



**CITY COUNCIL SPECIAL MEETING/BUDGET WORKSHOP
MAY 6, 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. 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 - Ms. Eileen Keithly
WGTV/WLMC - Mr. Rod Stalvey

2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES

Mayor Jack M. Scoville, Jr. called the Special Meeting/Budget Workshop to order at 4:00 PM. He corrected a statement that appeared in the Georgetown Times. The City pays Ms. Vida Miller \$50 an hour for consultant services, not \$125 an hour.

3. REVIEW OF ANTICIPATED REVENUES AND PROPOSED EXPENDITURES FOR THE FY 2014/2015 BUDGET

Mr. Chris Carter asked Council for any questions or comments they have concerning the budget. Council Member Kimbrough asked how the increase in the proposed budget from \$31,071,960 (current) to \$36,482,092 (proposed 2014/2015) will be funded. Mrs. Debra Bivens said the biggest difference is the capital cost and for

every capital expense we have revenue or a funding source. Monies will be used from the Capital Reserve Fund that was established. Approximately \$3 million in unrestricted funds will be used to fund some of the projects. A General Obligation Bond will be secured to pay for the Maryville fire station and foundation repairs to city hall and the main fire station. Discussions on capital projects followed.

The proposed budget includes two sanitation laborers and one customer service representative. Mayor Scoville would like to include the assistant administrator/ARB historic preservation officer/ housing director in the budget. Council Member Barber said a risk manager is a key person in the organization and is needed. The HR Manager also handles the SCMIT and SMIRF insurance.

Discussions followed concerning maintenance on city vehicles, fleet service labor, repair/maintenance service contracts and how expenses can be reduced. Mr. Glen Dixon answered questions and gave descriptions of three trucks that met the criterion for replacement. According to Mr. Dixon only one of the three has to be replaced at this time. The decision was to leave the budget as is, with a contingency plan in place to not purchase two of the three vehicles unless necessary. Mr. Carter suggested Council may want to revisit the Vehicle Replacement Resolution scoring system. Council Member Barber noted fleet leasing may be an option for the future.

The condition of streets within the city is a major concern. Although DOT may own the streets, lack of State funding prohibits the repairs and Council does not want to wait. Mr. Jonathan Heald said the cost to purchase a truck and equipment to patch the potholes would cost \$150,000. Discussions followed. Every year city and county residents pay a road tax fee per vehicle to the county. Mr. Carter said the County Transportation Committee has a list of 25 streets in dire need of paving, three are in the city. When the city receives a claim for damages incurred as a result of a pothole, a system is in place to notify DOT in writing. Council Member Bradley expressed his frustration and said this subject comes up every year. He asked if it is feasible or does the City have any legal rights to pursue them (DOT) in a Court of Common Pleas. Mayor Scoville said we could look into the matter.

Mayor Scoville encouraged Council to notify staff of any issues they have with the budget prior to first reading. Mr. Carter said travel and training needs to be prioritized. Council Member Jayroe asked about Winyah Auditorium. Mr. Carter said the Board will be attending a Council workshop in the near future. Council Member Bradley questioned if the City is legally obligated to support the Winyah Auditorium. If so, he asked how we can sever the ties.

Mrs. Bivens noted \$12,000 is included in the Police Department budget for take home vehicles. The employees will pay 50% of the cost for the fuel. Last year staff proposed a 3 ½% increase for water rates and 2 ½% increase for wastewater rates along with additional increases of 3% and 6% respectively in the 2014/2015 budget. This was discussed at a workshop in August 2012 and it was agreed this would help fund the new water tank in Maryville and the Historic District sewer

rehabilitation. Council deferred increases for the current year; therefore, staff recommends a 6 ½% water increase and an 8 ½% wastewater increase in order to cover the current and future debt service. Discussions followed.

Council Member Jayroe asked if funds are included in the proposed budget for repairs that are necessary to remedy the Consent Order from DHEC. Mr. Heald said the City submitted a supplemental PER and any requirements hinge on DHEC's decision. Mr. Carter said funds are included for the equalization basin.

Mayor Scoville called for a five minute break.

Mr. Carter introduced Suzanne Abed-el-Latif the City's Human Resources Manager. Suzanne introduced Mr. Rick Gantt from Arthur J. Gallagher and Company. Four years ago Mr. Gantt worked on a project for the City to shop around to improve benefits and keep cost down. At that time, Blue Cross Blue Shield was suggested and Council approved that recommendation. Recently the City received notice of a higher than expected renewal and contacted Mr. Gantt. His company's job was to study the insurance markets to determine the best position for group benefits as of the July 2014 renewal and study the on-site clinic and risk management programs to determine action and best practices moving forward. He reviewed the current situation noting the increase in the renewal is higher than average due to 19 individuals with claims totaling \$1.25 million. Pharmacy costs were 25% higher than the industry averages. Blue Cross Blue Shield, CIGNA, United Healthcare, Aetna, Coventry and South Carolina State Health Plan were approached and the marketing results were reviewed. Mr. Gantt said the State Health Plan offered the most attractive options. If half of the employees chose the Standard Plan and half chose the Savings Plan the savings are estimated to be \$350,000 to \$438,783. The City has a function within the current plan called the Health Reimbursement Account, which self insures a small portion of the insurance. Four years ago a \$2,000 deductible was purchased from BCBS. The employee pays the first \$500 and the City pays the \$501 up to \$2,000 per individual. That cost is expected to be \$128,000 this year. Going with the State Plan this would also be a savings. The State Health Plan demands employees must pay the same payroll deductions as everyone else. Currently employees pay \$49.05 for single coverage, \$154.51 for employee/spouse, \$103 for employee/children and \$169.22 for family. If the State's Standard Plan is compared to Georgetown's current benefits, the State employees pay a lot more for health care. Employees would pay \$97.68 for single, \$253.36 for employee/spouse, \$143.86 for employee/children and \$306.56 for family. A one to three year strategy was suggested to move payroll deductions to average levels or to the actual State Health Plan rates. A starting idea would be to give each insured employee a \$500 credit, which would cost around \$90,000. The State's Standard Plan does not offer preventative care benefits. Mr. Gantt encouraged using the clinic more to help employees work on improving their health and quality of life. He suggested a new marketing and communications program to drive more utilization in the clinic and risk management. The City's goal is to give the best benefits we can at the lowest price. Rates for different types of coverage were reviewed. State

