

MINUTES

A Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, December 9, 2014 at 6:15 P.M., with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Jimmy Syfrett, Paul Siegel, Tom Lohr, Bobby Bonds, James Broderick and Judy Bridge. City Manager Jeff Molinari, City Clerk Betty Hudson, and City Attorney George Cone were also present. There were approximately 16 persons present in the audience.

There being a quorum present, Mayor Young called the meeting to order and welcomed everyone to the meeting. Council Member Syfrett gave the invocation and Council Member Siegel led the Pledge of Allegiance to our flag.

PUBLIC INPUT ON AGENDA ITEMS:

There were no public comments or questions on agenda items.

PRESENTATION:

1. 2013-2014 Comprehensive Annual Financial Report - Baird & Company, CPAs, LLC - Mr. Rep E. Whiddon

Mr. Whiddon thanked the City for selecting his firm to do the audit and thanked Amy Risher and Bill Floyd for their help during the audit.

Mr. Whiddon then gave a brief overview of the Comprehensive Annual Financial Report to Council. He reported that there were no findings and that everything went really well. Before going over the financial statements, Mayor Young asked Mr. Whiddon to explain the difference between the CAFR and other audits, just for the public's information. Mr. Whiddon explained that the CAFR is a more inclusive item than just your basic financial statements. Your basic financial statements are included within the CAFR. The CAFR includes an introductory letter from management and it also contains a lot of statistical information that is not part of the audit, but is general information that is useful. In relation to the CAFR, Mr. Whiddon announced that the City received the GFOA Certificate of Excellence. You are one of the few cities and counties in the state that do that. It is a real honor that you have been able to get that - a pat on the back to your financial department.

Mr. Whiddon then gave brief highlights of the CAFR Report for the City of Walterboro. He stated that the City received an "unmodified opinion," and that is the opinion that you want, a good clean opinion. He then briefly summarized the report with City Council.

As part of the City's financial highlights from management, Mr. Whiddon stated that:

- . The assets of the City exceed its liabilities at the close of the most recent fiscal year by \$30,030,801 (net position). Of this amount, \$5,206,531 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- . The City's total net position increased by \$848,356.
- . As of the close of the current fiscal year the City's governmental funds reported combined ending fund balance of \$5,317,607, a decrease of \$432,705.

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- . At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,178,285 or 55.0 percent of the total fund expenditures.
- . The City had \$7,780,564 in notes and leases outstanding versus \$8,197,652 last year, a decrease of 5.1 percent. A capital lease for \$312,000 was issued during the year.

Mr. Whiddon went over key portions of the audit report with Council. Copies of the City of Walterboro Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2014 were distributed to Council at the beginning of the meeting.

Mr. Whiddon stated that the City has \$1,000,000 in cash and has total assets of \$23,000,000 and its liabilities are \$4,000,000. So, the net position is around \$23,000,000. That once again, is a strong financial position.

Mr. Whiddon also pointed out some information regarding the City's retirement fund that is going to affect future fund balance, and future net position. He stated that GASB Generally Accepted Accounting Principles is requiring that the City record your net pension benefit obligation in the future, so you are going to have a big liability that hits in the future that's going to take up a fair amount of fund balance. You may want to discuss this with your Finance Department. Bill is pretty well aware of it. He knows it's there. If my memory is correct, it is going to be around \$7,000,000. So, it's going to be a pretty good pop. So, what will happen is the current year's expenses will go through and then there will be a prior period adjustment. So, all won't hit you in one year, but it's going to hit your fund balance.

In conclusion, Mr. Whiddon noted that everything seems to be in order with the City's financial position. He stated that there were no internal control issues that turned up, and there were no compliance issues that turned up.

NEW BUSINESS:

1. Consideration of the 2015-2016 Budget Calendar

City Manager Molinari told Council that the 2015-2016 Budget Calendar was essentially the same calendar that was used in previous years. The only difference is that this gives staff about a month's head start in getting the budget process started.

A motion was then made by Council Member Lohr, seconded by Council Member Syfrett, to approve the 2015-2016 Budget Calendar as submitted. The motion passed unanimously.

2. Permission to Set Up a Trial Wi-Fi Network in the Downtown Area for 60 Days by Palmetto Rural Telephone Cooperative, Inc.

City Manager Molinari informed Council that a couple of weeks ago, he met with PRTC about a project they were looking at implementing in the downtown area. PRTC is looking at a 60-day Wi-Fi trial period. Essentially, what it will consist of is: installing two antennas on either side of East Washington Street, which either will be on the top of the building or attached to a light pole. They are currently working with property owners right now to get permission. Mr. Molinari then said, in the event that they have to use a light pole, I can tell you they are very inconspicuous applications. They are about only 5 or 6 inches. You would really not notice them unless you are looking for them. What they plan to do is to monitor usage during the 60-day period and depending on the results, they may look at continuing on with the project, potentially expanding outward from downtown. They may look to the City as a partner, but at this

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time, they just want to get this project stated. They are looking at putting infrastructure in place by the end of January or beginning of February.

A motion was made by Council Member Broderick, seconded by Council Member Syfrett, granting permission to PRTC to set up the 60-day trial Wi-Fi network in the downtown area as requested. The motion passed with all members voting in favor.

3. Request for Street Closing for the Martin Luther King, Jr. Day Parade, January 18, 2015

A motion was made by Council Member Bridge, seconded by Council Member Broderick to approve the street closing request for the Martin Luther King, Jr. Day Parade on January 18, 2015 as submitted. The motion passed.

4. Request to Close the Streets for the Missions 5K Run/Walk, February 14, 2015, from 9:00 A.M. - 11:30 A.M. by First Baptist Church

A motion granting this request as submitted was made by Council Member Broderick, seconded by Council Member Bonds and passed unanimously.

COMMITTEE REPORTS:

There were no Committee Reports given.

EXECUTIVE SESSION:

The Mayor entertained a motion to enter into an Executive Session. Council member Bonds So Moved and Council Member Broderick seconded the motion. The motion passed unanimously. The Mayor announced that the meeting will convene into an Executive Session for receipt of legal advice related to a construction project - proposed resolution of Beaufort Engineering Services, Inc. lawsuit.

At approximately 7:05 P.M., a motion was made by Council Member Broderick, seconded by Council Member Lohr, to exit Executive Session and return to Open Session. All in favor. None opposed, Motion carried.

A motion was then made by Mayor Young to approve \$23,450 to settle the lawsuit with Beaufort Engineering Services, Inc., which is in addition to the \$48,600 the City was holding in the contract for a total of \$72,050.00. Council Member Lohr seconded the motion that passed with all members voting in favor.

There being no further business to consider, a motion to adjourn the meeting was made by Council Member Lohr, seconded by Council Member Bridge and passed unanimously. The meeting adjourned at 7:06 P.M. Notice of this meeting was distributed to all local media and posted on the City's website and the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

APPROVED: January 13, 2015