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City of Walterboro

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Walterboro, South Carolina 29488

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Walterboro, South Carolina 29488-0009

Walterboro City Council

Regular Meeting

December 4, 2018

City Hall

6:15 P.M.

REVISED A G E N D A

I. Call to Order:

1. Invocation.
2. Pledge of Allegiance.

II. Public Input on Agenda Items:

III. Presentation:

1. 2018-2019 Comprehensive Annual Financial Report - The Baird Audit Group, LLC - Ms. Brenda Carroll.

IV. Old Business:

V. New Business:

1. Ordinance # 2019-01, An Ordinance Amending the Code of Ordinances of the City of Walterboro, South Carolina, Chapter 8, Article II, Business and Professional Licenses, So As to Clarify and Strengthen Portions Thereof and to Provide for Annual Classification Update, **First Reading** (Ordinance attached).
2. Consideration of Lease Purchase Proposals for 2019 Freightliner Sanitation Truck (Memorandum and Proposals attached).
3. Resolution # 2018-R-17, Approving the Financing Terms for 2019 Freightliner Sanitation Truck (Resolution attached).
4. Consideration of Quotes Received for Workers' Compensation Insurance for Calendar Year 2019 (Memorandum and materials attached).
5. Consideration of Bids Received to Purchase a Pickup Truck for the Sewer Support Department (Memorandum and bid materials attached).

6. Consideration of Request by the Colleton County Veterans Council to Add a Memorial Recognizing Those Who Have Fallen in the Line of Duty in the Global War on Terrorism to the Colleton County Veterans War Memorial (Information attached).
7. Consideration of Fiscal Year 2019-2020 Budget Calendar (Attached).
8. Notice of 2018 City Council Retreat, Location and Time (Notice attached).
9. Consideration of Rescheduling the Christmas Tree Lighting/Parade for Sunday, December 16, 2018. The tree lighting will be at 5:00 p.m. and the parade at 6:00 p.m.
10. Consideration of Rescheduling the January 1, 2019 City Council Meeting.

VI. Committee Reports:

VII. City Manager's Report:

1. Consideration of Proposals for Water, Sewer and Sanitation Collection Rate Study.
2. Consideration of Request by CTS/CHS Alumni Association to Fund a Historical Marker for the USO/Colleton Training School at the Ray T. Johnson Building Located at 229 Gruber Street (Memorandum attached).

VIII. Executive Session:

1. Personnel Matter - Fire Chief Search.

IX. Open Session:


1. Council May Take Action on Matters Discussed in Executive Session.

X. ADJOURNMENT.



MEMORANDUM

To: Jeffrey P. Molinari
City Manager

From: Amy J. Risher 
Finance Director

Date: November 27, 2018

Subject: Consideration of updating the Business License Ordinance

The Municipal Association of South Carolina (MASC) regularly updates the Model Business License Ordinance to incorporate improvements necessitated by changes in the legal and economic application of business license regulations. It is also the interest of staff that the business license ordinance be revised and updated.

Recommended removals have been struck through and additions are in bold. Below are points of reference of recommended changes:

Page 1 – Section 2. Definition – gross income
Page 2 – Section 4.A License Tax
Page 3 – Section 5.D Registration Required
Page 3 – Section 6.A Deductions, Exemptions, and Charitable Organizations
Page 4 – Section 10.B Inspection and Audits
Page 5 – Section 12.A Delinquent License Taxes, Partial Payment
Page 8 – Section 21.A Classification and Rates
Page 13 – Appendix A NAICS 524127 Title Insurance
Page 14 – Appendix A NAICS 48531 Taxicabs
Page 14 – Appendix B Address for class schedule

ORDINANCE # 2019-01

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF WALTERBORO, SOUTH CAROLINA, CHAPTER 8, ARTICLE II, BUSINESS AND PROFESSIONAL LICENSES, SO AS TO CLARIFY AND STRENGTHEN PORTIONS THEREOF AND TO PROVIDE FOR ANNUAL CLASSIFICATION UPDATE.

WHEREAS, the Municipal Association of South Carolina (MASC) regularly updates the Model Business License Ordinance to incorporate improvements necessitated by changes in the legal and economic application of business license regulations; and,

WHEREAS, it is the interest of the City and the operators of businesses within the City that the business license ordinance be revised and updated to be consistent with the statewide application of business license regulations.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF WALTERBORO, SOUTH CAROLINA, IN COUNCIL ASSEMBLED, that all prior business license ordinances are repealed and the attached business license ordinance is adopted and shall continue in effect from year to year as hereafter amended.

This ordinance shall become effective upon adoption.

ADOPTED, this _____ day of _____, 2018.

William T. Young, Jr.
Mayor

ATTEST:

Betty J. Hudson
City Clerk

First Reading: _____
Public Hearing: _____
Second Reading: _____

CITY OF WALTERBORO BUSINESS LICENSE ORDINANCE

Section 1. License Required.

Every person engaged or intending to engage in any calling, business, occupation or profession, in whole or in part, within the limits of the City of Walterboro South Carolina, is required to pay an annual license tax for the privilege of doing business and obtain a business license as herein provided.

Section 2. Definitions.

The following words, terms and phrases, when used in this ordinance, shall have the meaning ascribed herein:

“Business” means a calling, occupation, profession, or activity engaged in with the object of gain, benefit or advantage, either directly or indirectly.

“Charitable Organization” means an organization that is determined by the Internal Revenue Service to be exempt from Federal income taxes under 26 U.S.C. section 501 (c) (3), (4), (6), (7), (8), (10) or (19).

“Charitable Purpose” means a benevolent, philanthropic, patriotic, or eleemosynary purpose which does not result in personal gain to a sponsor, organizer, officer, director, trustee or person with ultimate control of the organization.

“Classification” means that division of businesses by major groups subject to the same license rate as determined by a calculated index of ability to pay based on national averages, benefits, equalization of tax burden, relationships of services, or other basis deemed appropriate by the Council.

“Gross Income” means the ~~total income~~ **gross receipts or gross revenue** of a business, received or accrued, for one calendar ~~or fiscal~~ year collected or to be collected from business done within the Municipality, excepting therefrom income earned outside of the Municipality on which a license tax is paid **by the business** to some other municipality or a county and fully reported to the Municipality. Gross income for ~~brokers or~~ agents means gross commissions received or retained, unless otherwise specified. Gross income for insurance companies means gross premiums ~~collected~~ **written**. Gross income for business license tax purposes shall not include taxes collected for a governmental entity, escrow funds, or funds which are the property of a third party. The value of bartered goods or trade-in merchandise shall be included in gross income. The gross ~~income~~ **receipts or gross revenues** for business license purposes may be verified by inspection of returns and reports filed with the Internal Revenue Service, the South Carolina Department of Revenue, the South Carolina **Department of Insurance** ~~Commission~~, or other government ~~agency~~ **agencies**.

“License Official” means a person designated to administer this ordinance.

“Licensee” means the business, the person applying for the license on behalf of the business, an agent or legal representative of the business, a person who receives any part of the net profit of the business, or a person who owns or exercises control of the business.

“Municipality” means the City of Walterboro, South Carolina.

“Person” means any individual, firm, partnership, LLP, LLC, cooperative non-profit membership, corporation, joint venture, association, estate, trust, business trust, receiver, syndicate, holding company, or other group or combination acting as a unit, in the singular or plural, and the agent or employee having charge or control of a business in the absence of the principal.

Section 3. Purpose and Duration.

The business license levied by this ordinance is for the purpose of providing such regulation as may be required for the business subject thereto and for the purpose of raising revenue for the general fund through a privilege tax. Each license shall be issued for one calendar year ending December 31. The provisions of this ordinance and the rates herein shall remain in effect from year to year as amended by the Council.

Section 4. License Tax.

A. The required license tax shall be paid for each business subject hereto according to the applicable rate classification on or before the ~~15th~~ 30th day of April in each year, except for those businesses in Rate Class 8 for which a different due date is specified.

B. A separate license shall be required for each place of business and for each classification or business conducted at one place. If gross income cannot be separated for classifications at one location, the license tax shall be computed on the combined gross income for the classification requiring the highest rate. A license tax based on gross income shall be computed on the gross income for the preceding calendar or fiscal year, and on a twelve-month projected income based on the monthly average for a business in operation for less than one year. The tax for a new business shall be computed on the estimated probable gross income stated in the license application for the balance of the license year. The initial tax for an annexed business shall be prorated for the number of months remaining in the license year. No refund shall be made for a business that is discontinued.

Section 5. Registration Required.

A. The owner, agent or legal representative of every business subject to this ordinance, whether listed in the classification index or not, shall register the business and make application for a business license on or before the due date of each year; *provided*, a new business shall be required to have a business license prior to operation within the Municipality. A license for a bar (NAICS 722410) must be issued in the name of the individual who has been issued a State alcohol, beer or wine permit or license and will have actual control and management of the business.

B. Application shall be on a form provided by the License Official which shall contain the Social Security Number and/or the Federal Employer's Identification Number, the business name as reported on the South Carolina income tax return, and all information about the applicant and

the Licensee and the business deemed appropriate to carry out the purpose of this ordinance by the License Official. Applicants may be required to submit copies of portions of state and federal income tax returns reflecting gross income figures.

C. The applicant shall certify under oath that the information given in the application is true, that the gross income is accurately reported, or estimated for a new business, without any unauthorized deductions, and that all assessments, personal property taxes on business property and other monies due and payable to the Municipality have been paid.

~~D. Insurance agents and brokers shall report the name of each insurance company for which a policy was issued and the total premiums collected for each company for each type of insurance coverage on a form approved by the License Official. An insurance agent not employed by a company shall be licensed as a broker.~~

Section 6. Deductions, Exemptions, and Charitable Organizations.

A. No deductions from gross income shall be made except income earned outside of the Municipality on which a license tax is paid **by the business** to some other municipality or a county and fully reported to the Municipality, taxes collected for a governmental entity, or income which cannot be included for computation of the tax pursuant to State or Federal law. The applicant shall have the burden to establish the right to exempt income by satisfactory records and proof.

B. No person shall be exempt from the requirements of the ordinance by reason of the lack of an established place of business within the Municipality, unless exempted by State or Federal law. The License Official shall determine the appropriate classification for each business in accordance with the latest issue of the North American Industry Classification System (NAICS) for the United States published by the Office of Management and Budget. No person shall be exempt from this ordinance by reason of the payment of any other tax, unless exempted by State law, and no person shall be relieved of liability for payment of any other tax or fee by reason of application of this ordinance.

C. A Charitable Organization shall be exempt from the business license tax on its gross income unless it is deemed a business subject to a business license tax on all or part of its gross income as provided in this section. A Charitable Organization or any for-profit affiliate of a Charitable Organization, that reports income from for-profit activities, or unrelated business income, for Federal income tax purposes to the Internal Revenue Service shall be deemed a business subject to a business license tax on the part of its gross income from such for-profit activities or unrelated business income.

A Charitable Organization shall be deemed a business subject to a business license tax on its total gross income if (1) any net proceeds of operation, after necessary expenses of operation, inure to the benefit of any individual or any entity that is not itself a Charitable Organization as defined in this ordinance, or (2) any net proceeds of operation, after necessary expenses of operation, are used for a purpose other than a Charitable Purpose as defined in this ordinance. Excess benefits or compensation in any form beyond fair market value to a sponsor, organizer,

officer, director, trustee or person with ultimate control of the organization shall not be deemed a necessary expense of operation.

Section 7. False Application Unlawful.

It shall be unlawful for any person subject to the provisions of this ordinance to make a false application for a business license, or to give or file, or direct the giving or filing of, any false information with respect to the license or tax required by this ordinance.

Section 8. Display and Transfer.

A. All persons shall display the license issued to them on the original form provided by the License Official in a conspicuous place in the business establishment at the address shown on the license. A transient or non-resident shall carry the license upon his person or in a vehicle used in the business readily available for inspection by any authorized agent of the Municipality.

B. A change of address must be reported to the License Official within ten (10) days after removal of the business to a new location and the license will be valid at the new address upon written notification by the License Official and compliance with zoning and building codes. Failure to obtain the approval of the License Official for a change of address shall invalidate the license and subject the licensee to prosecution for doing business without a license. A business license shall not be transferable and a transfer of controlling interest shall be considered a termination of the old business and the establishment of a new business requiring a new business license, based on old business income.

