SPECIAL MEETING/WORKSHOP OF CITY COUNCIL
MAY 22, 2014 – 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 P. Wayne

ALSO PRESENT
Mr. Chris Carter, City Administrator
Ms. Ann U. Mercer, City Clerk
Mrs. Debra Bivens, Finance Director
Chief Paul Gardner, Georgetown Police Department
Mr. Jonathan Heald, Public Services Director
Mr. Tee Miller, Economic Development Director
Chief Joey Tanner, Georgetown Fire Department

MEDIA
Georgetown Times - Ms. Eileen Keithly

2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES

Mayor Scoville called the Special Meeting/Workshop of City Council to order at 4:00 PM and requested all cell phones or electronic devices be place on mute or turned off.

3. MICHAEL WALKER - TYCHE & WALKER ARCHITECTS

Discuss pros and cons of design-build and design-bid-build construction projects.

Mr. Walker reviewed the project delivery methods of design-bid-build and design-build. The design-bid-build method involves an architect, bidding of the project and selection of contractor. This is the older version where the owner has a contract with the architect and a contract with the contractor. The architect does not have a

contract with the contractor. The architect is selected through a RFQ or RFP process. The architect will design a project based on information the owner provides which then goes out for bids. Typically if they are qualified, the lowest bid gets the job. This method is identified by the following defining characteristics: three primary players - the owner, designer and builder; two separate contracts, owner-designer and owner-builder; and final contractor selection is based on lowest responsible bid or total contract price. Typical characteristics include: three linear phases - design, bid, build; well-established and broadly documented roles; carefully crafted legal and procedural guidelines; a lowest responsible bid that provides a reliable market price for the project; contract documents that are typically completed in a single package before construction begins requiring construction-related decisions in advance of actual execution; an opportunity for construction planning based on completed documents; complete specifications that produce clear quality standards; and configuration and details of finished product agreed to by all parties before construction begins. The architect is paid in phases.

In the design-build approach the owner contracts with a single entity for both design and construction. The design-build entity can be led by either an architect or a general contractor and can consist of team members. If the owner does not have all information together there is the potential for a lot of change orders. This is more integrated, there is less distinction between phases, there is more opportunity to go back and forth and look at possible options of where the dollars are being spent. Owners interested in single-point responsibility for both design and construction can use the design-build delivery system. In design-build a consolidated entity provides both design and construction services to the owner. A single contract is established between the owner and the architect-contractor or design-build entity. This approach requires an explicit determination of the roles and responsibilities of the design-build team. The defining characteristic that identifies design-build is one contract - owner to design-build entity. The owner has more of a say in this process. To be successful, the team that is assembled must be willing to be engaged. Typical characteristics of the design-build method includes: project-by-project basis for establishing and documenting roles; continuous execution of design and construction; overlapping phases - design and build; two prime players - owner, design-build entity; carefully crafted legal and procedural guidelines for public owners; some construction-related decisions after the start of the project; overall project planning and scheduling by the design-build entity prior to mobilization (made possible by the single point of responsibility); and either cost or solution as the basis for selection of the design-build entity.

Mr. Walker has been involved in both methods. Depending on the circumstances both have their pros and cons. It boils down to the fact that you must have an engaged group from the owner's standpoint. Design-build will give you more flexibility but how you go about selecting the team of people is of paramount importance.

4. WINYAH AUDITORIUM CORPORATION BOARD OF DIRECTORS

Presentation regarding future operation of the Auditorium and discussion of possible City participation.

Mr. James Felts, treasurer of the Winyah Auditorium Board, provided Council with copies of the Winyah Auditorium Corporation annual financials for 2011 to present. The Auditorium Board was designed, created, etc. to take over control of the Winyah Auditorium and its daily functions and performances. He told Council the Board is unsustainable on its own and cannot survive, at a bare minimum, without support from the City. In his opinion, he feels the best alternative for the Auditorium is for the City to step in and take it over. The 2013 taxes have not been paid and the monthly horizontal property regime fees have not been paid since September 2013. Mrs. Lauren Joseph is Acting President and Mr. Bill Murray and Ms. Angie Mettlen are board members. Along with him, they are the remaining members of the Board and are asking for help. Ms. Joseph stated grants are available; however, most are for some type of physical improvement. The grants for operation are very short-lived because the funding agency wants to see that the project can be sustained going forward. Mr. Felts noted 2012 was the best snapshot of what it takes to run the Auditorium with performances; the numbers illustrate the problem. The year 2013 was very quiet because the Board knew this was coming and 2014 had losses, not nearly as vast as they would be, because the taxes and regime fees are delinquent. Ms. Joseph said when she called the State questioning the taxes due she was told the tax exempt paperwork was never filed. It was unclear who was responsible for filing the paperwork because the current members were not serving during the transition. She now has the paperwork ready to be filed. Discussions continued.

