SPECIAL MEETING/WORKSHOP OF CITY COUNCIL
FEBRUARY 26, 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. 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/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.

3. PRESENTATION AND ANALYSIS ON UPCOMING INSURANCE PREMIUMS FOR FY 2015/2016 BUDGET

Miss Suzanne Abed-El-Latif asked Council to consider the following questions during her presentation: What health insurance plan will the City elect for the 2015/2016 fiscal year and how much of the cost will the City absorb? Is the City interested in starting to decrease the dependent care subsidy and move towards

100% coverage of Employee Only coverage? If so, can we come up with a plan to start this initiative? How can we use health insurance cost savings towards creating a progressive compensation plan to retain and keep talented and longtime employees? Wage compression and longevity would be addressed.

Three options were offered. Option 1 is to continue with the Blue Cross Blue Shield plan and absorb at least a 15% projected increase. Current premiums are $1,894,611, the premium including the projected increase of $284,185 would be $2,178,792. The actual City cost (minus the employee portion) is $1,658,821; $1,943,006 with the increase. The Health Reimbursement Account (HRA) annual cost is an average of $100,000. This is the amount the City pays towards employees' deductibles. Including this, the estimated total City health insurance cost for 2015/2016 would be $2,043,006.

Option 2 is to stay with the current BCBS plan and have employees absorb the 15% increase. This would reduce the City's portion by $2,039. Employees' premiums would increase by 50%. If the employees absorb 7.5% of the increase their premiums would increase by 40%. Currently the City pays between 86% - 88% of dependent coverage. Most municipalities pay 100% of Employee Only and either less than what we pay for dependent coverage or no dependent coverage. The City is creating a huge inequity among employees who have differences in coverage by providing a greater benefit to certain employees than others based on the type of coverage. She gave an example of two employees making the same gross pay, one has Employee Only coverage and the other has Family coverage. The employee with Family coverage is receiving $11,000 more in benefits compared to the employee with Employee Only who is receiving $4,500 in benefits.

Option 3 is to switch to the State Health plan. Assuming all employees choose the Standard plan the City would save $245,183 with an estimated premium of $1,649,428. The actual cost would be $1,237,237. If payroll deductions remain the same as they are now, the City will save $345,183 which includes the $100,000 in HRA funding, which is not part of the State plan. State dental, vision, life and disability must be offered. Currently dental costs are near $100,000. If employees pay the State Basic Dental premium rates and the City funds the difference for the Dental Plus, which has better benefits, we will save $12,000. The total City cost for the State Health and Dental plan would be $1,426,431. Miss Abed-El-Latif stated the future State plan renewal increases would be 7.8% in 2016 and 9.2% in 2017. She reviewed the differences in benefits between BCBS and the State Health plan. The State does not cover annual physicals for adults. The City offers a Healthstat Clinic which covers basic elements of a physical including blood work, height, weight and blood pressure. This is free to employees.

The City moved to BCBS in 2010 and saved $2.4 million. As a result of the City absorbing the increases over the last four years this $2.4 million is gone. If the City stays with BCBS the premium will be $2.1 million. Moving to the State plan we would save $245,000.

Discussions followed concerning the type of coverage the State plan provides.

At the January retreat Miss Abed-El-Latif informed Council an employee survey received many complaints related to wage compression and the inability for employees to move up over time or be compensated for longevity. She said if the City switches to the State Health plan the savings could be used towards a progressive and consistent compensation plan to address wage compression and longevity. Discussions continued.

Staff's recommendation is to switch to the State Health plan and save $300,000+ annually; keep current employee premiums the same for 2015/2016; devise a three year plan to eventually cover Employee Only coverage at 100% and bring other dependent coverage elections up to Standard State premium rates. This would increase the City's savings each year to fund a consistent compensation plan. Premium increases will not be as drastic to employees because it will take place over a period of time and salaries will be increasing. Staff would like a decision from Council by next month whether to stay with BCBS or switch to the State Health plan.