Section 9. Administration of Article.

The License Official shall administer the provisions of this article, collect license taxes, issue licenses, make or initiate investigations and audits to insure compliance, initiate denial or suspension and revocation procedures, report violations to the municipal attorney, assist in prosecution of violators, produce forms, make reasonable regulations relating to the administration of this ordinance, and perform such other duties as may be duly assigned.

Section 10. Inspection and Audits.

A. For the purpose of enforcing the provisions of this ordinance, the License Official or other authorized agent of the Municipality is empowered to enter upon the premises of any person subject to this ordinance to make inspections, examine and audit books and records. It shall be unlawful for any such person to fail or refuse to make available the necessary books and records. In the event an audit or inspection reveals that the licensee has filed false information, the costs of the audit shall be added to the correct license tax and late penalties in addition to other penalties provided herein. Each day of failure to pay the proper amount of license tax shall constitute a separate offense.

B. The License Official shall **have the authority to** make **systematic** inspections and **random conduct** audits of all businesses within the Municipality to insure compliance with the ordinance. Financial information obtained by inspections and audits shall not be deemed public records, and the License Official shall not release the amount of license taxes paid or the reported gross income of any person by name without written permission of the licensee, except

as authorized by this ordinance, State or Federal law, or proper judicial order. Statistics compiled by classifications are public records.

Section 11. Assessments, Payment under Protest, Appeal.

A. If a person fails to obtain a business license or to furnish the information required by this ordinance or the License Official, the License Official shall examine such records of the business or any other available records as may be appropriate, and conduct such investigations and statistical surveys as the License Official may deem appropriate to assess a license tax and penalties as provided herein.

B. A notice of assessment shall be served by certified mail or personal service. An application for adjustment of the assessment may be made to the License Official within five (5) days after the notice is mailed or personally served or the assessment will become final. The License Official shall establish a uniform procedure for hearing an application for adjustment of assessment and issuing a notice of final assessment.

C. A final assessment may be appealed to the Council only by payment in full of the assessment under protest within five (5) days and the filing of written notice of appeal within ten (10) days after payment pursuant to the provisions of this ordinance relating to appeals to Council.

Section 12. Delinquent License Taxes, Partial Payment.

A. For non-payment of all or any part of the correct license tax, the License Official shall levy and collect a late penalty of five (5%) percent of the unpaid tax for each month or portion thereof after the due date until paid. Penalties shall not be waived. If any license tax remains unpaid for sixty (60) days after its due date, ~~the License Official shall report it to the municipal attorney~~ **the licensee will be deemed to be operating without a license. After July 1, the License Official shall report all unpaids to the Walterboro Police Department** for appropriate legal action.

B. Partial payment may be accepted by the License Official to toll imposition of penalties on the portion paid; *provided*, however, no business license shall be issued or renewed until the full amount of the tax due, with penalties, has been paid.

Section 13. Notices.

The License Official may, but shall not be required to, mail written notices that license taxes are due. If notices are not mailed, there shall be published a notice of the due date in a newspaper of general circulation within the municipality three (3) times prior to the due date in each year. Failure to receive notice shall not constitute a defense to prosecution for failure to pay the tax due or grounds for waiver of penalties.

Section 14. Denial of License.

The License Official shall deny a license to an applicant when the License Official determines:

- A. The application is incomplete, contains a misrepresentation, false or misleading statement, evasion or suppression of a material fact; or

B. The activity for which a license is sought is unlawful or constitutes a public nuisance per se or per accidens; or

C. The applicant, Licensee or prior Licensee or the person in control of the business has been convicted of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude, or an unlawful sale of merchandise or prohibited goods; or

D. The applicant, Licensee or prior Licensee or the person in control of the business has engaged in an unlawful activity or nuisance related to the business or to a similar business in the Municipality or in another jurisdiction; or

E. The applicant, Licensee or prior Licensee or the person in control of the business is delinquent in the payment to the Municipality of any tax or fee; or

F. The license for the business or for a similar business of the Licensee in the Municipality or another jurisdiction has been denied, suspended or revoked in the previous license year.

A decision of the License Official shall be subject to appeal to Council as herein provided. Denial shall be written with reasons stated.

Section 15. Suspension or Revocation of License.

When the License Official determines:

A. A license has been mistakenly or improperly issued or issued contrary to law; or

B. A Licensee has breached any condition upon which the license was issued or has failed to comply with the provisions of this ordinance; or

C. A Licensee has obtained a license through a fraud, misrepresentation, a false or misleading statement, evasion or suppression of a material fact in the license application; or

D. A Licensee has been convicted of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude, or an unlawful sale of merchandise or prohibited goods; or

E. A Licensee has engaged in an unlawful activity or nuisance related to the business; or

F. A Licensee is delinquent in the payment to the Municipality of any tax or fee,

the License Official shall give written notice to the Licensee or the person in control of the business within the Municipality by personal service or certified mail that the license is suspended pending a hearing before Council for the purpose of determining whether the license should be revoked.

The notice shall state the time and place at which the hearing is to be held, which shall be at a regular or special Council meeting within thirty (30) days from the date of service of the notice, unless continued by agreement. The notice shall contain a brief statement of the reasons for suspension and proposed revocation and a copy of the applicable provisions of this ordinance.

Section 16. Appeals to Council.

A. Any person aggrieved by a decision, final assessment, proposed revocation, suspension, or a denial of a business license by the License Official may appeal the decision to the Council by written request stating the reasons therefore, filed with the License Official within ten (10) days after service by certified mail or personal service of the notice of decision, final assessment, proposed revocation, suspension or denial.

B. An appeal or a hearing on proposed revocation shall be held by the Council within thirty (30) days after receipt of a request for appeal or service of notice of suspension at a regular or special meeting of which the applicant or licensee has been given written notice, unless continued by agreement. At the hearing, all parties shall have the right to be represented by counsel, to present testimony and evidence and to cross-examine witnesses. The proceedings shall be recorded and transcribed at the expense of the party so requesting. The rules of evidence and procedure prescribed by Council shall govern the hearing. Council shall by majority vote of members present render a written decision based on findings of fact and application of the standards herein which shall be served upon all parties or their representatives and shall be the final decision of the Municipality.

Section 17. Consent, franchise or license required for use of streets.

A. It shall be unlawful for any person to construct, install, maintain or operate in, on, above or under any street or public place under control of the municipality any line, pipe, cable, pole, structure or facility for utilities, communications, cablevision or other purposes without a consent agreement or franchise agreement issued by the Council by ordinance that prescribes the term, fees and conditions for use.

B. The annual fee for use of streets or public places authorized by a consent agreement or franchise agreement shall be set by the ordinance approving the agreement and shall be consistent with limits set by State law. Existing franchise agreements shall continue in effect until expiration dates in the agreements. Franchise and consent fees shall not be in lieu of or be credited against business license fees unless specifically provided by the franchise or consent agreement.

Section 18. Confidentiality.

Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for any official or employee to divulge or make known in any manner the amount of income or any particulars set forth or disclosed in any report or return required under this ordinance. Nothing in this section shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns. Any license data may be shared with other public officials or employees in the performance of their duties, whether or not those duties relate to enforcement of the license ordinance.

Section 19. Violations.

Any person violating any provision of this ordinance shall be deemed guilty of an offense and shall be subject to a fine of up to \$500.00 or imprisonment for not more than thirty (30) days or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties and costs provided for herein.

Section 20. Severability.

A determination that any portion of this ordinance is invalid or unenforceable shall not affect the remaining portions.

Section 21. Classification and Rates.

~~A. The Class Structure Model by the North American Industry Classification System codes, designated as Appendix B to this ordinance, and the Class Structure Model by rate class, designated as Appendix C to this ordinance, may be amended by the Council from time to time, and current copies shall be filed in the office of the municipal clerk. Appendices B and C are tools for classification and not a limitation on businesses subject to a license tax. The License Official shall determine the proper class for a business according to the applicable NAICS code.~~

A. The classifications of businesses included in each rate class are listed with United States North American Industry Classification System (NAICS) codes, by sector, sub-sector, group or industry. The Business License Class Schedule (Appendix B) is a tool for classification and not a limitation on businesses subject to a license tax. The business classification, pursuant to the most recent version of the Business License Class Schedule adopted by the council, most specifically identifying the subject business, shall be applied to the business. The License Official shall have the authority to make the determination of the business classification most specifically applicable to a subject business.

B. The license tax for each class of businesses subject to this ordinance shall be computed in accordance with the Rate Schedule, designated as Appendix A to this ordinance, which may be amended by the Council from time to time and a current copy filed in the office of the municipal clerk.

APPENDIX A

RATE SCHEDULE

<u>RATE CLASS</u>	<u>INCOME: \$0 - \$2,000</u> <u>MINIMUM TAX</u>	<u>INCOME OVER \$2,000</u> <u>Rate per Thousand or fraction thereof</u>
1	\$40.00	\$1.00
2	\$45.00	\$1.15
3	\$50.00	\$1.30
4	\$55.00	\$1.45
5	\$60.00	\$1.60
6	\$65.00	\$1.75
7	\$70.00	\$1.90
8	See Individual Business in Class 8	

NON-RESIDENT RATES

Unless otherwise specifically provided, all minimum taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the municipality.

CLASS 8 RATES

Each NAICS Number designates a separate sub-classification. The businesses in this section are treated as separate and individual subclasses due to provisions of State law, regulatory requirements, service burdens, tax equalization considerations, etc., which are deemed to be sufficient to require individually determined rates. Non-resident rates do not apply except where indicated.

NAICS 230000 - Contractors, Construction, All Types

- 8 Having permanent place of business within the municipality
Minimum on first \$2,000.....\$50.00 PLUS
Each additional 1,000.....\$1.10
- 9 Not having permanent place of business within the municipality
Minimum on first \$2,000.....\$100.00 PLUS
Each additional \$1,000.....\$2.20
(non-resident double rates do not apply)

A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this ordinance.

The total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle contractor to complete the job without regard to the normal license expiration date. An amended report shall be filed for each new job and the appropriate additional license fee per \$1,000 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a calendar year.

No contractor shall be issued a business license until all state and municipal qualification examination and trade license requirements have been met. Each contractor shall post a sign in plain view on each job identifying the contractor with the job.

Sub-contractors shall be licensed on the same basis as general or prime contractors for the same job. No deductions shall be made by a general or prime contractor for value of work performed by a sub-contractor.

No contractor shall be issued a business license until all performance and indemnity bonds required by the Building Code have been filed and approved. Zoning permits must be obtained when required by the Zoning Ordinance.

Each prime contractor shall file with the License Official a list of sub-contractors furnishing labor or materials for each project.

209 NAICS 5171, 5172 - Telephone Companies:

A. Notwithstanding any other provisions of the Business License Ordinance, the business license tax for "retail telecommunications services", as defined in S. C. Code Section 58-9-2200, shall be at the maximum rate authorized by S. C. Code Section 58-9-2220, as it now provides or as provided by amendment. The business license tax year shall begin on January 1 of each year. Declining rates shall not apply.

B. In conformity with S.C. Code Section 58-9-2220, the business license tax for "retail telecommunications services" shall apply to the gross income derived from the sale of retail telecommunications services for the preceding calendar or fiscal year which either originate or terminate in the municipality and which are charged to a service address within the municipality regardless of where these amounts are billed or paid and on which a business license tax has not been paid to another municipality. The measurement of the amounts derived from the retail sale of mobile telecommunications services shall include only revenues from the fixed monthly recurring charge of customers whose service address is within the boundaries of the municipality. For a business in operation for less than one year, the amount of business license tax shall be computed on a twelve-month projected income.

C. The business license tax for "retail telecommunications services" shall be due on January 1 of each year and payable by January 31 of that year, without penalty.

D. The delinquent penalty shall be five percent (5 %) of the tax due for each month, or portion thereof, after the due date until paid.

E. Exemptions in the business license ordinance for income from business in interstate commerce are hereby repealed. Properly apportioned gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

F. Nothing in this Ordinance shall be interpreted to interfere with continuing obligations of any franchise agreement or contractual agreement in the event that the franchise or contractual agreement should expire after December 31, 2003.

G. All fees collected under such a franchise or contractual agreement expiring after December 31, 2003, shall be in lieu of fees or taxes which might otherwise be authorized by this Ordinance.