5. FINANCE DEPARTMENT

Discuss Cloud Solution

Mrs. Debra Bivens said in response to the City's solicitation for bids for cloud solution and management services seven bid proposals were received on April 22nd. HTC was selected and a handout of their services was provided to Council. These included 24/7/365 managed service, business continuity and disaster recovery, hosted desktop solution (terminal desktop solution), reliable uptime, private circuit for desktop and servers (dedicated circuits), monitoring, Microsoft licensing (servers, desktop and client access licenses) and antivirus. HTC is a local company and they were the lowest bidder, $150,000 annually. This is included in the budget.

6. ECONOMIC DEVELOPMENT REPORT

Mr. Tee Miller said many projects he is involved with deal with proprietary businesses and private investors that have not made their plans public. For this reason he said he needs to communicate with Council individually rather than through written correspondence. He handed out a report and reviewed his approach to economic development and population, housing, community facilities, cultural assets, land use/annexation and the transportation, all which pertain to

economic development. With the City's Comprehensive Plan as a guide, he is working to (1) partner with Georgetown County for industrial development. Because of the City's relatively limited available sites and the County's network to the South Carolina Department of Commerce, it makes sense to partner with them for industrial development recruitment. Unincorporated areas may still benefit the City because employees spend a significant amount of their income where they live. (2) Attracting new residents. The City needs to increase its population to increase the tax base to keep up with the increasing cost of City services. To successfully development knowledge-based businesses (internet, technology, media, etc) we need to attract individuals with these backgrounds to live here. New residents increase the real estate value with more demand for housing, which drives the construction and real estate sectors and increases property taxes, which benefits the City and School District. Attracting new residents requires making the City a better place to live, which benefits the current residents. (Jobs, better neighborhoods, parks, city services, shopping, dining, entertainment, arts, schools, etc.) (3) Expanding Tourism. The Waccamaw Neck attracts one million visitors per year to our doorstep that provides a huge potential for local businesses. Tourism creates opportunities for new entrepreneurs. Georgetown's tourism has a greater per dollar impact on the local economy because our products are locally owned businesses rather than resorts with lower wage jobs. According to SC PRT data, Georgetown County has a very high visitor per day spending ($199.58), compared to Horry ($73.25), Beaufort ($85.04) and Charleston ($97.71). Tourism fuels H-Tax and A-Tax funding for the City. It allows local businesses to expand their market to provide products that otherwise would not be here; therefore, improving the quality of life for locals. New residents are usually attracted to cities first as a visitor; as a result tourism attracts new residents. In addition to the three summarized objectives from the Comprehensive Plan, Mr. Miller said he has also identified the City becoming a regional retail center. Currently, the City collects 39.3% of County retail spending with 15% of the County population because we are the regional center between Myrtle Beach, Mt. Pleasant and Florence that is willing and able to locate big box retailers. This is primarily being driven by Wal Mart and other national retailers on Highway 701 that draw customers from the Waccamaw Neck, Andrews, Williamsburg and Santee/McClellanville. With the Waccamaw Neck's prohibition of large retailers, Georgetown has the ability to significantly increase its share as a regional retail center. The City has a large amount of consumer leakage to the big box stores, in particular for home improvement goods at Lowes and Home Depot. National retailers that draw customers also attract complimentary national chains, such as casual dining, which will increase the City's H-Tax collections. In addition to retailers, this strategy supports entertainment businesses (theater, bowling) for the region to the City. Movie goers, especially those traveling from outside the City, are likely to shop and dine while in town. More retail selection and entertainment options increase the quality of life, which support attracting new residents. Making the City a retail center will also leverage our position as the County Seat and hospital hub, growing professional and healthcare jobs as well. Mr. Miller summarized his efforts relating to economic development noting he has applied to the USDA Rural Development for a $45,000 grant to develop resources

that will assist in economic development, and is confident the City will receive the grant. Discussions followed.

