

## **MINUTES**

A Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, May 25, 2010 at 6:15 P.M., with Mayor Bill Young presiding.

**PRESENT WERE:** Mayor Bill Young, Council Members: Dwayne Buckner, Randy Peters, Charles Lucas, and Tom Lohr. City Manager Jeff Lord, City Clerk Betty Hudson and City Attorney George Cone were also present. Council Members Franklin Smalls and Ted Parker were absent.

There being a quorum present, Mayor Young called the meeting to order and called on Council Member Buckner for the invocation, and Council Member Lohr to lead the pledge of allegiance to our flag.

The Mayor announced that Council Member Smalls was absent due to attendance at a funeral and that Council Member Parker was absent due to a medical procedure.

### **PUBLIC INPUT ON AGENDA ITEMS:**

Ms. Marsha Johnson stated that there had been an increase in City Council's budget. She asked exactly what were those increases? Council Member Lucas asked Ms. Johnson if he could address those concerns later in the meeting. He pointed out that there was approximately a \$700,000 increase in operations from last year's budget.

Ms. Johnson also stated that there appeared to be a change in the utility support budget and the sewer budget; one budget had gone up \$99,000 and the other had gone down. She asked if something had been reclassified? City Manager Jeff Lord responded, that's just based on experience. Our sewer experience is going down. Ms. Johnson then asked if the sewer revenues were going down? Is there a reason for that? Mr. Lord responded, we are looking for a reason, but they're going down.

### **APPROVAL OF THE MINUTES:**

The Minutes of the April 27, 2010 Public Hearing and Regular Meeting and the Minutes of the May 11, 2010 Public Hearing and Regular Meeting were approved as submitted on the motion of Council Member Peters, seconded by Council Member Lucas with all members voting in favor. Council Members Smalls and Parker were absent and did not vote.

### **OLD BUSINESS:**

1. **Ordinance # 2010-06, An Ordinance Adopting the 2010 City of Walterboro Comprehensive Plan was before Council - Second Reading Approval.**

On the request of the Mayor, City Manager Lord addressed the questions raised on the Comprehensive Plan at the previous City Council Meeting. Mr. Lord gave the following responses:

- 1) On the question regarding the change in population with regard to the African American community. Mr. Lord stated that Council Member Smalls answered this question, which is associated with an out-migration and a population not replacing itself.
- 2) On the question regarding affordable housing and how Council will make rents more affordable, Mr. Lord stated, that's addressed in the Comprehensive Plan

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on Page 30, under Objective 2. It will be - 1) to encourage affordable housing, by giving more options but reducing the cost; 2) to have a proposed Housing Authority, which will help with the resource of having more places; 3) to expand public and private partnerships; 4) to create incentives in the Zoning Ordinance to encourage builders and to encourage mixed-use developments. Mr. Lord pointed out that the sum of all these means more options lower the rents.

- 3) On the question if impact fees have been enacted by the SC Legislature? The answer is yes, it's a common practice statewide and it is also specified in Title 6, Article 9 of the SC Codes. Impact fees are authorized.
- 4) On the question regarding storm water drainage. Mr. Lord stated that most of the roads in the City are not under the city's responsibility, they are under the state system. DHEC is the entity that establishes who is responsible for storm water and who is not. It's called MS4's, which stands for Municipal Separate Storm Sewer System, which is separate from the state sewer systems, because the state is responsible. Walterboro is not an MS4, so that legal responsibility has no effect on us.

A motion was then made by Council Member Lucas giving Second Reading and Adoption to Ordinance # 2010-06, being: AN ORDINANCE ADOPTING THE 2010 CITY OF WALTERBORO COMPREHENSIVE PLAN. Council Member Peters seconded the motion.

In discussing the motion, Council Buckner mentioned that he felt this is an excellent plan that the Planning Commission has come up with. He then explained items that he would like to see in the plan, but had not been addressed.

- 1) Under historic preservation, place an emphasis on the historic significance of the old Army Airfield and the contributions of the Tuskegee Airmen.
- 2) Under goals for the economy, on page 43, we talk about working with the county and being a part of regional alliances for economic growth development. What I would like to see in addition to those efforts, is a focus on attracting international trade and development in the City and trying to work toward connecting ties with our neighbors in Latin America, the Carribean, Asia and Europe. Mr. Buckner further stated, we were able to attract a motion picture here, named "Radio," which I am always proud to tell people that it was shot right here in Walterboro. So, I would like to see in the next ten years, by 2020, some emphasis put on trying to make Walterboro an international destination.
- 3) Recognition of the youth as being a significant channel of economic growth and development in revitalization in the City. There is no mention of the youth playing any role or part. There is no investment at all.
- 4) Of course, we have already addressed the declining population of the African American community, which I think we need to look at.