H. As authorized by S. C. Code Section 5-7-300, the Agreement with the Municipal Association of South Carolina for collection of current and delinquent license taxes from telecommunications companies pursuant to S. C. Code Section 58-9-2200 shall continue in effect.

10	<u>NAICS 517110 – Television: Cable or Pay</u> Services using public streets	See Franchise
11	<u>NAICS 22112 - Electric Power/Natural Gas Distribution</u>	See Franchise
12	<u>NAICS 423930 - Junk or Scrap Dealers</u> [Non-resident rates apply – rate code 13] Minimum on first \$2,000	\$70.00 PLUS
	Per \$1,000, or fraction, over \$2,000	\$1.60
14	<u>NAICS 4411, 4412 - Automotive, Motor Vehicles, Boats, Farm Machinery or Retail</u> (except auto supply stores - see 4413) Minimum on first \$2,000	\$100.00 PLUS
	\$2,000 - \$300,000	\$0.70
	Over \$300,000	\$0.38

One sales lot not more than 400 feet from the main showroom may be operated under this license provided that proceeds from sales at the lot are included in gross receipts at the main office when both are operated under the same name and ownership. Gross receipts for this classification shall include value of trade-ins. Dealer transfers or internal repairs on resale items shall not be included in gross income.

16	<u>NAICS 522298 - Pawn Brokers - All Types</u> Minimum on first \$2,000	\$70.00 PLUS
	Per \$1,000, or fraction, over \$2,000	\$1.60

NAICS 454390 - Peddlers, Solicitors, Canvassers, Door-To-Door Sales

direct retail sales of merchandise. Special applications and restrictions apply. See Chapter 8, Article III of the Code of Ordinances.

20	Peddlers – Ordinance 2009-02	\$150.00 per 7 day period or portion thereof the permit period
21	Transient Merchant – Ordinance 2009-02 Minimum on first \$2,000	\$250 PLUS
	Per \$1,000, or fraction, over \$2,000	\$3.10

Minimum on first \$2,000	\$250 PLUS
Per \$1,000, or fraction, over \$2,000.....	\$3.10

Applicant for a license to sell on private property must provide written authorization from the properly owner to use the intended location.

NAICS 5241 - Insurance Companies:

Except as to fire insurance, "gross premiums" means gross premiums written for policies for property or a risk located within the municipality. In addition, "gross premiums" shall include premiums written for policies that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by (1) the insurance company's office located in the municipality, (2) the insurance company's employee conducting business within the municipality, or (3) the office of the insurance company's licensed or appointed producer (agent) conducting business within the municipality, regardless of where the property or risk is located, provided no tax has been paid to another municipality in which the property or risk is located based on the same premium.

Solicitation for insurance, receiving or transmitting an application or policy, examination of a risk, collection or transmitting of a premium, adjusting a claim, delivering a benefit, or doing any act in connection with a policy or claim shall constitute conducting business within the municipality, regardless of whether or not an office is maintained in the municipality.

As to fire insurance, "gross premiums" means gross premiums (1) collected in the municipality, and/or (2) realized from risks located within the limits of the municipality.

Gross premiums shall include all business conducted in the prior calendar year.

Gross premiums shall include new and renewal business without deductions for any dividend, credit, return premiums or deposit.

Declining rates shall not apply.

NAICS 52411 - Life, Health and Accident 0.75% of Gross Premiums

NAICS 524126 - Fire and Casualty (Licensed in SC) 2% of Gross Premiums

NAICS 524127 - Title Insurance 2% of Gross Premiums

Notwithstanding any other provisions of this ordinance, license taxes for insurance companies shall be payable on or before May 31 in each year without penalty. The penalty for delinquent payments shall be 5% of the tax due per month, or portion thereof, after the due date until paid.

Any exemptions in the business license ordinance for income from business in interstate commerce are hereby repealed. Gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

Pursuant to S.C. Code Ann. §§ 38-45-10 and 38-45-60, the Municipal Association of South Carolina, by agreement with the municipality, is designated the municipal agent for purposes of administration of the municipal broker's premium tax. The agreement with the Association for administration and collection of current and delinquent license taxes from insurance companies as authorized by S.C. Code § 5-7-300 ~~and administration of the municipal broker's premium tax in the form attached hereto is approved, and the Mayor is authorized to execute it.~~

[The South Carolina General Assembly, in order to ensure consistency with the federal Non-admitted and Reinsurance Reform Act of 2010 (“NRRA”), ratified an act (Rat# 283) on June 28, 2012, amending S.C. Code §§ 38-7-16 and 38-45-10 through 38-45-195. The act establishes a blended broker’s premium tax rate of 6 percent comprised of a 4 percent state broker’s premium tax and a 2 percent municipal broker’s premium tax. The act states a municipality may not impose on brokers of non-admitted insurance in South Carolina an additional license fee or tax based upon a percentage of premiums.]

NAICS 713120 - Amusement Machines, coin operated (except gambling) -

Music machines, juke boxes, kiddie rides, video games, pin tables with levers, and other amusement machines with or without free play feature licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(1) and (A)(2) – [Type I and Type II]

25 Operator of machine\$12.50/machine PLUS
 \$12.50 business license
 for operation of all machines (not on gross income).[§12-21-2746]

208	<u>Distributor selling or leasing machines</u> (not licensed by the State as an operator pursuant to §12-21-2728) - [Nonresident rates apply.] Minimum on first \$2,000	\$50.00 PLUS
	Per \$1,000 or fraction over \$2,000	\$1.20

NAICS 713290 - Amusement Machines, coin operated, non-payout

Amusement machines of the non-payout type or in-line pin game licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(3) [Type III]

26	<u>NAICS 713290</u> - Bingo halls, parlors –	
	Minimum on first \$2,000	\$50.00 PLUS
	Per \$1,000, or fraction, over \$2,000	\$1.30

23	<u>NAICS 711190</u> - Carnivals and Circuses -	
	Minimum on first \$2,000	\$200.00 PLUS
	Per \$1,000, or fraction, over \$2,000	\$1.60

15	<u>NAICS 722410 - Drinking Places, bars, lounges, cabarets (Alcoholic beverages consumed on premises)</u>	
	Minimum on first \$2,000	\$200.00 PLUS
	Per \$1,000, or fraction, over \$2,000	\$1.60

License must be issued in the name of the individual who has been issued a State alcohol, beer or wine permit or license and will have actual control and management of the business.

22	<u>NAICS 713990</u> - Billiard or Pool Rooms, all types	\$5.00 stamp/table PLUS
	Minimum on first \$2,000	\$50.00 PLUS
	Per \$1,000, or fraction, over 2000.....	\$1.20
17	<u>NAICS 45421</u> - Vending Machines and all other coin-operated Automatic Merchandising Machines [Non-resident rates apply - #197] (Not included in Business Gross Income):	
	First \$2,000.....	\$50.00
	Over \$2,000.....	\$1.20

NAICS 48531 – Taxicabs – **Special application and restrictions apply. See Chapter 36 of the Code of Ordinances.**

Public Service Commission certificates A and B are exempt from business license. License required for holders of certificate E and F if the business is located within city limits. Holders of certificate C are required to obtain a license once the application, inspection and insurance is approved by the Waltherboro ~~Public Safety Police Chief~~ **Police Department.**

Appendix B

Business License Class Schedule by NAICS Code

This appendix will be updated annually based on the latest available IRS statistics. The updated Business License Class Schedule may be accessed at:

~~http://www.masc.sc/SiteCollectionDocuments/finance/12_bl_class_schedule_appb.pdf~~

~~Business License Class Schedule by Rate Class~~

~~Appendix C~~

~~This appendix will be updated annually based on the latest available IRS statistics. The updated Business License Class Schedule may be accessed at~~

~~http://www.masc.sc/SiteCollectionDocuments/finance/12_bl_class_schedule_appc.pdf~~

<http://www.masc.sc/sitecollectiondocuments/finance/bl-appxB.pdf>



MEMORANDUM

TO: Mayor and City Council
FROM: City Manager
DATE: November 28, 2018
SUBJECT: Consideration of Lease Purchase Proposals for 2019 Freightliner Truck

In July 2018, City Council approved the purchase of a new residential sanitation vehicle in the amount of \$239,045. Finance Director, Amy Risher solicited proposals from seven (7) local financial institutions on October 30, 2018 to finance the truck. The City received two (2) proposals:

<u>Financial Institution</u>	<u>Term</u>	<u>Rate</u>
South State Bank	5 years	3.12% APR
BB&T	5 years	3.28% APR

City staff recommends South State Bank to finance the purchase of the sanitation truck with an interest rate of 3.12%. If you have any questions, comments or concerns, please do not hesitate to contact me or come by City Hall at your convenience.

Sincerely,


Jeffrey P. Molinari
City Manager

Attachments



MEMORANDUM

To: Jeffrey P. Molinari
City Manager

From: Amy J. Risher 
Finance Director

Date: November 27, 2018

Subject: Consideration of lease purchase proposals
2019 Freightliner sanitation truck

We solicited seven (7) local financial institutions on October 30, 2018 and received two (2) proposals for the financing of one 2019 Freightliner sanitation truck in the amount of \$239,045.00 on November 27, 2018.

The following is a tabulation of the proposals:

<u>Financial Institution</u>	<u>Term</u>	<u>Rate</u>	<u>Fees</u>
South State Bank	5 years	3.12% APR	None
BB&T	5 years	3.28% APR	None

South State Bank has offered the best financing terms for the lease purchase of the Freightliner sanitation truck. City staff recommends financing through South State Bank.



November 27, 2018

City of Walterboro, South Carolina
Amy Risher, Finance Director
300 Hampton Street
Walterboro, South Carolina 29488

Re: Proposal for a \$239,045 tax exempt lease-purchase financing

Dear Ms. Risher:

For all, but not part, of the \$239,045 tax exempt lease purchase financing for the acquisition of a 2019 sanitation truck as more fully described in the attached Request for Proposals (RFP), which is, by reference, hereby made a part of this bid, we will fund \$239,045.

Term: Issue date on or about January 2, 2019. As described in the RFP, the Note will have five (5) annual principal plus accrued interest payments due on January 2nd of each year beginning January 2, 2020 until maturity or prior redemption. All outstanding principal and interest due January 2, 2024.

Rate: Bank Qualified Tax Free rate equaling 3.12%. Rate shall be fixed for the duration of the term.

Payment: Annual payments of principal and interest shall be due and payable beginning on January 2, 2020 and continuing annually thereafter until paid in full. Interest component of payments to be calculated on a 30/360 basis.

Fees: None will be paid to or on behalf of the Bank. This includes the initial closing of the Agreement and on an annual basis. All fees incurred by the City's Bond Counsel and associated with the document preparation and closing of this note will be the responsibility of the City.

Requirements: It is understood that the City's Bond Counsel will prepare documents to be reviewed by Bank and its counsel. The legal opinion of bond counsel satisfactory to Bank that the Note constitutes a valid and binding obligation of Borrower; will be "Qualified Tax Exempt Obligation" within the meaning of Section 265 (b)(3)(B) of the Internal Revenue Code of 1986, as amended; and will be exempt from all Federal, State, County, and Municipal taxes.

Security: A lien upon the sanitation truck, as further described in the RFP.

Prepayment: No prepayment penalty.

Acquisition/Escrow Account: Funds will be deposited into an interest bearing account at South State Bank unless the funds have already been spent and equipment acquired.

We acknowledge that the City may reject any and all proposals as well as negotiate with the lowest responsible proposer. We acknowledge that we may not alter, modify, or withdraw our bid after we have submitted it to the City.



We acknowledge that the aggregate principal amount is subject to adjustment, both before and after the receipt and opening of sealed bids for their purchase. We acknowledge that the dollar amount bid for the principal by the successful bidder may be adjusted to reflect any reduction in the aggregate principal amount of the Agreement, but the interest rate specified by the successful bidder for the Agreement will not change.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Lee Petrolawicz'.

Lee Petrolawicz
Senior Vice President, City Executive
South State Bank
(843) 549-8231

Accepted this ____ day of _____, 2018.

