City staff is preparing to present a 2013 version of the Flood Plain Protection Ordinance for adoption. This is Front Street related. The current ordinance lacks one facet which is the ability to hear appeals from decisions of the flood plain manager on a local level before going to the circuit court. It was felt that a build-back situation in a flood hazard area such as Front Street…that having the local flexibility to grant a variance or to review a flood plain determination might be useful. This is scheduled to be presented to the Planning Commission on January 28th and will come before Council at the February meeting.

Final cleanup of the river was completed before the end of the year. About 350 cubic yards of debris were removed. With the intervention of Senator McGill, most of the riverfront cleanup has been offset by grants or payments from state government for other uses. This resulted in minimum impact to the local taxpayers. The Harborwalk has been restored to full health.

Mr. Carter offered a picture of the completed East Bay Boat Landing. Many compliments have been received on this project. In addition to H-tax funds we received over $101,000 from the Coastal Access Grant Program.

He noted a draft copy of the agenda for the Council Annual Retreat was given out and asked Council to contact him with any suggestions they would like included.

Mr. Carter recognized Mrs. Debra Mumford, the City's Human Resource Director. She has served as a major part of the team for over seven years. Debra has accepted a position with Horry County. Mrs. Mumford thanked Mayor and Council for giving her the opportunity to work for the City. Mayor Scoville thanked Debra for her service. Council Member Barber thanked Mrs. Mumford on behalf of the students of the School District of Georgetown County for participating in Career Days and sharing her knowledge and experience.

10. MINUTES APPROVAL

Motion to approve minutes of Regular Meeting dated November 21, 2013

Mayor Scoville asked for any additions or changes. Mayor Scoville called for the question.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Peggy P. Wayne, Mayor Pro Tempore
SECONDER:	Rudolph A. Bradley, Council Member
AYES:	Scoville Jr., Barber Sr., Bradley, Smalls, Wayne, Jayroe, Kimbrough

11. OLD BUSINESS

There was no old business.

12. NEW BUSINESS

Council Member Smalls asked that staff review the mobile home ordinance. He stated from Winyah Street over all kinds of trailers are being dumped and the ordinance needs to be amended. Mr. Matt Millwood said Mrs. Janet Grant, the City's Code Enforcement Officer, is currently working to have one particular trailer which is a terrible eyesore removed. The owner did not have a permit and it was located without any knowledge of the City. Mayor Scoville directed the City Administrator to meet with Rick and Janet and have the Planning Commission review the ordinance.

Council Member Barber said the Low County Veterans Association is a nonprofit group with about 250 members. They have formed a partnership with the Housing Authority to assist in locating housing for homeless Vets. Waccamaw Regional Council of Governments is helping the group with grant applications; however, before they can receive the money they are looking for an office space. Mr. Barber told the group he would bring this before Mayor and Council. He asked if the City is still utilizing a substation at the Housing Authority. Captain Keith Small of the Georgetown Police Department said that particular substation was turned back over to the Housing Authority.

Mayor Pro Tempore Wayne thanked the City Fire Department for the fine job they did fighting the fire at the car wash last night. Mayor Scoville reiterated we have the best fire department of any town of a similar size in the country.

13. DEPARTMENT MONTHLY REPORTS

A. Finance and IT Department Report - December 2013
B. Georgetown PD - Monthly letter Dec 2013
C. December 2013 Fire Report
D. Public Services December 2013 Report
E. Electric Department Monthly Report
F. Housing & Community Development January Monthly Report

14. EXECUTIVE SESSION

Motion to Enter Executive Session to discuss appointment to the Community Appearance Board and receive legal advice concerning possible litigation.

Mayor Scoville called for the question.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Rudolph A. Bradley, Council Member
SECONDER:	Brendon M. Barber Sr., Council Member
AYES:	Scoville Jr., Barber Sr., Bradley, Smalls, Wayne, Jayroe, Kimbrough

The Regular Meeting was adjourned at 6:29 PM.

Motion to adjourn Executive Session and return to Regular Session.

Mayor Scoville called for the question.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Rudolph A. Bradley, Council Member
SECONDER:	Brendon M. Barber Sr., Council Member
AYES:	Scoville Jr., Barber Sr., Bradley, Smalls, Wayne, Jayroe, Kimbrough

Executive Session was adjourned and the Regular Meeting was reopened at 7:05 PM.

Mayor Scoville announced no formal action was taken in Executive Session.

15. APPOINTMENTS

Motion to appoint Janet Johnson to the Community Appearance Board.

Mayor Scoville called for the question.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Jack M. Scoville Jr., Mayor
SECONDER:	Rudolph A. Bradley, Council Member
AYES:	Scoville Jr., Barber Sr., Bradley, Smalls, Wayne, Jayroe, Kimbrough

16. ADJOURNMENT

Motion to adjourn the Regular Meeting of City Council.

Mayor Scoville called for the question.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Rudolph A. Bradley, Council Member
SECONDER:	Brendon M. Barber Sr., Council Member
AYES:	Scoville Jr., Barber Sr., Bradley, Smalls, Wayne, Jayroe, Kimbrough

The Regular Meeting was adjourned at 7:06 PM.

Ann U. Mercer
City Clerk

Date Approved: 02/20/14