Those are the concerns that I have with the Comprehensive Plan and would like to have seen those things implemented.

Mr. Buckner then **MOVED** that the City look at or go back to the drawing board for the Comprehensive Plan and add the following things - the promotion of the Tuskegee Airman, focus on international trade and development and recognition of the youth as playing a significant role in the revitalization of the City of Walterboro. **There was no second received. The motion then died for lack of a second.**

The Mayor then called for the vote on the motion to adopt Ordinance # 2010-06. **The motion passed on a vote of 4/1 with Mayor Young, Council Members Peters, Lucas and Lohr voting in favor and Council Member Buckner voting against the motion. Council Members Smalls and Peters were absent and did not vote.**

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**NEW BUSINESS:**

**1. Ordinance # 2010-08, An Ordinance Adopting the City Enterprise Budget for Fiscal Year 2010-2011 and Matters Relating Thereto - First Reading**

A motion was made by Council Member Lucas, seconded by Council Member Peters, giving First Reading Approval to Ordinance # 2010-08. The Mayor then recognized Council Member Lucas, Chairman of the Budget Committee.

Council Member Lucas announced that the Budget Committee was made up of himself, Councilman Peters and Mayor Young. Council Member Lucas stated that the City's Enterprise Budget was set at \$3,603,500, which was \$356,500 over what income the fund had - the water and sewer produced. So, the committee took money out of the exiting fund balance to balance the Enterprise Budget at \$3,603,500. The \$356,500 shortage was the infrastructure improvements and new water lines that the City is completing now.

Council Member Buckner asked if there were any fee increases in this budget? Council Member Lucas responded that the fees would come under the City Budget.

**The motion then passed with all members voting in favor, except Council Members Smalls and Parker were absent and did not vote.**

**2. Ordinance # 2010-09, An Ordinance Adopting the City of Walterboro Budget for Fiscal Year 2010-2011 and Matters Relating Thereto - First Reading**

A motion was made by Council Member Lucas, seconded by Council Member Peters giving First Reading Approval to Ordinance # 2010-09.

In discussing the motion, Council Member Lucas gave the following changes to the new proposed City budget. He started by stating that there were some increases in the budget this year that we do not normally have:

- 1) There was a state mandated dollar amount that had to be placed in the City's retirement fund to cover the retired employees insurance, which was a cost of \$320,000.
- 2) Medical premiums for our employees went up 20%, which was a \$130,000 increase.
- 3) Sometimes there is an extra payday in a year. It's not that the employees are getting more money, but it's just an extra payday in a budget cycle. This came to \$149,000.
- 4) We looked at adding two new police officers to the force, which is an increase of \$129,000.

Council Member Lucas explained that the proposed new City budget came to an increase of \$728,000 above normal operating expenses from last year. At the Budget Committee's first meeting, the following changes were recommended:

- 1) Increase garbage rates \$5 per billing cycle, which would be \$2.50 per month.
- 2) The water base rate, which was at 6,000 gallons, would be dropped to 4,000 gallons. That would be an average of about a \$3.60 increase in water bills for each billing cycle, which is \$1.80 a month. Based on this, the bottom thousand or lower users would not see an increase at all.
- 3) Pushing the 27<sup>th</sup> payday into the next year, would reduce the budget by \$149,000.

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- 4) Increase water rates. Mr. Lucas explained that the City is already in a 5-year plan to increase water fees at the rate of 5% per year. We are currently in the 4<sup>th</sup> year of the 5-year plan. So, a person receiving a \$90 bill, that will be about \$4.50 or another \$2.25 per month increase.

Council Member Lucas further stated that at the second meeting of the Budget Committee, the following changes were recommended:

- 1) Being approximately \$270,000 short from balancing the budget, the committee came up with a \$20,000 deletion of the budget item and then recommended that the business license marginal rate increase \$.20 per thousand. That would mean that a person who has a gross income of \$100,000 would have an increase of \$20 for their business license. Of course, that would be for businesses only and would not affect individuals. With those changes, we came up approximately \$160,000 short.
- 2) The committee then decided that the best avenue there would be to take \$160,572 out of our fund balance to balance the budget. That brought the City budget to \$7,079,525.

Mr. Lucas further noted that the City is currently submitting grant applications to help cover the cost for the new police officers and for some infrastructure projects. We are not counting on those funds, but if the City is successful, that money would go back into the general fund.