City of Walterboro, South Carolina:

By: _____

Its: _____



Branch Banking & Trust Company

Governmental Finance

1201 Main Street 7th Floor
Suite 700
Columbia, SC 29201
Office: (803) 251-1328

November 19, 2018

Ms. Amy Risher
Finance Director
City of Walterboro
300 Hampton Street
Walterboro, SC 29488

Dear Ms. Risher:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the City of Walterboro ("City").

- (1) **Project:** 2019 Freightliner Sanitation Truck
- (2) **Amount to Be Financed:** \$239,045.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

<u>Term</u>	<u>Rate</u>
5 years	3.28%

Principal and interest payments shall be annual in arrears, as requested.

The interest rate stated above is valid for a closing not later than January 2, 2019. Closing of the financing is contingent upon completing documentation acceptable to BB&T and upon the condition of the property being acceptable to BB&T. The proceeds of this transaction may be deposited in a Project Fund Account with BB&T at the time of closing.

All applicable taxes, permits, costs of lawyers for the City and any other costs shall be the City's responsibility and separately payable by the City. The financing documents shall allow prepayment of the principal balance in whole at any time without penalty.

The stated interest rate assumes that the City expects to borrow no more than \$10,000,000 in calendar year 2018 and that the financing shall qualify as qualified tax-exempt financing under the Internal Revenue Code. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing.

BB&T will require audited financial statements to be delivered within 270 days after the conclusion of each fiscal year-end throughout the term of the financing.

(4) Financing Documents:

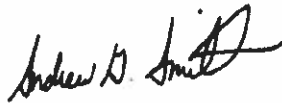
BB&T proposes to use its standard form financing contracts and related documents for this installment financing. We shall provide a sample of those documents to you should BB&T be the successful proposer. This financing shall be secured by a first lien security interest in all personal property acquired with proceeds.

BB&T shall have the right to cancel this offer by notifying the City of its election to do so (whether or not this offer has previously been accepted by the City) if at any time prior to the closing there is a material adverse change in the City's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the City or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T.

BB&T appreciates the opportunity to make this financing proposal and requests to be notified within five days of this proposal should BB&T be the successful proposer. Please call me at 803-251-1328 with your questions and comments. We look forward to hearing from you.

Sincerely,

Branch Banking & Trust Company

A handwritten signature in black ink, appearing to read "Andrew G. Smith", is written over the typed name.

Andrew G. Smith
Senior Vice President

Enclosure(s)

RESOLUTION NO. 2018-R-17

Resolution Approving Financing Terms

WHEREAS: The City of Waltherboro ("City") has previously determined to undertake a project for the financing of a Freightliner Sanitation Truck, and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The City hereby determines to finance the Project through South State Bank, in accordance with the proposal dated October 30, 2018. The amount financed shall not exceed \$239,045.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.12%, and the financing term shall not exceed five (5) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. The City Manager is hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by City Manager, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The City shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The City intends that the adoption of this resolution will be a declaration of the City's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the South State Bank financing described above. The City intends that funds that have been advanced, or that may be advanced, from the City's enterprise fund or any other City fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of City officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 4th day of December, 2018.

Betty J. Hudson, City Clerk
SEAL

William T. Young, Jr., Mayor



MEMORANDUM

TO: Mayor and City Council
FROM: City Manager
DATE: November 29, 2018
SUBJECT: Workers' Compensation Quotes

City staff solicited rate quotes for workers' compensation coverage for calendar year 2019 from the South Carolina Municipal Insurance Trust (SCMIT) and the South Carolina State Accident Fund.

<u>Provider</u>	<u>Price</u>
SCMIT	\$142,840
SC State Accident Fund	\$163,340

Staff recommends SCMIT as the workers' compensation provider for the City of Walterboro in the amount of **\$142,840.00** for 2019. By becoming a member of SCMIT, it also allows the City to be eligible for the multi-policy discount providing savings of \$4,641 on the property insurance renewal with SCMIRF. In addition, the City would be eligible for matching grants to provide personal protective equipment for Fire and Public Works personnel and bullet proof vests for the Police Department. If approved, the coverage would go into effect on January 1, 2019. If you have any questions, comments or concerns, please do not hesitate to contact me or come by City Hall at your convenience.

Sincerely,


Jeffrey P. Molinari
City Manager

Attachments



MEMORANDUM

To: Jeffrey P. Molinari
City Manager

From: Amy J. Risher 
Finance Director

Date: November 15, 2018

Subject: Workers Compensation Quote

City staff solicited rate quotes for workers comp insurance for calendar year 2019. Rate quotes attached.

Annual payroll \$4,004,122	SC State Accident Fund	SC Municipal Insurance Trust	Key Risk
Premium	\$169,698	\$145,755	no quote
Employer Liability Limits	1,867	0	
Experience Modification Factor	34,313	0	
Scheduled Rating Plan Factor	-16,470	0	
Volume Discount	-9,092	0	
Expense constant	180	0	
Terrorism Factor	400	0	
Total	180,896	145,755	
Drug and Alcohol Discount Factor	-8,778	0	
Anticipated Rate Reduction	-8,778	0	
Member Discount	0	-2,915	
Estimated Annual Contribution	\$163,340	\$142,840	0

SCMIT is offering the lowest rate for 2019. By joining SCMIT, it also allows the City to be eligible for the multi-policy discount providing a savings of \$4,641 on the property insurance renewal with SCMIRF, as well as \$6,000 in grant matching funds shared between the Police Department, Fire Department and the Public Works Department.

Therefore, staff recommends SC Municipal Insurance Trust as the workers comp provider for the City of Walterboro in the amount of \$142,840 for calendar year 2019.



South Carolina Municipal Insurance Trust
Workers' Compensation Program
Detailed Estimated Annual Contribution Report

This is not an invoice.

Member: City of Walterboro
Member ID: 1063
Invoice Date: 11/14/2018 1:21:00 PM

Coverage Contract No: Q-SCMIT-1063-2019-01
Coverage Period: 01/01/2019 to 01/01/2020
Invoice #: 30576

Code	Classification	Estimated Payroll	Rate	Contribution
7520	Waterworks Operation	\$318,059	0.040000	\$12,722
7580	Sewage Treatment Plant	\$124,795	0.048700	\$6,078
7704	Firefighters	\$627,784	0.042560	\$26,718
7720	Police Officers	\$1,171,586	0.053675	\$62,885
8391	Auto Repairs-Employees/Prisoners Only	\$62,637	0.035100	\$2,199
8810	Clerical Office Employees	\$901,000	0.002500	\$2,253
9015	Buildings/Maintenance & Custodial	\$8,671	0.062500	\$542
9102	Parks/Recreation-Including Drivers	\$302,432	0.022700	\$6,865
9402	Street/Sewer Maintenance	\$297,137	0.049700	\$14,768
9403	Garbage/Refuse Collection-Including Drivers	\$149,876	0.065400	\$9,802
9410	Municipal Employees-NOC	\$17,143	0.015200	\$261
9996	Other Volunteers	\$21,000	0.026800	\$563
9999	Volunteer Firemen	\$3,000	0.033680	\$101

Policy Totals: \$4,005,120 \$145,755

Multiply by Experience Modifier	1.000000	\$145,755
Deductible Credit for electing \$0 deductible	\$0	\$145,755
Member Discount		\$2,915
Total Estimated Annual Contribution		\$142,840

SOUTH CAROLINA STATE ACCIDENT FUND

Estimated Statement

Page 1 of 2

CITY OF WALTERBORO
ROBERSON, ANGELA
P.O. Box 709
Walterboro, SC 29488

February 19, 2018

Policy Number: 00-107316-8

Policy Period: January 01, 2018

Thru: December 31, 2018

Premium Auditor Simmons, Theresa PH: (803) 896-5857

Classification and Earnings:

Rate Class Description	Payroll	Rate	Premium
7520 WATER OPERATIONS, DRIVERS	318,059.00	3.54	11,259.29
7580 DISPOSAL PLANT	124,795.00	3.61	4,505.10
7710 FIRE FIGHTERS AND DRIVERS	627,784.00	7.28	45,702.68
7711 FIRE FIGHTERS AND DRIVERS - VOLUNTEER	2,000.00	7.28	145.60
7720 POLICEOFFICER & DRIVERS	1,171,586.00	3.96	46,394.81
8380 AUTO SERVICE OR REPAIR	62,637.00	4.92	3,081.74
8810 BD MEMBERS, CLERICAL OFFICE EMP & LIBR	922,002.00	0.27	2,489.41
9015 BLDG/OPERATION MAINTENANCE	8,671.00	5.27	456.96
9102 PARK ATTENDTS NOC, DRIVERS	302,432.00	3.61	10,917.80
9402 STREET CLEANING, DRIVERS	297,137.00	8.90	26,445.19
9403 GARBAGE COLLECTION, DRIVERS	149,876.00	11.88	17,805.27
9410 PUBLIC EMPLOYEES NOC	17,143.00	2.88	493.72
***** TOTAL PAYROLL *****	4,004,122.00		

Premium Summary:

Level/Modifier	Factor	Premium
Total Manual Premium		169,697.57
- Medical Deductible Discount Factor		0.00
+Employer Liability Limits of 500,000/500,000/500,000	1.0110	1,866.68
Subject Premium		171,564.25
* Drug And Alcohol Prevention Discount Factor		0.00
Total Subject Premium		171,564.25
* Experience Modification Factor	1.2000	34,312.86
Total Modified Premium		205,877.11
* Scheduled Rating Plan Factor	0.9200	(16,470.17)
+ Aircraft Seat Surcharge Factor		0.00
+ Minimum Premium Adjustment		0.00
Total Standard Premium		189,406.94
- Volume Discount	0.9520	(9,091.53)
* Short Rate Cancellation Factor		0.00
Final Premium		180,315.41
- Expense Constant	1.0010	180.00
+ Prorata		0.00
+ Terrorism Factor	1.0022	400.41
Final Adjusted Premium		180,896.00

**SOUTH CAROLINA
STATE ACCIDENT FUND**

**Estimated
Statement**

Page 2 of 2

CITY OF WALTERBORO
ROBERSON, ANGELA
P.O. Box 709
Walterboro, SC 29488

February 19, 2018

Policy Number: 00-107316-8

Policy Period: January 01, 2018

Thru: December 31, 2018

Premium Auditor Simmons, Theresa PH: (803) 896-5857

P.O. Box 102100 Columbia, SC 29221-5000. Premium Audit or Accounting 1-800-521-6576

Angela Roberson

Subject: FW: Workers comp policy
Attachments: Walterboro2018.pdf

From: Theresa Simmons [<mailto:tsimmons@saf.sc.gov>]
Sent: Monday, October 15, 2018 11:11 AM
To: Angela Roberson <aroberson@walterborosc.org>
Subject: RE: Workers comp policy

Angela,

Because we are a state agency and not a commercial insurance company, we don't have the traditional "dec page." I have attached the 2018 Estimated Statement. This shows the estimated payroll and premium calculation.

We hope we will be able to keep your business. Management has informed me that we will be having a more than 5% rate reduction for 2019. Also, your final premium will reflect the 5% drug credit that you get every year.

If you have any questions or would like to discuss how we can help keep you with the State Accident Fund, do not hesitate to contact me.

Theresa Simmons, APA
Premium Auditor

State Accident Fund
P.O. Box 102100
Columbia, SC 29221

Phone: 803.896.5857
Fax: 803.612.2717



MEMORANDUM

TO: Mayor and City Council
FROM: City Manager
DATE: November 28, 2018
SUBJECT: Request to Purchase New Pickup Truck

I have attached a memo and supporting documentation from Public Works Director, Michael Crosby to purchase a new full size pickup truck for the Sewer Support Department. The City received three (3) bids:

<u>Vendor</u>	<u>Vehicle</u>	<u>Price</u>
Rizer Chevrolet (Walterboro, SC)	2019 Chevrolet 1500 Crew Cab	\$27,764.00
Family Chevrolet (St. George, SC)	2019 Chevrolet 1500 Crew Cab	\$28,025.00
Walterboro Motor Sales (Walterboro, SC)	2019 F-150 Crew Cab	\$28,119.00

The Fiscal Year 2018-19 Sewer Support Department budget has \$27,200 allocated for this purpose. Staff recommends accepting the low bid from Rizer Chevrolet (Walterboro, SC) in the amount of **\$27,764.00**. The \$564.00 shortfall will be absorbed by the Sewer Support Department. If you have any questions, comments or concerns, please do not hesitate to contact me or come by City Hall at your convenience.

