SPECIAL MEETING OF CITY COUNCIL
JUNE 2, 2015 – 4:00 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
Miss Suzanne Abed-El-Latif, HR Manager
Mrs. Debra Bivens, Director of Finance
Mr. Will Cook, Water Utilities Director
Mr. Glen Dixon, Fleet Superintendent
Chief Paul Gardner, Georgetown Police Department
Mr. Jonathan Heald, City Engineer
Mr. Alan Loveless, Director of Electric Utilities
Mr. Rick Martin, Building Official/Zoning Administrator
Mr. Tee Miller, Assistant to the City Administrator for Economic Development
Chief Joey Tanner, Georgetown Fire Department

MEDIA
Georgetown Times - Ms. Taylor Griffith

2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES

Mayor Jack M. Scoville, Jr. called the Special Meeting 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.

Mayor Scoville made a **motion to add an Executive Session item to the agenda to discuss economic development as it relates to ArcelorMittal**, seconded by Council Member Barber.

Mayor Scoville called for the question.

RESULT:	**APPROVED [5-0]**
MOVER:	Jack M. Scoville, Jr., Mayor
SECONDER:	Brendon M. Barber, Sr., Council Member
AYES:	Scoville Jr., Barber Sr., Bradley, Smalls, Wayne
AWAY:	Jayroe, Kimbrough

Council Members Jayroe and Kimbrough arrived at 4:03 PM.

3. FINANCE

Mayor Scoville recognized Mr. Chris Carter. Mr. Carter asked Chief Paul Gardner to discuss his request for Georgetown Task Force funding, which is not included in the proposed budget. At the budget retreat in January Chief Gardner informed Council the grant that funded the Drug Enforcement Unit would expire on June 30th. The question now is how to fund the position. Solicitor Greg Hembree started the Drug Enforcement Unit. Horry County began their DEU with a five year grant which has expired. This is now fully funded by departments in Horry County and the Solicitor's office. Georgetown has been asked to fund an office and a deputy commander, who is a Horry County government employee. The City's share of the cost would be $30,000. Chief Gardner said the DEU works for the City.

Council Member Bradley made a **motion to add $30,000 to the Police Department budget**, seconded by Mayor Pro Tempore Wayne. Mayor Scoville asked for discussion. Council Member Bradley asked why the Solicitor would not fund the $30,000. Chief Gardner stated the DEU in Horry County has three positions, which are being funded. One position is assigned to Georgetown and the Chief is requesting $30,000 to partially fund the City's share. Georgetown County also shares in the expense.

Mayor Scoville called for the question.

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

Mr. Carter said Council Member Smalls has requested additional Keep Georgetown Beautiful personnel expenses converting the position from part time to full time. The cost would be $24,000 which is not included in the proposed budget.

Council Member Smalls made a **motion to add $24,000 to the budget for one full time position in the KGB department**, seconded by Council Member Bradley.

Mayor Scoville called for the question.

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

Mr. Carter asked Mrs. Debra Bivens to explain the Capital Projects Fund. Mrs. Bivens reminded Council the auditors have indicated the City has a healthy General Fund fund balance of unassigned funds. They have suggested the City set aside the funds for capital projects. As of June 30, 2014 we had approximately $6.6 million in the Fund. As a result of the recommendation, a Resolution to establish a Capital Reserve Fund was presented to Council in May 2014 and amended in May 2015. The Fund has recently been set up and half of the General Fund fund balance, $3.3 million, was moved to the Capital Projects Reserve Fund. A list of capital projects being moved from the General Fund to the Capital Projects Fund was provided. A capital project is defined as an initial purchase cost of $5,000 or more and a useful expected life of at least one year. By moving these projects the amount needed to balance the General Fund budget was reduced from $500,000 to $170,000. Of the $3.3 million in the General Fund fund balance, $1.5 million is restricted for emergencies as identified in the budget ordinance. This amount is equal to two months of General Fund expenditures. Discussions followed.

Mr. Carter addressed the property reassessment and stated the budget ordinance sets a millage rate. The current rate of 87 mills has been in effect since 2005. Now is an opportunity to raise the rate in anticipation of a decrease (based on conversations with the County) in property values. The potential for a millage rate increase is determined by adding population increase to the consumer price index. Before setting a tax rate, we have the ability to "look back" three prior tax years and total the millage increase the City could have used, but did not use, and impose it as a percentage increase to the current rate. Today it is 5.32%. The City has been notified our eligibility this year to raise the millage cap is 1.62%. This, along with the "look back" would total 6.94%, an increase to 93 mills, approximately $184,000. Once in the new tax year, a "look back" would drop off the 2012/2013 cap increase of 2.07%. Given the unknown of the reassessment and closure of the steel mill, Mr. Carter said this bares discussion. The opportunity to buffer the effect of what was just mentioned, is more prevalent now. As of March the total amount of personal and real property levied is $33,895,159. The City's collection percentage of taxes is 95%, near $3 million. In the event the 2015 reassessment drops the assessment 10% or more, we will need about $2.8 million of total levy. Mayor Scoville stated five years ago there was a reassessment and property values decreased substantially. Georgetown County and the School Board raised their rates; there was no gain or loss of income. Council determined not to raise the millage rate to zero out the income, which resulted in a loss of $400,000 a year since then. That is $2 million the City would have had and it is catching up with us. He said good responsible financial stewardship requires Council to restore the tax base.