Council Member Smalls stated he has a big concern with the amount of money budgeted for this position and department and questioned the amount requested in the budget for travel. Mayor Scoville said this is a personnel matter.

7. EXECUTIVE SESSION

Motion to adjourn Special Meeting/Workshop and enter Executive Session to discuss a personnel matter.

Mayor Scoville called for the question.

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

The Special Meeting/Workshop was adjourned at 6:06 PM.

Council Member Smalls returned to Council Chambers at 6:15 PM.

Motion to adjourn Executive Session and reopen Special Meeting/Workshop.

Mayor Scoville called for the question.

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

Executive Session was adjourned and the Special Meeting/Workshop was reopened at 6:58 PM.

NO FORMAL ACTION TAKEN IN EXECUTIVE SESSION

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

8. CITY ADMINISTRATOR & HR MANAGER

Discuss effects of the change of insurance programs on employees and proposed actions to mitigate the effect.

Mr. Chris Carter stated after last week's meeting Council Member Bradley expressed concern that contradictory information had been presented about the possible change to the State Health Plan. The City's Human Resources Manager, Miss Suzanne Abed-el-Latif reviewed in depth benefits of the State Health Plan and explained incorrect information she had been previously given from the State concerning the Plan. There is a four-year commitment to the State Health Plan and if we leave after four years, we cannot rejoin for another four years. If a service is not covered, the member will be responsible for paying the full charge and the amount paid will not be applied to their deductible or out-of-pocket maximum.

Routine colonoscopies are covered once every ten years, beginning at age 50, even when no symptoms are apparent. Consultation before the routine colonoscopy is not covered. The amount billed for the consultation will be the patient's responsibility. The Plan also covers diagnostic colonoscopies. The Plan does not pay 100 % of the cost of a colonoscopy. All routine and diagnostic colonoscopies are subject to the Plan's copayments, deductible and coinsurance. The State Plan is a grandfathered plan and is not subject to the Affordable Care Act rules concerning preventive services. An employee does not have to be enrolled in one of the State Health Insurance Plans to choose dental or vision coverage. However, an employee does have to participate in the Health Insurance Plan to receive the basic life insurance and long term disability that the employer covers. If the City wants to cover a part-time employee (over 20 hours) we have to sign a one time irrevocable agreement offering coverage to all part time employees. Mayor and Council are exempt from this. Currently, insurance coverage is not offered to part-time employees. The State *Savings* Plan covers most preventive services; although the State *Standard* Plan does not. Miss Abed-el-Latif spoke to HealthStat, the group that administers the on-site clinic, and explored plans to increase the services offered to accommodate full physical exams for both men and women. The City's Physician's Assistant performs these services at her other job. We would have to increase some of the medical supplies, increase her hours for the one day she works and add a sink in the clinic. This is a requirement now but we are grandfathered. She can write prescriptions, excluding narcotics. The State Basic Dental Plan which is free to the employee has very low allowable charges. The Dental Plus Plan covers more allowable changes. Under the State Plan the City will not be able to offer any supplemental insurance plans to employees that are considered competition with what the State offers. This includes long term disability and group life insurance. The employee must sign a certification that they either do or do not use tobacco. If an employee does not turn one in, it will be assumed they are a tobacco user and be charged the surcharge. Retirees who have Medicare Part A and B are eligible for the Medicare Supplement through the State. The City needs to determine how much will be funded. If the spouse of a retiree is not on Medicare, they can only be covered by the Standard Plan. Miss Abed-el-Latif asked for questions. Council Member Barber said our employees are use to the primary care copay which is $35; whereas with the State you have a $12 copay plus you pay the difference between the allowable charge and the copay if the deductible ($420) has not been met. The current deductible is $2,000/$4,000; however, with the health reimbursement account the employee pays $500/$1,500. Chris Carter said the current plan year is July 1 to June 30. The State's plan year is January to December; therefore, any deductibles currently met would have to be met again in January. Council Member Barber expressed his concern for the entry level employees and particularly young folks with families. He said with their income, expenses such as medical costs, could set them in a tailspin. He is concerned with morale and ensuring employees are taken care of. By saving money when the City last changed insurance carriers, along with the savings on workers comp premiums, he said funds are there to offset the increase in premiums to maintain the current health insurance coverage. Miss Abed-el-Latif told Council if they decide to stay with the current plan, utilization of the