Sincerely,

Jeffrey P. Molinari
City Manager

Attachments

MEMORANDUM

To: Jeff Molinari, City Manager
From: Michael Crosby, Public Works Director
Cc: Mayor and City Council
Re: Request for Bid
Date: 11/28/18

The City of Walterboro Public Works Department recently requested bids for a full size pickup truck. This vehicle is intended for use in the sewer support department. Bids were received from Rizer Chevrolet, Family Chevrolet and Walterboro Motor Sales.

The bids were as follows:

Rizer Chevrolet – 2019 Chevrolet 1500, crew cab	\$27,764.00
Family Chevrolet – 2019 Chevrolet 1500, crew cab	\$28,025.00
Walterboro Motor Sales– 2019 F – 150, crew cab	\$28,119.00

It is our recommendation to accept the low bid from Rizer Chevrolet in the amount of \$27,764.00.

Rizer Chevrolet Co., Inc.

351 N. Jefferies Blvd. • P.O. Box 1425 • Walterboro, South Carolina 29488

Phone: 843-549-6363 • Fax: 843-549-2179

November 28, 2018

Mr. Michael Crosby
City of Walterboro
242 Hampton Street
Walterboro, SC 29488

Dear Mr. Crosby,

I am submitting to you a bid for a 2019 Chevrolet Silverado 1500 Double Cab 2 wheel drive truck. Per your specifications, the price for this truck will be \$27,264.00 plus \$500.00 for S. C. Sales tax for a total of \$27,764.00.

This truck will include all of the standard factory equipment plus a factory installed trailering package with a rear locking differential, 5.3L V-8 engine, convenience package and bedside storage boxes. The warranty on a 2019 Chevrolet is 3 years or 36,000 miles bumper to bumper coverage and 5 years or 60,000 miles power train coverage.

Please give me a call with any questions.

Thank you very much for the opportunity to bid on this unit.

Sincerely,



Scott Rizer

Rizer Chevrolet Buick GMC



Michael Crosby

From: mclayton@familyautomotive.com
Sent: Tuesday, November 27, 2018 4:16 PM
To: Michael Crosby
Subject: 2019 Silverado Double cab pickup

Mr. Crosby,

Per your specs on a 2019 Chevrolet Silverado Double cab w/t , we can deliver it at the following price:

27525.00

500.00 SC IMF

28025.00 Total

If you have any further questions please feel free to contact me.

Thanks,
Marion Clayton



FAMILY CHEVROLET-GMC INC.

J. MARION CLAYTON

**MARK OF EXCELLENCE
AWARD WINNER**

T (843) 563-9752
F (843) 563-5810
M (843) 563-1820
mclayton@familyautomotive.com

5874 W JIM BILTON BLVD
PO BOX 797
SAINT GEORGE, SC 29477
www.familychevroletgmc.com

WALTERBORO



NEW VEHICLES AT DEALER INVOICE LESS REBATES

www.walterboroford.com

11/27/18

2019 F150

4 X 2

4 DOOR Supercrew

145' wheel BASE

VINYL 40/20/40 FRONT SEAT

POWER WINDOWS

POWER LOCKS

5.0 V8 ENGINE

AUTOMATIC TRANSMISSION

CARPET

HITCH CLASS III

OPTIONS

TOOL BOX +450

SPRAY LINER +450

27619⁰⁰

500 TAX

28,119.00

VINCE FARGNOLI - MGR

COLLETON COUNTY VETERANS COUNCIL

In 1989 the City of Walterboro granted permission to a committee of citizens to design, plan and erect the Colleton County Veterans War Memorial inside the Walterboro Plaza on Washington St. The Memorial was completed and dedicated on Memorial Day 1990. The Memorial was dedicated as follows:

COLLETON COUNTY VETERANS WAS MEMORIAL

SHORT AND TALL. RICH AND POOR.
BLACK AND WHITE. FARMER AND
SHOPKEEPER – THEY CAME FROM EVERY
WALK OF LIFE. THE MEN AND WOMEN
OF COLLETON COUNTY HAVE ALWAYS
ANSWERED THE CALL TO DEFEND THE
FLAG AND PROTECT OUR FREEDOM.
THEY HAVE DONE THIS WITHOUT
HESITATION DURING TIMES OF CONFLICT
AND PEACE. THEY GAVE THEIR ALL
FOR GOD AND COUNTRY. WE OWE THEM
A GREAT DEBT.

It was the intend of the committee to add any names that may have been omitted. There have been two names added to the Korean War Memorial since the dedication.

The Colleton County Veterans Council is seeking to update the present Memorials and to add an additional Memorial dedicated to all those Colletonians that gave their all for God and Country since the end of the Vietnam War.

The additional Memorial will be exactly the same size and design as the original four. This Memorial will be titled "The Global War on Terrorism."

In keeping with the procedures set by the original committee, the Colleton County Veterans Council is asking the public for their help to identify Colletonians that have lost their lives while on active duty, serving their country, since the end of the Vietnam War.

FISCAL YEAR 2019-2020 BUDGET CALENDAR

ACTIVITY	DATE
BUDGET CALENDAR PRESENTED TO COUNCIL (CITY MANAGER)	DECEMBER 4, 2018
BUDGET MEMORANDUM, CALENDAR AND FORMS DISTRIBUTED TO DEPARTMENT HEADS (FINANCE DEPARTMENT)	JANUARY 7, 2019
FY 2018-2019 YEAR END REVENUE AND EXPENDITURE PROJECTIONS PREPARED (FINANCE DEPARTMENT)	JAN 28 – FEB 4, 2019
FY 2019-2020 DEPARTMENTAL BUDGET REQUEST DUE	FEBRUARY 4, 2019
FY 2019-2020 DEPARTMENT EXPENDITURE REQUEST CONSOLIDATED AND ENTERED INTO MASTER BUDGET FILE (FINANCE DEPARTMENT)	FEBRUARY 4 – 8, 2019
FY 2019-2020 REVENUE PROJECTIONS PREPARED (FINANCE DEPARTMENT)	FEBRUARY 11–15, 2019
FY 2019-2020 DRAFT BUDGET REVIEWED (MANAGER AND DEPARTMENT HEADS)	FEB 18 – MAR 8, 2019
FY 2019-2020 REVENUE PROJECTIONS AND DEPARTMENT EXPENDITURE REQUESTS CONSOLIDATED (FINANCE DEPARTMENT)	MARCH 11 – 15, 2019
DEPARTMENT REQUEST REVIEWED FOR ACCURACY AND JUSTIFICATION FOR REQUEST (MANAGER AND FINANCE DIRECTOR)	MARCH 18 – 22, 2019
FY 2019-2020 DRAFT BUDGET PREPARED (MANAGER AND FINANCE DIRECTOR)	MARCH 25 – 29, 2019
FIRST DRAFT OF BUDGET DISTRIBUTED AND SUMMARIZED TO BUDGET COMMITTEE	APRIL 2, 2019
REVISED BUDGET DRAFT PREPARED BY STAFF	APRIL 3 – 12, 2019
BUDGET COMMITTEE MEETING	APRIL 16, 2019
BUDGET COMMITTEE REPORT AND 1ST READING OF PROPOSED BUDGET	MAY 7, 2019
NOTICE FOR BUDGET PUBLIC HEARING PUBLISHED	MAY 16, 2019
FINAL 2019-2020 BUDGET PREPARED BY STAFF	MAY 8 – 31, 2019
FINAL BUDGET DISTRIBUTED TO COUNCIL	JUNE 4, 2019
PUBLIC HEARING AND FINAL READING OF THE 2019-2020 BUDGET	JUNE 4, 2019

NOTICE OF ANNUAL RETREAT

Walterboro City Council

Walterboro City Council will conduct its 2019 City Council Planning Retreat beginning Friday, January 11, 2019 and running through Saturday, January 12, 2019 to be held at: Wampee Conference Center, 1190 Chicora Drive, Pinopolis, SC 29469. No formal action will be taken on any item at this retreat. Any action items will be brought back to a regular Council meeting for Council's consideration.



MEMORANDUM

TO: Mayor and City Council
FROM: City Manager
DATE: November 29, 2018
SUBJECT: Rate Study

The FY 2018-2019 Utility Support Department budget allocated \$50,000 for a rate study of the City's water, sewer and sanitation collection operations. In October, the City issued a Request for Qualifications (RFQs) from professional utility business planning firms to lead and facilitate the development of a comprehensive Cost of Service and Rate Study associated with the water, sewer and sanitation collection operations of the City. The four (4) primary components of the study are:

- Review Capital Improvement Plan – The City will provide the current Capital Improvement Plan to the selected firm to review and provide recommendations on financial planning and timing of the various projects identified to ensure that appropriate financial benchmarks (i.e debt ratio, etc) are maintained. It is expected that the recommendation of the various rate structures and potential rate levels will support the Capital Improvement Plan and annual operation needs.
- Cost of Service – Conduct a cost of service (COS) study across current utility operations to determine the costs to provide and deliver water, sewer and sanitation services to the various classes of customers (residential, commercial, government units, industrial, etc.). Utilizing this information, either confirm that the existing rate structure is adequate to provide an appropriate allocation of cost or provide rate structure alternatives that reflect an appropriate allocation of cost based on industry practices. A pro/con evaluation should accompany the alternatives.
- Utility Rate Plan – Utilizing the information from the above elements, develop potential rate levels within those structures that support an appropriate allocation of costs and support the capital and operational needs of the water, sewer and sanitation collection enterprises.
- Summary Recommendation – Upon completion of the above elements, working in conjunction with City and other City Staff, develop a final recommendation for a proposed rate structure and rate levels within that structure. The recommendation will include a summary that discusses the analysis of the different alternatives and the benefits of the recommended structure and rates with respect to various financial benchmarks used in the industry.

The City received nine (9) statements of qualifications and of those nine (9), selected four (4) firms to interview – Stantec, Willdan Financial Services, Thomas & Hutton and Raftelis. An internal committee consisting of the City Manager, Assistant City Manager, Finance Director, Utilities Director and Director of Public Works conducted the interviews. After the interviews were completed, the committee selected two (2) finalists in which to request a Request for Proposal (RFP). The proposals are as follows:

<u>Firm</u>	<u>Price</u>
Stantec	\$56,645
Willdan Financial Services	\$49,800

City staff recommends awarding the rate study contract to Willdan Financial Services in the amount of **\$49,800**. If you have any questions, comments or concerns, please do not hesitate to contact me or come by City Hall at your convenience.

Sincerely,



Jeffrey P. Molinari
City Manager

Attachments



November 27, 2018

Mr. Jeff Molinari
City Manager
City of Walterboro, SC
242 Hampton Street
PO Box 709
Walterboro, SC 29488

Re: Financial Services – Water,
Sewer and Sanitation

Dear Mr. Molinari,

As requested, Stantec Consulting Services, Inc. (Stantec) is pleased to present this proposal for the development of a financial model and revenue sufficiency analysis, cost of service review, and rate design for the water, sewer and sanitation funds for the City of Walterboro.

The work plan presents our proposed plan to accomplish the scope of services, the estimated time for each task by consultant, and the cost calculated by applying the billing rates for each consultant position to the estimated total hours required for each position. Based upon this cost estimate, we propose to complete the project for a sum of \$56,645 to be invoiced monthly based upon times and materials incurred. We can begin work on this assignment immediately upon receipt of a notice to proceed, and estimate that all work will be completed within the timeline required by the City (before July 1), dependent upon data and City staff availability.

We appreciate the opportunity to present this scope of work and look forward to working with you on this assignment. If you have any questions, or would like to discuss this scope of work, do not hesitate to call me at (770) 853-0025 or Mihaela Coopersmith at (854) 202-8272.

Sincerely,

A handwritten signature in blue ink that reads "William B. Ziebertz".

William B. Ziebertz
Director

4969 Centre Pointe Drive, Suite 200
North Charleston, SC 29418
(770) 853-0025
William.Ziebertz@stantec.com

Enclosure

By signing below, City of Walterboro acknowledges that it has read, accepts and agrees to the terms and conditions attached hereto, that the terms and conditions, together with this proposal, constitute the contract, and that City of Walterboro hereby authorizes Stantec to proceed with the services herein described.

CITY OF WALTERBORO, SOUTH CAROLINA

STANTEC CONSULTING SERVICES, INC.