4. PROPOSED PROJECTS FOR EAST BAY PARK

Mr. Jonathan Heald said he has been approached by Leadership Georgetown and an Eagle Scout candidate with proposed service projects at East Bay Park. He has been working with them and asked that they present their individual proposals to receive Council's blessing. There is no expense to the City. Ms. Margaret Sands, representing Leadership Georgetown, stated a major component of their group is getting to know the community through interaction with local aid agencies, businesses and government organizations. Their visions include a community outdoor area for recreation where residents can come together and work on health issues. The project includes permanent multiuse outdoor fitness equipment composed of five stations offering various methods and opportunities for exercise and/or stretching which can be used by several people at once. The stations are made of steel, are strong, resilient, attractive and once fastened to concrete slabs, require little to no maintenance of upkeep. Each station contains durable instructional signs with high quality graphics and text, describing and illustrating how to use the equipment safely and effectively. Because East Bay Park is equipped with a walking trail, has sufficient space for the project in current and future plans, and is a popular spot for exercise, Leadership Georgetown thought the Park would be an ideal pilot project. The addition of exercise stations will allow participants to combine scientifically designed exercises with walking or jogging to provide a well-balanced physical fitness routine at no charge. Based on a use survey conducted of 300 Georgetown County residents, 80% of people from the county's 4 zip codes, utilize the Park on a regular basis, 41% of Park users suffer from diabetes, high cholesterol and/or hypertension and 72% said they would be willing to use the fitness stations if they were located at East Bay Park. Ms. Sands provided handouts which marked the five suggested locations for the exercise station. There were no objections from City Council.

For his Eagle Scout project, Jonah Crosby presented a proposed collaboration between the City, himself and Troop 300 to build a half mile walk/bike trail around half of East Bay Park. He will fund his own project and it will be entirely manned by Troup 300 and volunteers. After searching for a material that would have a very low environmental impact he discovered Rhino Snot which is used to harden dirt roads, prevent dust and increase the overall hardness and durability of the turf. It was developed by the US military to lower dust in the Middle East and used for runways and helicopter pads and parking lots.

Mr. Heald stated both projects are very good. The consensus from Council was to move forward.

5. FOLLOW-UP FROM 2015 RETREAT AND 2015 PROJECT FINANCING

A. Privatization of remaining commercial containers

Mr. Carter noted on June 10, 2008 City Council voted to cease providing commercial container service while maintaining a small number of accounts related to its own use and to service apartments and other multi-family housing. The City has one sanitation truck (2005) and owns 48 commercial containers. Approximately 100 dumpsters a week are emptied and we do make a profit. At some point the capital cost of acquiring a replacement vehicle and using the specialty dumpsters would make it economically unfeasible. The annual revenue for servicing the dumpsters is $114,000. The direct cost is $64,000. Staff is proposing to send a request for proposals to Republic, Waste Industries, Waste Management and other providers to provide their own containers. After discussions Council's consensus was to explore the options.

B. Financing and debt issuance for sewer projects

In December 2015 the City voted to enter a Special Order of Consent for continued operation of the Wastewater Treatment Plant. This obligates the City to make a series of improvements which will begin in April; there are three phases. Phase 1 and 2 have a deadline of July 15, 2018 to complete construction. The total estimated cost to implement the Special Order of Consent through Phase 2 improvements is $3,836,000. In 2012 Council approved four water and wastewater projects. The new elevated water tank in Maryville and the Historic District sewer manhole rehabilitation have been completed at a cost totaling $1,486,451 and $437,398 respectively. The remaining projects are the Historic District water line replacement and the West End sewer rehabilitation, totaling $4,317,745. In 2011 a series of four increases were proposed; two were enacted (in 2012). Mr. Carter asked Council if they want to proceed with the two remaining projects (approved in 2012) or wait until the Wastewater Treatment Plant is in compliance. He anticipates there will be more than the two additional rate increases down the road if we move forward with the two projects and the Consent Order. He explained a Revenue Bond allows you to reissue the principle amount retired. The City can reissue the 1997 Revenue Bond and have $2.5 million to devote toward the $3,836,000 project, the $1.3 balance will have to be borrowed. Mr. Carter suggested the two projects be held in abeyance. After continued deliberations, the consensus was to move forward on all three

projects. Staff was directed to evaluate what the rate increases would be on all three projects individually and present to Council.

6. ADJOURNMENT

Motion to adjourn the Special Meeting/Workshop of City Council

Council Member Jayroe moved, seconded by Council Member Kimbrough.

Mayor Scoville called for the question.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Carol R. Jayroe, Council Member
SECONDER:	Edward S Kimbrough, Council Member
AYES:	Scoville Jr., Barber Sr., Bradley, Jayroe, Kimbrough, Smalls, Wayne

The Special Meeting/Workshop of City Council adjourned at 5:30 PM.

Ann U. Mercer
City Clerk

Date Approved: 04/16/15