Health Plan renewals for the next three years are: 4.5% in 2015, 7.8% in 2016 and 9.2% for 2017. Pros for the State Plan include an estimated savings of \$345,000 for 2014/2015, a known 7.16% increase average for the next three years and a large group of employers. Cons include no preventive services on the Standard Plan, two-year open enrollments/annual semi-open enrollment, no flexibility of benefits, benefit standards/reporting/eligibility and retiree benefits GASB, and a flat \$3,000 life insurance. Mr. Carter noted this program will be much more labor intensive in terms of office functions (Benefits Coordinator) that would be added to the administration of the Plan. Mr. Gantt said his recommendation is the State Health Plan. Council Member Barber questioned the impact the increase would have on salaries of lower paid employees and asked to see the numbers. Mayor Scoville said it seems the State Plan is the way we almost have to go provided we can work out the deductions. He requested Mrs. Bivens and Mr. Carter research the matter and recommend to Council how to handle the deductions. Council Member Bradley questioned who was going to see a cost savings. He said serious consideration should be given to those employees who have been loyal and faithful to the City but receive low wages. If the City moves to the State Health Plan we need to be prepared to pay the lower end employee more money. Discussions continued. Mayor Scoville asked for any further comments on the budget. There were none.

4. WAIVE ATTORNEY/CLIENT PRIVILEGE

Mayor Scoville moved to waive attorney-client privilege to the unredacted material responsive to Freedom of Information Act requests numbers 524, 525, 526, 527 and 528, specifically (1) unredacted City Attorney invoices from December 2008 and January 2009, reviewed by Council, (2) City Attorney invoice from November 2008 with unredacted information requested in FOIA request #514 and (3) unredacted email from Elise Crosby to Miles Hadley dated November 6, 2008 captioned "Rothrock/ARB design guidelines/planning commission," seconded by Council Member Bradley. Mayor Scoville asked for discussion.

Mayor Pro Tem Wayne moved to amend the motion, moving that the City Council waive the attorney-client privilege regarding any and all records in the actual or constructive possession or control of the City of Georgetown, its elected officials, appointees or employees, concerning Steve and/or Jean Rothrock and any other related matters. This waiver would include any material previously redacted by the City Attorney or denoted as subject to an attorney-client privilege and also includes, but is not limited to, all material previously withheld as a result of Freedom of Information Act requests identified as 524, 525, 526, 527 and 528. Mayor Scoville stated his motion covers 524, 525, 526, 527 and 528. Mrs. Wayne said everything should be given to him. Mayor Scoville said we need to have that reviewed by the City Attorney. Mrs. Wayne said this has cost over \$450,000 and we need to put an end to it and give him what he wants; if not we are going to be in another lawsuit. Mayor Scoville said he does not know if the City Attorney has reviewed what the amended motion includes. Until the lawyer has reviewed them, he feels it is very inappropriate to turn over our entire files.

Council Member Bradley called for *Point of Order*. *We have a motion and a second on the floor, you have addressed the question to the motion; I'm asking you to vote it up or vote it down.* Mayor Scoville said the motion was to amend it. Mr. Bradley said *she didn't get a second on it*. Council Member Jayroe seconded the motion. The Mayor stated he strongly objects to doing that at this time. If, after reviewing the files the attorney has no problem, he does not have a problem giving him the information. Discussions continued.

Mayor Scoville called for the question on the amendment.

RESULT:	FAILED
MOVER:	Peggy P. Wayne, Mayor Pro Tempore
SECONDER:	Carol R. Jayroe, Council Member
AYES:	Jayroe, Kimbrough, Wayne
NAYS:	Scoville Jr., Barber Sr., Bradley
ABSTAIN:	Smalls

The Clerk asked for clarification on the vote. Mayor Pro Tem Wayne and Council Members Jayroe and Kimbrough voted in favor. Mayor Scoville and Council Members Barber and Bradley voted against. Comments inaudible. Council Member Smalls abstained. Mayor Scoville stated the motion failed.

Mayor Scoville called for the vote on the main motion.

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

Mayor Scoville stated the attorney-client privilege has been waived and all unredacted material responsive to 524, 525, 526, 527 and 528 will be released. He said after the attorney has reviewed the language in Mrs. Wayne's motion, we will go from there.

5. ADJOURNMENT

Mayor Scoville adjourned the Special Meeting/Budget Workshop at 6:32 PM.

Ann U. Mercer
City Clerk

Date Approved: 06/19/14