Authorized Signature

Authorized Signature

William B. Ziebertz

Name

Name

Director

Title

Title

11/27/2018

Date

Date

ATTACHMENT A –SCOPE OF SERVICES



City of Walterboro, South Carolina
Financial Services - Water, Sewer & Sanitation
Project Work Plan and Cost Estimate Schedule

Project Tasks		Estimated Labor-Hours					Total Project
		Director	Managing Consultant	Sr. Analyst	Analyst	Admin	
Task 1 Project Initiation & Data Collection							
1.1	Prepare initial data request list and preliminary project schedule. Perform project set up and administrative activities.	0	2	1	1	4	8
1.2	Conduct kickoff call with City Staff for data collection and to finalize study objectives, approach, timeline, etc.	2	2	2	2	0	8
1.3	Compile and review historical, current, and projected financial, and other system data as provided by staff.	0	1	2	4	0	7
Task 2 Review CIP and Revenue Sufficiency Analysis							
2.1	Compile and review historical, current, and projected financial, system, and billing data. Perform a detailed review and analysis of historical billed volume and customer data to observe trends in demands, usage patterns and customer growth in order to develop projections of customers and usage for all customer classes.	0	1	2	3	0	6
2.2	Evaluate budget versus actual performance (O&M and capital) to determine proper funding levels to include in rate revenue requirements, as well as trends in annual expenses to inform future cost escalation factors/assumptions.	0	1	1	2	0	4
2.3	Input current financial and billing data into our modeling system, run the module, and produce preliminary output, including a ten year financial management program that will include the following: o Capital Improvements Program - Project listing by year - Evaluation of existing and alternative capital improvement programs and funding requirements - Work with City staff to determine a capital funding solution that the City can o Financial Policy Review, including reserve levels (operating, capital, and rate stabilization), capital reinvestment, etc. o Borrowing Program - Identify any borrowing required and/or appropriate to fund certain CIP projects, to include but not necessarily be limited to, revenue bonds and state programs. - Timing of bond issue(s)/loan(s) to provide required borrowed funds o Revenue Sufficiency Analysis - Annual revenue and operations & maintenance expense projections - Projections of other revenue requirements such as R&R, minor capital, transfers, debt service/loan payments, replenishment of reserves, etc. - Evaluation of adequacy of revenue provided by existing rates to meet current and projected system requirements - Alternative plans of annual percentage rate adjustments to provide sufficient revenues over a multi-year projection period.	1	8	12	24	0	45
2.4	Make adjustments to the module as required to calibrate to the utility's specific financial dynamics.	1	2	4	6	0	13
2.5	Review results with consulting team, make adjustments.	1	1	2	4	0	8
2.6	Prepare for and meet with City staff in an interactive work session to review preliminary assumptions and results [GoToMeeting].	1	2	2	2	0	7
2.7	Make adjustments as required based upon input from City staff and prepare workbook of assumptions and preliminary results.	0	2	3	6	0	11
2.8	Prepare for and meet with City staff in an interactive work session to review updated results [On-Site Meeting #1].	4	8	8	2	0	22
2.9	Make adjustments as required based upon input from City staff and prepare revised workbook of assumptions and results.	1	1	2	3	0	7
2.10	Prepare comparative residential water & sewer & sanitation rate structure comparison	0	1	2	4	0	7
Task 3 Cost of Service Analysis							
3.1	Identify all test year costs/revenue requirements associated with the provision of water, sewer and sanitation service.	1	2	2	2	0	7
3.3	Allocate costs/revenue requirements to functional cost components and then to customer classes based upon industry standard allocation criteria and usage characteristics as modified by available data as provided by Walterboro.	2	4	4	8	0	18
3.5	Review existing rates and rate structure methodologies including the cost distribution to various rate categories, including inside/outside differentials.	1	2	2	2	0	7
3.6	Prepare for and meet with City staff in an interactive work session to review preliminary assumptions and results [GoToMeeting].	1	3	3	3	0	10
3.7	Make adjustments as required based upon input from City staff and prepare workbook of assumptions and preliminary results.	1	2	3	4	0	10
3.8	Prepare for and meet with City staff in an interactive work session to review updated results [On-Site Meeting #2].	4	8	8	2	0	22

Task 4 Rate Design and User Fees							
4.1	Load updated billing data into our Excel rate model and create a bill frequency analysis.	0	4	6	8	0	18
4.2	Conduct a revenue test to ensure accuracy of billing data.	0	1	2	2	0	5
4.3	Run the model and prepare rate structures that reflect the following considerations: o Recovery of current and future costs of service in accordance with established and anticipated legal standards and regulations o Capabilities of the City's billing system o Elasticity of demand associated with the conservation elements of each structure o Funding requirements for all current long-term liabilities and debt requirements o Consistency with industry practice for utility rate making in the region and in South Carolina	0	2	4	6	0	12
4.4	Prepare a summary customer impact analysis to compare the recommended water, sewer and sanitation rates for each class of customer existing rates.	0	1	2	4	0	7
4.5	Prepare a monthly cash flow projection.	0	1	2	4	0	7
4.6	Review results with consulting team and adjust as required.	0	1	2	2	0	5
4.7	Meet with City staff in an interactive work session to review preliminary results [GoToMeeting].	1	2	2	2	0	7
4.8	Make adjustments based upon input from PUD staff in the prior sub-task and distribute workbook of preliminary results.	0	1	2	3	0	6
4.9	GoToMeeting with PUD staff to review adjusted results and finalize analysis.	1	2	2	2	0	7
Task 5 Presentation and Report							
5.1	Prepare draft report of the analysis and presentation for the City Council.	2	6	8	4	2	22
5.2	Prepare for and present results of study to the City Council at one (1) meeting.	4	6	0	0	0	10
5.3	Update analysis as required and prepare Final Report.	1	2	2	2	0	7
Total Estimated Labor Hours		30	82	99	123	6	340
Total Estimated Fee		\$ 7,950	\$ 15,170	\$ 14,058	\$ 16,851	\$ 516	\$ 54,545
Total Estimated Expenses							2,100
Total Estimated Project Cost							\$ 56,645



November 28, 2018

Mr. Jeff Molinari
City Manager
242 Hampton Street
P.O. Box 709
Walterboro, SC 29488

Re: Price Proposal – Comprehensive Rate and Cost of Service Studies for Water/Sewer Utility and Sanitation Collection

Dear Mr. Molinari:

We appreciate having the opportunity to provide the City of Walterboro, SC (the "City") with our proposal to provide Comprehensive Rate and Cost of Service Studies for Water/Sewer Utility and Sanitation Collection. Herein you will find our detailed scope of services as well as our expected professional fees and project expenses. Generally, Willdan is prepared to tailor its services to accommodate the City's budget requirements for this project. For example, our scope of services currently includes three (3) on-site meetings with the City. At the discretion of the City, some of these meetings may be conducted via conference call and web conferencing. This would potentially reduce the cost estimate provided herein.

Willdan Financial Services ("Willdan") is very excited about the opportunity to partner with the City and provide the consulting services it seeks. If you have any questions, please do not hesitate to contact me at (407) 409-8755 or via email at dparker@willdan.com.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Darryl Parker', is written over a horizontal line.

Darryl Parker
Project Manager, Principal Consultant

A handwritten signature in blue ink, appearing to read 'Jeff McFarvey', is written over a horizontal line.

Jeff McFarvey
Managing Principal, Vice President
(Authorized Representative of Willdan)

Scope of Services and Price Proposal

Project Approach

Willdan will provide the City comprehensive rate and cost of service studies for the water, sewer and sanitation collection systems. The overall objective is to establish user rates and charges that are sufficient to meet each system's projected revenue requirements including debt service coverage, capital expenditures and operating reserves. Willdan will also work with the City to establish their rates and fees around a broader set of goals or objectives (e.g. financial/rate stability, minimize customer impacts). To accomplish these overall goals and objectives, Willdan will utilize "generally accepted" rate setting methodologies and tailor those methodologies to the specific circumstances of the City and each system. In addition, Willdan will develop multi-year projected operating results for each system. The resulting analyses will give the City the ability to test various scenarios for determining the financial and operation impacts on each system. The analyses will produce appropriate charges required to support the costs of each system's operations and improvements, as well as a ten-year capital financing analysis which will create a comprehensive plan for funding future capital requirements.

Our approach to this project anticipates and encourages frequent and open communication between representatives of the City and the Willdan project team. Experience has shown us that frequent communications between the client and consultant saves both time and money. Participating in frequent communication enables the client to stay informed about the status of the project, problem areas and areas where policy decisions and additional direction may be required.

Upon completion of the project, electronic copies of the output and relevant analyses in Word™, Excel™ or PDF format will be provided to the City with the exception of any models or programs that are deemed proprietary. It should be noted that, for this project engagement, it is not envisioned that any proprietary models and programs will be required.

Real-Time Financial Modeling

The goal of financial forecasting is to provide clear vision regarding the potential financial outcomes of current management decisions. Willdan's approach helps you mold the existing knowledge base of the City into a viable financial management and rate plan. With Willdan, the development and use of real-time financial models in an interactive, collaborative manner is an integral part of this process.

Willdan's real-time financial forecasting model includes the following key components:

- Multi-year financial planning;
- Cost of service allocation; and
- Rate design.

Our state-of-the-art financial modeling techniques allow us to provide interactive consulting services and evaluate multiple scenarios, incorporating multiple alternative assumptions / datasets, with the City in a real-time setting. The interactive model will also include an integrated cost of service and rate design functionality so each alternative can be evaluated in a manner which incorporates the entirety of the analysis.

Because our interactive model will be populated with specific data from City, including billing data, each alternative reviewed in real-time, interactive meetings with the City will be done with a complete understanding of the customer impact of each rate structure for each customer class.

Model Development as Part of the Consulting Process

Each model will be designed with the following elements:

- Graphical dashboard to clearly show the results of various scenarios to the user;

- Easily reviewed and modified assumptions;
- Validated data tables generated from City's financial and operational information; and
- A powerful calculation engine.

Each model will be "baselined" after an initial meeting with staff to ensure that we have the correct data and a basic understanding of the financial dynamics of your system. We will then conduct interactive financial planning sessions with City staff. After validating our data, calculation approach, and baseline assumptions, we will explore alternative scenarios, varying a number of assumptions and financial planning techniques including:

- Rate increase magnitude and timing;
- Alternative timing of capital projects;
- Alternative financing options (alternative combinations of pay-as-you-go, revenue bond debt and other debt, for example);
- Alternative growth/demand forecasts and other "what if" analyses such as the impact of a loss of one or more service areas or significant customers; and
- Effect of increases in other sources of funds.

Given any combination of cost requirements (both operating and capital), non-rate sources of funds, and forecast assumptions, the Willdan Team will work with the City to develop a rate revenue increase plan for each system that:

- Meets specified reserve targets;
- Fully fund capital expenditures using specified financing techniques; and
- Meets legal, policy and contractual requirements that are financially measurable, such as debt service coverage on revenue bonds.

Alternatively, specific rate increases can be input and the results examined to determine if the desired/required parameters and key performance metrics are met.

Subsequent to careful development and validation of the baseline forecast, a series of alternative forecasts will be prepared illustrating various results in the following general categories:

- **What if things turn out differently?** These alternatives will demonstrate the sensitivity of the forecast to the significant assumptions used. This results in a sound understanding of areas where a conservative forecast approach is warranted;
- **What happens when we try this?** This series of alternatives focuses on different financial management approaches. For example, the use of different financing techniques such as capitalized interest, interim short-term financing, and capital appreciation bonds may be explored;
- **What can we do to make it better?** This approach to forecasting identifies the factors that may be causing significant rate increases in a given year and explores alternatives. For example, if a large capital project in a single year is the culprit, we would work with staff and the consulting engineers to determine whether this project could be phased or delayed; and
- **How will any adjustments affect our customers?** In examining rate structure alternatives, we will demonstrate and discuss how users in various categories or classifications will be impacted. Our consultants will use our rate design model to explore the impact of various rate structures on bills for each customer class over the relevant consumption range.

To summarize, model development is a part of the Willdan consulting process, and one in which staff and other stakeholders (at City's discretion) can play a collaborative part. Consequently, at the completion of the analysis, the model will be customized to match the precise financial dynamics of the City. The use of interactive workshops will help develop an effective, efficient working relationship among the participating stakeholders which will carry forward into future rate-setting processes.