Mayor Scoville made a **motion to assess 94 mills in the 2015/2016 budget,** seconded by Council Member Barber. Council Member Barber said the revenue from five years ago is lost. If Council does not act on this now, we are going to be in the hole. Council Member Smalls said he had a problem with the increase five years ago, he has a problem with it today and stated he is not in support of the increase. Council Member Bradley stated "The people out here don't have the money that we think they have." He asked where the money would come from and what the effect would be if taxes are not increased. Mr. Barber said staff should be given the time to answer some of these questions. Mayor Scoville said because of the reassessment we are going to have to revisit this in October. If we vote to raise the millage today, we may not have to raise it this fall, depending on the reassessment. Mrs. Bivens stated the money lost over the last five years totaled $2 million. Positions, through attrition in most cases, were reduced as well as using fund balance. If we continue not to approve a revenue neutral millage increase as a result of reassessment, we will continue to use the fund balance, eventually depleting the reserves. Mr. Carter added we would immediately began cutting capital projects. Mayor Pro Tempore Wayne said not knowing the situation with the steel mill, a lot of people could be out of work who would be affected by a tax increase. Council Member Kimbrough said, listening to Mrs. Bivens, at some point we are going to be out of money. We are all concerned about the future and the projects scheduled. Although he would hate to raise the millage rate, he is not sure Council has a choice. Discussions continue.

Mayor Scoville called for the question.

RESULT:	**APPROVED [4-3]**
MOVER:	Jack M. Scoville, Jr., Mayor
SECONDER:	Brendon M. Barber, Sr., Council Member
AYES:	Scoville Jr., Barber Sr., Jayroe, Kimbrough
NAYS:	Bradley, Smalls, Wayne

Council Member Jayroe made a motion to discuss the wage compression and longevity pay, seconded by Council Member Kimbrough.

No motion needed to discuss. Council Member Jayroe withdrew her motion.

Council Member Jayroe made a **motion to add to the budget wage compression and longevity pay issues as presented and recommended by staff**, seconded by Council Member Kimbrough. Mayor Scoville asked for discussion. Mrs. Jayroe asked Mr. Carter for a short presentation. Wage compression occurs when long term employees are at the minimum of the salary range and new employees are hired at the same salary. We have 18 employees whose salaries will be increased in the Wage Compression Salary Adjustment Plan; five in Police, nine in Fire and four in Water Utilities. The cost is $29,643. Examples were provided. Longevity Pay is based on years of total service with the City. Service thresholds are based on the City's General Leave Accrual Policy. Increase increments are: less than 5 years 1.5% raise, 5-10 years 2% raise, 10-15 years 2.5% raise, 15-20 years 3% raise, over 20

years 3.5% raise. Each year percentages would be adjusted based on the City's ability to fund future increases. If approved, this would become effective July 1, 2015. The cost is approximately $171,000 including associated benefits. Council Member Barber stated by moving to the State Health Plan the City saved $270,000 after the MIR pay. He suggested using this savings for a one time pay equity raise for all employees. Discussions followed. For the record, Council Member Bradley stated, "For some strange reason it has been believed that we are against wage increases. That is not true. The question is, how are we going to increase the employees' (salaries). He asked the record to state that. The other confusion is that we do know what we are talking about. It was an application of Robert's Rules of Order, a part of our Ordinance, and we did it as designed. Having said that, so that could be in the record, so the general public would understand that, I am preferable or partial to a pay scale with a merit. I well understand a person working twenty years. Twenty years is not enough, there should be some qualifications, so as I said earlier, I prefer the pay scale with the merit. Set the criteria and it has to be documented where it can be seen. The other thing, for the past five or six years, we have stopped giving the COLA. All those things we were doing to help the workers, we stopped doing it. I just can't see telling someone, you work here twenty years, you gonna get paid this. Now this thing of keeping an employee, there is nothing written in sand, because America is a commercial society and people go where they can get more bang for the bucks. As Mr. Barber said, we just seem to wanna conclude that a person is leaving because they are not getting paid enough. There should be more to substantiate that cause from my experience in talking with staff, it's more to it than just the money. It's how they are being treated. So, with that being said, I prefer a pay scale with a merit. On that case, I cannot vote with the wage compression, cause I think a pay scale with the merit would be much better." When asked, Mr. Carter said since he has been with the City, some departments have annual reviews and others do not. Mayor Scoville said he would like to look at a merit increase next year.

Mayor Scoville called for the question.

