



**SPECIAL MEETING/WORKSHOP OF CITY COUNCIL
JUNE 22, 2017 – 4:00 PM
MUNICIPAL COURTROOM
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.
Mayor Pro Tempore Brendon M. Barber, Sr.
Council Member Sheldon A. Butts
Council Member Al Joseph
Council Member Edward S. Kimbrough, Jr.
Council Member Clarence C. Smalls

MEMBERS ABSENT

Council Member Carol R. Jayroe

ALSO PRESENT

Mr. Paul A. Gardner, City Administrator
Mrs. Elise Crosby, City Attorney
Ms. Ann U. Mercer, City Clerk
Miss Suzanne Abed-El-Latif, HR Manager
Mrs. Debra Bivens, Director of Finance
Mr. Tim Chatman, Streets and Sanitation Manager
Mr. Will Cook, Water Utilities Director
Chief Charlie Cribb, Georgetown Fire Department
Mr. Glen Dixon, Fleet Superintendent
Mr. Alan Loveless, Director of Electric Utilities
Mr. Rick Martin, Building Official/Zoning Administrator

ABSENT

Mr. Orlando Arteaga, Engineer
Mrs. Gloria Bromell-Tinubu, Economic Development Director
Chief Kelvin Waites, Georgetown Police Department

MEDIA

Georgetown Times - Mr. David Purtell
GAB News - Mr. Scott Harper

2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES

Mayor Jack M. Scoville, Jr. called the Special Meeting/Workshop of City Council to

order at 4:00 PM and requested all cell phones or electronic devices be turned off or placed on mute so as to not interrupt the meeting.

Council Member Butts rendered an invocation.

3. DISCUSS TRANSFER POLICY RELATING TO TRANSFERS FROM ENTERPRISE FUNDS TO THE GENERAL FUND

Mr. Paul Gardner referenced a 2016 South Carolina Supreme Court ruling on Azar vs. the City of Columbia. City staff has made every effort to be compliant in observance of the ruling. He recognized Mrs. Debra Bivens to explain what the City is doing this year. Mrs. Bivens directed Council to a draft copy of a transfer policy staff is proposing to make more transparent our transfer policies from the Enterprise Funds to the General Fund. She read the proposed Resolution Authorizing the Imposition of a Transfer Policy for the City of Georgetown and Other Matters Relating Thereto, which the City's bond attorney assisted in developing. The combined public utility system is electric, water and wastewater. Mrs. Bivens explained the City will identify three different categories that can be used to justify the cost from the Enterprise Fund to the General Fund: Cost of Service Allocation, Operations Fees and Payment in Lieu of Taxes. She referred to the Transfer Policy proposed calculations stating the three categories will net a transfer from the Enterprise Funds to the General Fund of \$1,479,336: Cost of Service Allocations \$102,454; Operations Fees \$919,860 and Payment in Lieu of Taxes \$457,022. The Cost of Service Allocations is justified by 40% of the expenses of the Administration, Finance, and IT Departments and Non-departmental. The Operations Fees is 5% of the gross revenue of the Enterprise Funds. The Payment in Lieu of Taxes is calculated by multiplying the total capital assets of the System by 10.5% and then by the millage rate 9.5. This is no more than what we have done before, it is more of a justification of a true cost. Mr. Gardner stated the main thing to consider is we have a coherent policy in our records as to why we are doing what we're doing and to be compliant with the Azar opinion. The three components may or may not be applied at one time. If the City wanted to use the Cost of Service Allocations and not use the Payment in Lieu of Taxes the 40% would be increased to 60%...or what have you. Mrs. Bivens reiterated this is a proposal being presented to Council and is what our bond attorney recommended. The administrative burden of operating the Enterprise Funds is on the General Fund. Three different avenues have been identified we can actually justify and quantify. This will be on the agenda at the July 13 Regular Meeting.