The specific activities associated with the development of the studies are outlined in the Summary of Tasks set forth in the following section. A final scope of services and schedule will be determined following the selection of a consultant. The following activities are based on Willdan's current understanding of the services requested by the City and are subject to revision based on further discussions with the City.

Summary of Tasks – Water, Sewer, and Sanitation Collection Rate Study

Task 1: Project Initiation and Management

Purpose: *To identify project team (representatives of the City and Willdan) and assign specific responsibilities; identify project objectives; establish project scope, schedule and milestones; and establish communication channels.*

Description: With the concurrence of the City, Willdan will finalize the scope of work, participate in a "kick-off" meeting, and establish protocol, assignments, responsibilities and schedules.

Subtask 1a: Obtain and Assess Necessary Data

Purpose: *To collect data and information necessary to conduct the required analyses.*

Description: Willdan will develop a written data request identifying the operational and financial data that will be needed in the preparation of this study. The types of data by utility to be requested will include, but are not limited to:

- Most recently approved operating budget
- Copies of prior relevant studies (e.g. rate, master plans, etc.)
- Most recently approved capital improvement plan
- Audited historical financial information
- Selected historical operating reports
- Existing City ordinances and financial policies
- Historical billing data in a form to be specified by Willdan and agreed to by the City
- Asset listings including vehicles and equipment
- Other related information including existing and anticipated policies that would be useful to the study

The initial written data request will be submitted approximately one week after receiving notice to proceed on the project. Upon receiving the City's response(s) to the initial data request, Willdan will review, compile any questions or secondary data requirements, and be prepared to discuss the collected information during the project kick-off meeting.

Willdan recognizes that some of the requested information will be "off-the-shelf" and some of it may not be readily available to the City or that the information may not be in the format requested. Willdan will work with City personnel to minimize the burden of data collection and develop acceptable/reasonable proxies for certain data when necessary. However, there may be certain data points that are critical, which require

specific additional data collection efforts by the City. It will be necessary for City staff to cooperate, as mutually agreed upon, in assembling, collecting and summarizing such information.

Subtask 1b: Conduct Kick-Off Meeting

Purpose: *To establish City goals and objectives for the provision of water, sewer, and sanitation collection services, and confirm understanding and expectations of project processes and deliverables.*

Description: Willdan will meet with the City staff, at the City's offices, to discuss the project and to clearly identify issues, goals and objectives. It is during this process that Willdan will endeavor to gain a clear understanding of the City's current physical system, operations, specific areas of concern and challenges faced by the water and sewer system. The information and insight gained during this process will be utilized during the implementation of the study to make certain the City's objectives are met.

As part of this task, remaining questions regarding the initial data request will be resolved.

Subtask 1c: Establish Communication Channels

Purpose: *To establish a communication process that will serve to enhance the effective implementation of this engagement.*

Description: It is vital to the effective completion of this project that Willdan and City staff maintain lines of communication. The City and Willdan will identify primary contacts for both the project team and the City and establish protocol for the exchange of information and the resolution of issues that develop in the normal course of this engagement. To promote effective communication among the project team members and the City, and to facilitate the successful completion of this project, it is proposed that Willdan will:

- o Schedule and participate in periodic conference calls to discuss project issues, schedule and budget;
- o Prepare brief monthly summaries of project status to accompany Willdan's invoices; and
- o Be readily available for other communication(s) as needed.

Willdan will maintain sufficient equipment and resources to be within reach to the City by telephone, facsimile, and electronic mail throughout this engagement. In addition, to the extent deemed necessary, face-to-face meetings can be scheduled.

Task 2: Develop Water, Sewer, and Sanitation Collection Rate and Cost-of-Service Study

Purpose: *To develop water, sewer, and sanitation collection user fees congruent with the City's Code of Ordinances and consistent with the City's goals and objectives that equitably allocate each system's expenditures to various customer and service classifications and develop unit costs that reflects the cost to provide service to each classification.*

Description: Using recognized principals (e.g. AWWA, NARUC, WEF and historical City practices) the firm will allocate projected fiscal year (Test Year) water, sewer, and sanitation collection systems' net revenue requirements to the appropriate customer or service classification. The firm will conduct a detailed, line-by-line analysis of each system's expenses in order to determine the most appropriate means of functionalizing, classifying and allocating costs. Using the allocated cost-of-service, rates and charges will be developed that will

recover system revenue requirements including operating and maintenance expenses, anticipated capital needs, existing and anticipated debt service and other miscellaneous system expenditures.

Subtask 2a: Determination of Revenue Requirements

Purpose: *To reasonably identify water, sewer, sanitation collection system revenue requirements by utility system.*

Description: The project team will work with the City to develop reasonable Test Year revenue requirements for the water, sewer, and sanitation collection systems which includes operating and non-operating expenses that are expected to be incurred by the City. Revenue requirements for the each system are defined as the amount of revenues that are required to meet all operation and maintenance (O&M) costs, debt service and capital expenditures associated with the provision of services as well as any payment to the City, if any.

To develop the revenue requirements for the City, the project team will review the City's audited financial statements, annual operating budgets and Capital Improvement Plans for each system. In addition, Willdan will seek input from the City regarding historical and projected customer growth, sales volumes and changes in usage characteristics.

The project team will also review the City's financial policies regarding internal and external funding of capital improvements to establish the parameters within which revenue requirements are determined.

Subtask 2b: Determination of Revenue Sufficiency at Currently Effective Rates

Purpose: *To evaluate the City's ability to fund utility operations, debt service, system expansion, and replacement costs at current rates.*

Description: The project team will develop anticipated Test Year revenues and compare such revenue projections to the system net revenue requirements developed in Task 2a to identify the revenue surplus or deficiency that may exist. Test Year revenues will be projected based on the application of the existing rates to the projected number of customers, sales (usage) volumes, and other billing information.

Subtask 2c: Functionalization and Classification of Revenue Requirements

Purpose: *To appropriately classify system revenue requirements, to assist in the estimate of cost-of-service levels and to establish the portion of system costs that is generally deemed fixed in the "short run" and that which is deemed variable.*

Description: For the purposes of this study, Willdan will classify costs utilizing a methodology that is congruent with industry standards and City past practices.

Subtask 2d: Allocation of Revenue Requirements

Purpose: *To appropriately allocate the revenue requirements to the various rate components.*

Description: Willdan will develop allocation factors for the various customer classes. For the water and sewer systems, customer related costs will be allocated among the classes based on equivalent residential units, recognizing water meter service sizes; and variable/flow related costs will be allocated based on projected volumes for each class. Sanitation collections revenue requirements will be allocated based on the generally accepted practices for rate-setting while taking into consideration the City's current practices.

Subtask 2e: Development of Rate Design

Purpose: *To develop a rate structure and rate design that reflects the cost-of-service and the historical rate relationships, and satisfactorily and equitably recovers each system's revenue requirements.*

Description: The project team will develop proposed rates based on the allocated cost of service, taking into consideration existing rates, charges and policies; recognized industry and regional practices; and the City's goals and objectives for recovering revenue requirements. Such proposed rates will be simple to understand and implement and meet the overall goals of the City.

Subtask 2f: Development of Rate Comparison

Purpose: *To provide the City a comparison of existing and proposed rates and typical bills for service with those published by comparable neighboring water, sewer, and sanitation collection systems.*

Description: Willdan will develop a comparison of existing and proposed rates that will set forth the financial impacts on the various customer classes at different consumption /usage levels. Willdan will prepare a comparison of rates currently being charged by the City to the rates proposed as a result of this engagement. A survey will be prepared of a representative number of comparably sized water, sewer, and sanitation collection systems in the region to gather information regarding rates charged for similar services. Willdan will then develop a table and graph representing a comparison of the rates charged by the comparable systems to the existing and proposed rates of the City.

Task 3: Development of Multi-Year Capital Financing Analysis

Purpose: *To provide the City with a summary of projected revenues and expenditures for each system that will allow the City to anticipate and manage the financial condition of each system.*

Description: Willdan will develop a business model(s) that will allow the City to anticipate the future financial performance of the water, sewer, and sanitation collection systems based on various assumptions. This model will produce each system's projected operating results and cash flow for the next ten fiscal years. This financial model will determine each system's projected revenues, operating and maintenance expenses, capital expenditures and their respective funding sources, existing and anticipated debt service and debt service coverage, fund transfers and the resulting fund balances for each year of the projection period. This model will also show the summarized activity within each system's operating accounts and the projected year-end cash balances for each system.

The resulting model will give the City the ability to test the financial impact of various rates of customer growth, user rates and levels of capital expenditure scenarios and will make it possible to match funding requirements with available revenue sources.

As part of this task, Willdan will develop the following:

- A "base case" scenario which establishes the reference case for other scenarios to be compared to; this scenario will be based on:
 - Anticipated revenues generated from existing rates, charges and moderate increases in the number of customers and sales of service
 - Anticipated system expenses projected using reasonable escalators

- Current, unadjusted Capital Improvement Program
- Existing debt structure
- Other costs including payments to the City, if any
- An alternative scenario that reflects the magnitude of rate changes that would be necessary, if any, to support projected revenue requirements including the current, unadjusted Capital Improvement Program
- An alternative scenario that adjusts the timing and costs associated with current Capital Improvement Program as well as allows for alternative funding strategies and integrates the findings of the Rate Design Task

The model will be designed to be flexible enough to accommodate additional scenarios should the City so desire.

It is important to note that this model will integrate the City's Capital Improvement Plans and anticipated system revenues and expenses and produce a concise summary by fiscal year in a comprehensible format. The model will allow the City to determine the optimum rate path for balancing the financial health of the system against political and other considerations. The model will be PC-based using Microsoft Excel and, at the completion of the project, will be provided to the City.

Task 4: Development of Analysis Output

Purpose: *To provide the City with a summary of Willdan's analysis and recommendations.*

Description: In the interest of clarity and to avoid the potential of having the analyses delayed due to discussions regarding one particular system, Willdan will submit the following two (2) sets of analysis output:

- Water and Sewer Rate and Cost of Service exhibits; and
- Sanitation Collection Services Rate and Cost of Service exhibits.

Willdan will deliver a preliminary draft of the analysis output documents to the City in PDF format. The City will then be responsible for distributing the documents to key members. Willdan will collaborate with the key project members regarding possible revisions to the preliminary draft output and then prepare and submit final output documents in PDF format.

Task 5: Participation in Meetings/Presentation of Findings Meetings

Purpose: *To meet with the City to discuss preliminary findings and to present to the City and key stakeholders the results of the study and the recommendation for going forward.*

Description: Willdan will participate in three (3) interactive meetings (combination of project progress meetings and a public presentation) with the City project team at certain points during the project to discuss preliminary findings and agree on direction for the final analysis.

Willdan will be available to the City to present and discuss the findings and recommendations of the analysis. Willdan will be available to participate in additional presentations and/or meetings, if requested by the City. The schedule, scope and cost of any additional presentations will be determined separate from this proposal.

As a note, for purposes of developing a cost estimate, it has been assumed the interactive meetings and public presentations will be used to discuss/present multiple utilities as appropriate. This will result in efficiencies and cost savings to the City.

Professional Fees and Project Costs

On the basis of the Scope described herein, Willdan total billings will not exceed **\$49,800** as set forth in the following table. Willdan will not exceed this amount without prior authorization by the City. The price estimate is based on the City providing data in a form and format which facilitates the preparation of the analyses described in the scope of services. Should it become evident that the development of the data provided by the City requires additional efforts beyond what is contemplated in this scope, Willdan will notify the City immediately.

Deliverable	Amount
Water and Sewer Rate and Cost of Service Study	\$30,000
Sanitation Collection Services Rate and Cost of Service Study	18,500
Total Labor	\$48,500
Expenses	1,300
Total Project Costs	\$49,800



MEMORANDUM

TO: Mayor and City Council
FROM: City Manager
DATE: November 29, 2018
SUBJECT: Historical Marker for Colleton Training School

I have attached a memo and supporting documentation from Herman Bright, Interim President of the Colleton Training School/Colleton High School Alumni Association requesting the City to fund a historical marker recognizing the Colleton Training School in the amount of \$2,010.00. The City's Housing Account has \$1,497.72 and needs to be closed out. The remaining \$512.28 will come from the Parks Department budget. The full cost of the marker will be part of the City's match for Phase 3 of the North Lemacks Street Revitalization project.