Council Member Lucas then thanked the Department Heads, Finance Director and City Manager Lord for working hard at keeping expenses down as much as possible.

Council Member Lohr asked the City Manager about the increase in the health insurance premiums. He said, I have been fortunate to have been involved in the state health plan, as a retired educator. So, it didn't surprise me to see the 20% increase. He then asked the City Manager to elaborate on how the city's insurance plan is structured. City Manager Lord explained that the City is in a shared pool with other municipalities through the Municipal Association of SC. We share the risk with other municipalities in the pool. This helps to keep our rates down, because it is not like an insurance company where we pay them and they carry the risk. So, we do save a little bit there; however, when our experience goes up, there will be increases. We did look at other alternatives, but right now because of the sharing of the risk through the Municipal Association, even with a 20% increase, it is the cheaper alternative. Council Member Lohr asked, as the employees get older, will the premiums increase to some degree, anyway? Mr. Lord responded, as our experience increases and as our people go to the doctor more, our costs will go up.

Councilman Lohr then asked what percent of the total budget are salaries. Finance Director Bill Floyd responded that this was about ½ of the budget.

Council Member Peters then asked the City Manager to explain the \$30,000 increase in City Council's budget. City Manager Lord explained that these are legal fees. It is our experience that in paying legal fees, it is usually higher than in the past. Most of the increase is to pay for legal fees and also to pay for the increase in insurance costs.

Council Member Buckner then asked the City Manager what were the proposed cuts in the budget, how did we reduce the size of government in this budget? He said, I am seeing that we are increasing the tax burden on the people, but where did we

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reduce our budget spending? City Manager Lord responded, if you look at the departments' requests, there were significant amounts of capital requests, which were denied. Usually, we will have between \$500,000 to \$1,000,000 in capital expense. In the new year, we are looking at, on the general fund side, maybe \$200,000 in capital expense.

Council Member Buckner, then asked, from last year to this year, in terms of expenditures on the government, what percentage would you say that we have reduced our expenditures? City Manager Lord responded that the City's expenditures are up 5%, mainly because of the reasons that Councilman Lucas has mentioned.

**The motion then passed with a vote of 4/1 with Mayor Young, Council Members Peters, Lucas and Lohr voting in favor. Council Member Buckner voted against the motion for adoption. Council Members Smalls and Parker were absent and did not vote.**

**3. Ordinance # 2010-10, An Ordinance of the City of Walterboro, South Carolina Establishing a Comprehensive Fee Schedule for Administration; Building and Codes Department; Finance Department; Public Safety Department; Sanitation Department and Utility Support Department - First Reading**

City Manager Lord explained that this ordinance is the fee ordinance which is enacting the increases previously described by Council Member Lucas.

A motion was made by Council Member Lucas, seconded by Council Member Peters, giving First Reading Approval to Ordinance # 2010-10.

**The motion passed with a vote of 4/1 with Mayor Young, Council Members Peters, Lucas and Lohr voting in favor. Council Member Buckner voted against the motion. Council Members Smalls and Parker were absent and did not vote.**

**4. Consideration of Request to Place Memorial Plaque for Tommy Godwin at the Forest Hills Tennis Courts.**

City Manager Lord reported that a request had been received from the Tennis Association to place a plaque at the Forest Hills Tennis Courts to honor Mr. Tommy Godwin.

A motion was made by Council Member Buckner to approve the request by the Walterboro Tennis Association as submitted. Council Member Lucas seconded the **motion that passed unanimously. Council Members Smalls and Parker were absent and did not vote.**

**5. Consideration of Appointments to City Boards and Commissions**

At this point, Mayor Young announced that he is appointing Council Member Tom Lohr as the Council representative to the Youth Advisory Commission. The Mayor thanked Council Member Lohr for serving on this commission.

The Mayor then entertained a motion to enter an Executive Session. Council Member Lucas so **MOVED**. Council Member Buckner seconded the **motion that passed unanimously. Council Members Smalls and Parker were absent and did not vote.**

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The Mayor then announced that the meeting would convene into an Executive Session for a discussion of matters relating to proposed provision of services encouraging the location or expansion of an industry or other businesses in the area.

The meeting returned to Open Session and there being no further business to consider, a motion to adjourn the meeting was made by Council Member Lucas, seconded by Council Member Peters and passed unanimously. The Mayor adjourned the meeting at 7:04 P.M. Notice of this meeting was distributed to all local media and posted on the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson  
City Clerk

**APPROVED: June 8, 2010**