4. DISCUSS FUNDING SOURCE FOR PEAK SHAVING PROJECT

Mr. Gardner stated costs for this project have escalated from \$3.7 million to upwards of \$4.5 million. We have received additional competitive bidding and are in the process of reviewing the bids. As we go forward, staff feels it would be better for the City to finance the Peak Shaving project and incorporate the rehabilitation of the electric system on Front Street. We have spoken with the bond attorney about this approach. Mrs. Bivens said when we initially began to talk about this project in 2014 the cost estimate was \$2.6 million. Staff was optimistic the City could pay for it

up front from the fund balance and the savings each month would replenish the balance. The project has grown and now the total cost is approximately \$5 million. Staff discussed the funding of this project with our municipal advisors and the bond attorney. Our preferred option is financing \$6 million for ten years with a debt service annual payment of \$739,000. This would fund both the Front Street project and the Peak Shaving project. The savings from the Peak Shaving project will actually pay for the project. At a previous workshop it was discussed how much of the savings will be passed on to customers and how much we will retain. This will be Council's decision. After the term, more of the savings will be passed on to our customers. For the last 12 months the annual savings from Peak Shaving averaged \$700,000 - \$750,000. Ms. Bivens suggested passing 30% of the savings to the customer and retaining 70% for the debt service payment. Discussions followed. The Electric Department fund balance is \$6,726,400. As an option, \$1 million could be used from this balance which would reduce the borrowing from \$6 million to \$5 million which would reduce the debt service payment to \$615,400 for ten years. Mr. Gardner invited any member of Council who has any questions or concerns to meet with Mrs. Bivens and himself. This will be on the July agenda.

Mayor Scoville recognized Council Member Joseph. Mr. Joseph stated the idea for a gazebo came 3 or 4 years ago from the Georgetown Business Association when he was in charge. For a number of reasons it did not move forward. He revisited the idea with Mr. Gardner a few months ago and subsequently found out the Lions Club wanted to institute a legacy project. The money for the gazebo was available and the next decision is where it will be located. Mr. Joseph said he has received a number of emails from individuals indicating their location preference; some in Francis Marion Park, some in other areas. He would like Council to express their feelings on the location. The Lions Club is asking that the 24-foot gazebo be located in Francis Marion Park and they are working on a deadline.

Mayor Scoville said the objection he has heard is Francis Marion is too small for the size of the gazebo. Mr. Joseph stated the gazebo will be a permanent structure and take up no more space than the temporary tent used in the Park for events. The height and the short lattice around the base would offer a complete and clear view through the gazebo to the water. It could potentially bring revenue to the City i.e. weddings, etc. Mayor Pro Tempore Barber suggested having a meeting to receive citizen input on the location. Council Member Kimbrough said he has been receiving emails from the public. His thoughts are if the Park were two to three times larger it could accommodate the gazebo. "I just think it's an overwhelming size for that space." He would like to see it at East Bay Park where the City is spending a lot of time, energy and money redeveloping the Park into a green and fun place where families can go. It could be the cornerstone of the East Bay Park redevelopment. Most of the emails Mr. Kimbrough has received from the downtown businesses are in favor of the gazebo in Francis Marion Park and those objecting to that location are non-business owners. He said it is a spatial issue and will block too much of the waterfront. Council Member Joseph indicated a 3-D vision of Francis Marion Park with the gazebo is being created. He said Francis Marion Park is the closest thing

Georgetown has to a town square. Council Member Butts agreed with Mr. Joseph. Council Member Smalls said he does not want to block the view. Mr. Gardner said he will contact the Lions Club and see if they can present a conceptual design at the July City Council Meeting.

Mr. Gardner reported the City has received a partial payment in the amount of \$330,000 from FEMA for Hurricane Matthew. For the most part this was for debris removal. He noted the Fraser Street drainage project has performed well. There is a dip in the road in front of the steel mill; those drains do not feed into the system and don't drain as well.

Council Member Butts announced Bethel AME will have its Friends and Families Day this Sunday. The guest speaker is Dr. Cornell William Brooks, President and CEO of the National NAACP organization and extended an invitation for all to attend. Lunch will be served after the service.

5. ADJOURNMENT

The Special Meeting/Workshop adjourned at 4:45 pm.

Ann U. Mercer
City Clerk

Date Approved: 08/17/17