The marker text has already been approved by the South Carolina Department of Archives and History. The proposed marker would be located in front of the Ray T. Johnson building on Gruber Street. City staff asks for Council's favorable consideration of this request. If you have any questions, comments or concerns, please do not hesitate to contact me or come by City Hall at your convenience.

Sincerely,

Jeffrey P. Molinari
City Manager

Attachments

Colleton Training School/Colleton High School Alumni Association, Inc.



P.O. Box 334
Walterboro, South Carolina 29488
(843) 217-5000 (843) 549-7101 (843) 217-1163
E-mail: ctschs@gmail.com
Website: www.ctschswolverines.org

Herman G. Bright, Interim President

Franklin R. Smalls, Vice-President

Anna J. Stevens Bright, Secretary

Patricia C. Grant, Treasurer

Queenie L. Crawford, Ed.D, Scholarship Chairperson

Lloyd Jones, Beautification and Lawn Care

Preserving a Legacy of a Rich Tradition of School and Community for Posterity

September 21, 2018

Mr. Jeff Molinari
City Manager
242 Hampton Street
Walterboro, South Carolina 29488

Dear Mr. Molinari:

The CTS/CHS Alumni Association, Inc. has been approved for a historical marker for Colleton Training School in Colleton County by the State Historic Preservation Office of South Carolina. We are very proud of this recognition being given to this historical site that trained the minds of so many African Americans in this community from 1925-1954, which was originally built for the Tuskegee Airmen who were stationed here in Walterboro; however, the war ended before they had the opportunity to use it. Further, our association has submitted the inscription for the marker, which has also been approved.

However, funding is needed in order for this marker to be erected and shipped to us to be placed on the grounds of this building. Based on the approval letter that we received, the total cost is \$2010.00. Therefore, we are requesting the city to assist us in this endeavor that will proudly represent the City of Walterboro and Colleton County by allocating these funds, so that we can move forward with this project as soon as possible. If we can provide any additional information concerning this project, please do not hesitate to contact Patricia C. Grant or me. We look forward to your working with us to secure this marker, and we thank you in advance for your assistance.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Herman G. Bright", with a stylized flourish at the end.

Herman G. Bright, Interim President

SIDE 1 of 2

**SOUTH CAROLINA DEPARTMENT OF ARCHIVES AND HISTORY
8301 Parklane Road
Columbia, S.C. 29223**

**Ehren Foley, Ph.D.
Coordinator
South Carolina Historical Marker Program
(803) 896-8182 Phone
(803) 896-8167 Fax
efoley@scdah.sc.gov**

COLLETON COUNTY

**15-22
COLLETON
TRAINING SCHOOL**

Colleton Training School
opened in 1925 and served
African American students in
both the elementary and high
school grades. It was
renamed Colleton High School
and Colleton Elementary in
1954 and remained in use
until schools in Colleton
County were desegregated in
1970. During World War II
Colleton Training School was
temporary home of the
African American USO, used
by black servicemen from
Walterboro Army Airfield.
(continued on next side)

**Sponsored by the Colleton Training School/
Colleton High School Alumni Association, Inc., 2016**

Approved:



**W. Eric Emerson, Ph.D.
Director
South Carolina Department of Archives and History**

Date: September 19, 2016

Marker Location: 229 Gruber St., Walterboro (32°54.536'N, 80°39.067'W)

SIDE 2 of 2

**SOUTH CAROLINA DEPARTMENT OF ARCHIVES AND HISTORY
8301 Parklane Road
Columbia, S.C. 29223**

**Ehren Foley, Ph.D.
Coordinator
South Carolina Historical Marker Program
(803) 896-6182 Phone
(803) 896-6167 Fax
efoley@scdah.sc.gov**

COLLETON COUNTY

15-22

Gruber Street USO
(continued from other side)

In 1944 a federal grant allowed for the construction of a purpose-built USO for black servicemen. Built adjacent to the original Colleton Training School it included an auditorium and dance floor. The USO hosted weekly dances, live music, and games. It was necessary to have a facility for black soldiers because other facilities in Walterboro were segregated and did not admit black troops. After the war the building was repurposed for use by Colleton Training School.

**Sponsored by the Colleton Training School/
Colleton High School Alumni Association, Inc., 2016**

Approved:



**W. Eric Emerson, Ph.D.
Director
South Carolina Department of Archives and History**

Date: September 19, 2016

Marker Location: 229 Gruber St., Walterboro (32°54.536'N, 80°39.067'W)



October 11, 2016

Re: S.C. Historical Marker Colleton Training School, Walterboro, Colleton Co.

Ms. Grant,

Enclosed you will find two copies of the final approved inscription for the South Carolina Historical Marker for **Colleton Training School** in Colleton Co. Please check the enclosed inscription carefully and notify me immediately if you find any errors in this text.

One copy of the approved marker text is for your files. The other should go to Sewah Studios, 190 Millcreek Rd., Marietta, Ohio 45750, with your check for **\$2010**. The price for this **City-Size Marker** with 1" letters and different text on each side includes a seven-foot post and all shipping charges.

If you wish to have your marker ready for a particular dedication date, please be sure to let Sewah Studios know as soon as possible. You may call the foundry at (888) 557-3924 if you have any questions or concerns.

I will also be sending a copy of this letter to the Director of Maintenance and the Traffic Operations Engineer at the South Carolina Department of Transportation (SCDOT) for their information.

SCDOT MARKER POLICY

SCDOT will no longer accept delivery of historical markers, nor erect them for sponsors, and sponsoring organizations must make other arrangements for delivery and installation.

In accordance with SCDOT policy, if the marker is to be installed on SCDOT right-of-way, the sponsor must contact the SCDOT Maintenance Engineer in the county where the marker will be located to apply for an encroachment permit. This application will indicate the proposed location of the marker and include a copy of this approval letter from the South Carolina Historical Marker Program. If the marker is to be located off SCDOT right-of-way, no permit is required.

Markers **MUST** be erected on a breakaway post or post and breakaway coupling, and a copy of certification for the breakaway post must be submitted with the application for an encroachment permit.

For information on purchasing the proper post, contact Mr. Ashley Johnson, Traffic Operations Engineer at SCDOT headquarters in Columbia; his contact information is below. In urban areas or areas with a curb and sidewalk, coordination with the local SCDOT District Traffic Engineer is required and coordination with city or town traffic engineers may also be required.

For more information on SCDOT requirements, contact your local SCDOT office or visit www.scdot.org and review the permit form and the Access and Roadside Management Standards (ARMS) manual under the link "Doing Business with SCDOT."

For more detailed information on the SCDOT marker policy, contact:

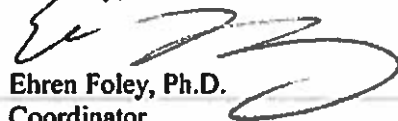
Mr. Ashley Johnson, P.E.
Traffic Operations Engineer
SCDOT - Traffic Engineering
955 Park Street
P.O. Box 191
Columbia, S.C. 29202-0191
Phone: (803) 737-4990
Fax: (803) 737-1740
JohnsonHA@dot.state.sc.us

When you send payment for your marker be sure to furnish instructions for delivering your marker, including a suitable location for delivery, the name of a contact person, and a phone number. The marker must be shipped to a public office or place of business which is open during regular business hours (9 a.m.- 5 p.m.) when someone will be present to receive and sign for it.

In addition, it will be your responsibility to contact the person that is to receive shipment of your order and be sure that they inspect the shipment before signing the freight bill. After the freight bill is signed Sewah Studios will not accept responsibility for any damage nor will the freight company accept any responsibility. If your shipment is damaged, refuse the damaged item only and contact Sewah Studios immediately at (888) 557-3924.

If I may be of further assistance, please do not hesitate to call me at (803) 896-6182 or e-mail me at efoley@scdah.sc.gov. I hope to hear from you soon.

Sincerely,

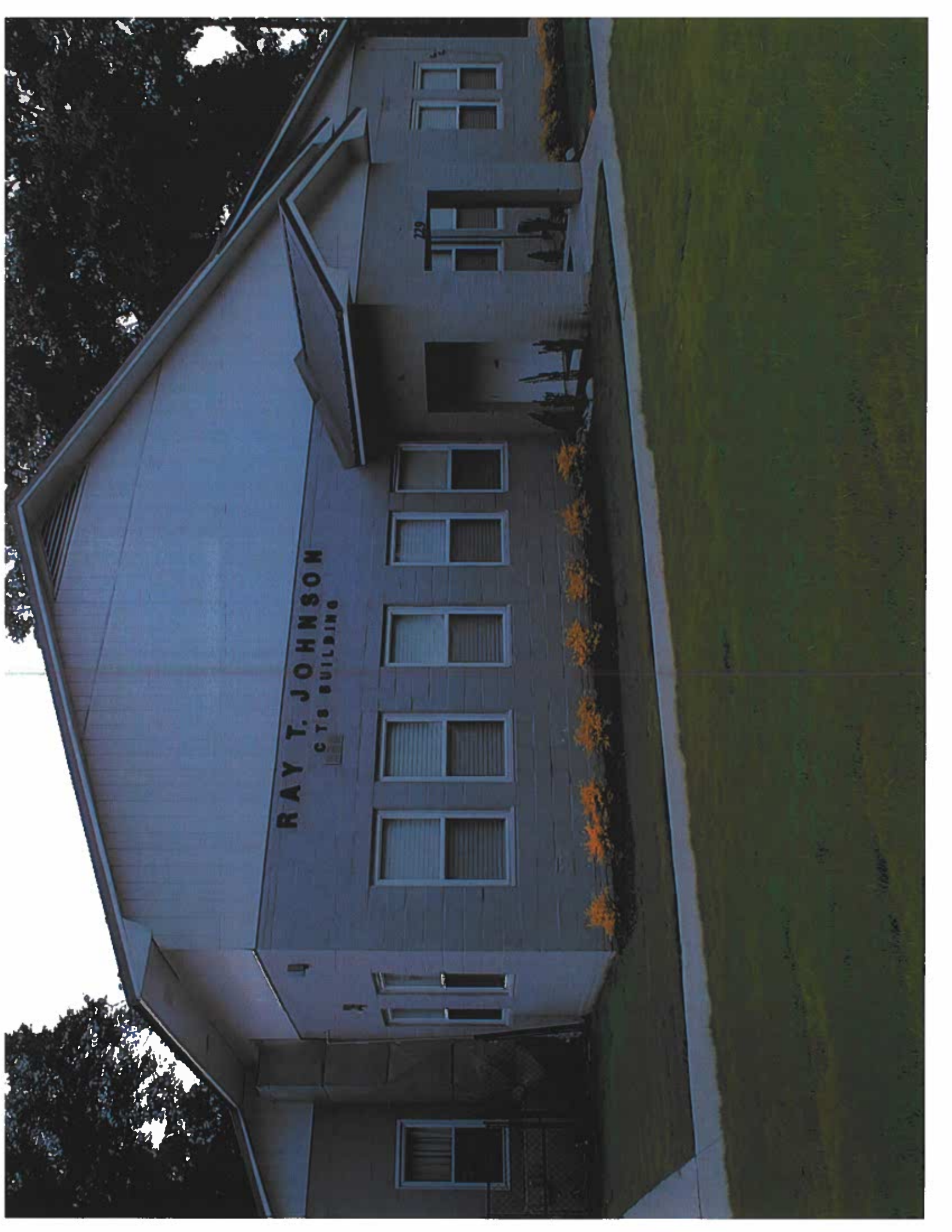


Ehren Foley, Ph.D.
Coordinator
South Carolina Historical Marker Program
State Historic Preservation Office

Mr. Jim Feda
Director of Maintenance
S.C. Dept. of Transportation
P.O. Drawer 191
Columbia, S.C. 29202

Mr. Ashley Johnson
Traffic Operations Engineer
SCDOT - Traffic Engineering
P.O. Box 191
Columbia, S.C. 29202

Mr. Bradford B. Smith
President
Sewah Studios
P.O. Box 298
Marietta, Ohio 45750



RAY T. JOHNSON
CTS BUILDING

229

RAY T. JOHNSON
C.T.S. BUILDING

229