clinic will become a top priority. One of the reasons for such a high premium increase is because of our claims and we need to do a better job making sure our employees are healthy. Council Member Smalls questioned the savings. If the City goes with the State Plan and we implement the medical reimbursement to keep the premiums the same as they are now it would cost the City $1.367 million compared to $1.7 million to stay with the current plan. He said there is too much difference (in coverage) and he definitely does not want to change to the State Plan. Council Member Kimbrough said we're facing a 28% increase this year and asked about next year. Council Member Jayroe said equality among employees should be reviewed. The employee who has their entire family premium paid is essentially making more money than the employee who has their single coverage paid. She suggested Council set the example: if a Council Member has spouse or family coverage they would pay for that additional coverage. Council Member Bradley said he read the information given to him regarding the State Plan and is not satisfied. He is more comfortable with Blue Cross Blue Shield. Council Member Kimbrough has insurance through his company (not the City) and said every year his premium increases. He added health care is terribly expensive and he is not sure the City can continue to contribute (to employee premiums) at the rate we are going. Mayor Scoville asked what the budget includes. Mr. Carter said a 15% increase is included. If we stay with the current plan it will cost an additional $150,000. Council Member Bradley said when our employees come to work they are putting their lives on the line and he wants to make sure they are well covered. Human life comes first. Mayor Pro Tempore Wayne said she has talked with several employees and they all are very concerned about changing coverage and want to continue with Blue Cross Blue Shield. Mayor Scoville questioned having first reading of the budget. Mrs. Bivens said first reading can be given with the adjustment and the amendment will be included in the budget for second reading. Mrs. Wayne asked about discussions with each department and said she would like each department head to address their requests. Mayor Scoville said he would like to divert from voting on the budget tonight, get the figures in place and have a meeting. He asked Miss Abed-el-Latif if any action needed to be taken concerning the insurance. She said she has to notify the State tomorrow on the City's intentions as a result of tonight's meeting. Council Member Bradley said he has communicated with several Council Members and the majority was not comfortable with the State Plan. He originally voted in favor of and now requests reconsideration.

Motion to stay with the City's current plan.

Council Member Bradley moved, seconded by Mayor Pro Tempore Wayne.

Mayor Scoville asked for discussions or comments. Mayor Scoville stated we would basically rescind the decision to go with the State Plan and stay with the present plan. Mayor Scoville called for the question.

RESULT:	**APPROVED [4 TO 3]**
MOVER:	Rudolph A. Bradley, Council Member
SECONDER:	Peggy P. Wayne, Mayor Pro Tempore
AYES:	Barber Sr., Bradley, Smalls, Wayne
NAYS:	Jayroe, Kimbrough, Scoville Jr.

Mayor Scoville stated we will stay with what we've got and have a meeting next week. The consensus was to meet on Friday, May 30, 2014 at 4:00 PM.

9. BUDGET ORDINANCE

Motion to Approve an Ordinance to Adopt a Budget and Raise Revenue for the City of Georgetown, South Carolina for the Fiscal Year Ending June 30, 2015.

RESULT:	**NOT DISCUSSED NO ACTION TAKEN**	**Next: 5/30/2014 4:00 PM**

10. HOUSING AND COMMUNITY DEVELOPMENT

Motion to Approve an Ordinance to Amend the City of Georgetown's Permit Procedures for the Special Area Management Plan (SAMP) to be Consistent with Army Corps of Engineers Permit No. 2004-1E-386

RESULT:	**NOT DISCUSSED NO ACTION TAKEN**	**Next: 6/19/2014 5:30 PM**

11. ADJOURNMENT

The Special Meeting/Workshop adjourned at 7:30 PM.

Ann U. Mercer
City Clerk

Date Approved: 08/21/14