RESULT:	**APPROVED [4 TO 3]**
MOVER:	Carol R. Jayroe, Council Member
SECONDER:	Edward S. Kimbrough, Council Member
AYES:	Scoville Jr., Jayroe, Kimbrough, Smalls
NAYS:	Barber Sr., Bradley, Wayne

Council Member Kimbrough recommended staff work with the Planning Department to establish a future Land Development Plan for the current steel mill site. Mayor Scoville stated this will be discuss in Executive Session. At the beginning of the meeting a motion to amend the agenda and add an Executive Session was voted on and approved.

Council Member Bradley made a **motion to remove $15,000 from the budget earmarked for Confederate Veterans**, seconded by Council Member Barber.

Mayor Scoville asked for discussion. Mayor Pro Tempore Wayne stated she attended a meeting with leaders of the VFW and discussed the Georgetown County Veterans Memorial. She indicated the memorial was going forward because the federal government said every war fought has to be recognized. She wants the funds to remain in the budget and Council to support the project. Mayor Scoville said when you are building a memorial to men who died fighting for the Union and the United States flag, he thinks it is inappropriate to spend public funds to support a memorial to people who fought against that flag.

Mayor Scoville called for the vote.

RESULT:	**APPROVED [4-3]**
MOVER:	Rudolph A. Bradley, Council Member
SECONDER:	Brendon M. Barber, Sr., Council Member
AYES:	Scoville Jr., Barber Sr., Bradley, Smalls
NAYS:	Jayroe, Kimbrough, Wayne

A. Motion to approve first reading of an Ordinance, as amended, to Adopt a Budget and Raise Revenue for the City of Georgetown, South Carolina for Fiscal Year Ending June 30, 2016.

Council Member Smalls moved, seconded by Council Member Jayroe.

Mayor Scoville called for the question.

RESULT:	**APPROVED [5 TO 2] Next: 6/25/2015 5:30 PM**
MOVER:	Clarence C. Smalls, Council Member
SECONDER:	Carol R. Jayroe, Council Member
AYES:	Scoville Jr., Jayroe, Kimbrough, Smalls, Wayne
NAYS:	Barber Sr., Bradley

4. DISCUSS AMENDMENT TO THE REVENUE BOND ORDINANCE TO FUND IMPROVEMENTS TO THE WASTEWATER TREATMENT PLANT (AS A RESULT OF THE DHEC CONSENT ORDER) AND OTHER POTENTIAL WATER AND WASTEWATER PROJECTS.

Chris Carter stated this relates to the 2011 Revenue Bond. Mrs. Bivens stated in September 2012 four projects from the Water and Wastewater Funds were identified and presented to Council. They were separated into two phases. First phase was the Maryville Water Tank and the Historic District Manhole Rehabilitation. Both of these projects are complete; funded from the SRF fund loans. Phase two was the Historic District Water Line Improvements and the West End Sewer Rehabilitation Project. Staff is proposing these projects be postponed because two new priority projects have come to the forefront: (1) the Wastewater Treatment Plant modifications and (2) a new water tank. The Port (i.e. pink) tank at the foot of the bridge (going into Maryville) cannot be painted until a new water tank is installed. Staff is proposing to refinance the 2011 Revenue Bond. The

interest on this has reduced by 1%. By refinancing, we would get the monies to fund the two new projects. The 2011 Revenue Bond was $6.7 million and $3 million for the Water Meter Project. The Water Tank in Maryville is $1.5 million and the Historic District Manhole Rehabilitation is $437,398. Adding $3.8 million for the Wastewater Treatment Plant modifications and $1.5 million for the new Water Tank to the Bond will be an additional $5.4 million. If we use the Bond to finance, the proposed annual debt for that would be $209,000. The debt service would be divided between the partners and the City would be responsible for half of the cost. Discussions concerning the priorities and the amount of debt service followed. Council Member Bradley asked if we could afford to delay the West End Sewer Rehabilitation project. He, Council Members Barber and Jayroe expressed concern in doing so. Mr. Carter said if Council wants to consider a rate increase, the project could be added to the budget. He stated the proposed budget does include 600 feet of sewer (line) replacement on Merriman Road. A breakdown of all projects, their criteria priorities and the costs will be presented at the next meeting.

Council Member Bradley made a **motion to adjourn Special Meeting and enter Executive Session to discuss ArcelorMittal**, seconded by Council Member Barber.

Mayor Scoville called for the question.

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

The Special Meeting was adjourned at 5:35 PM.

Council Member Bradley made a **motion to adjourn Executive Session and reconvene the Special Meeting,** seconded by Council Member Smalls.

Mayor Scoville called for the question.

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

Executive Session was adjourned at 6:07 PM.

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

Mayor Scoville announced a Public Hearing and the Regular Meeting of City Council will be held at 5:30 PM on June 25, 2015. The Public Hearing will be held to receive comments concerning the proposed millage increase.

5. ADJOURNMENT

Motion to adjourn the Special Meeting of City Council.

Council Member Kimbrough moved, seconded by Mayor Scoville.

Mayor Scoville called for the question.

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

The Special Meeting was adjourned at 6:08 PM.

Ann U. Mercer
City Clerk

Date Approved: 08/20/15