

CITY OF CAYCE
Public Hearing and Regular Council Meeting
July 7, 2009

A Public Hearing was held in Council Chambers at 6:00 p.m. to obtain public comment on the proposed FY 2009-2010 Utility Rate Structure. Those present included Mayor Elise Partin, Councilmen Steve Isom, James Jenkins, Kenneth Jumper, and Rick Myers, City Manager John C. Sharpe, Tammy Barkley, Municipal Clerk and Garry Huddle, Municipal Treasurer. Mayor Partin advised that members of the press and the public were duly notified of the Public Hearing in accordance with the FOIA.

Opening Statement

Mayor Partin stated that the purpose of the Public Hearing was to obtain public comment regarding the Proposed FY 2009-2010 Utility Rate Structure for the city.

Public Testimony

Mr. Gerald Cromer stated that he lives in Broadacres and has been trying to get his neighborhood to look better. He says he tries to keep his yard in good shape. He stated that in the summer, he uses a lot of city water for that and that the city charges a sewer rate based on water consumption. However, he stated that the water used for his yard does not go through the system. He stated that he has received high bills trying to keep his lawn going. He stated that he knew why the rates would need to increase, but would like to have some type of relief of high bills in the summer. He stated that he felt residents were being charged for trying to keep their yards looking nice. He stated that by the rates increasing, it would make it more difficult to residents to keep their yards in good shape and asked Council to consider some type of relief during summer months for residents.

Close Hearing

Mayor Partin closed the public hearing noting that no public comment was received.

The Regular Council Meeting immediately followed the Public Hearing. Those present included Mayor Elise Partin, Council members Steve Isom, James Jenkins, Kenneth Jumper and Rick Myers, City Manager John C. Sharpe, Tammy Barkley, Municipal Clerk, and Garry Huddle, Municipal Treasurer. City Attorney, Danny Crowe, Ken Knudsen Director of Planning & Zoning, and Chief Charles McNair, Director of Public Safety, were also in attendance. Mayor Partin advised that members of the press and the public were duly notified of the meeting in accordance with the FOIA.

Mayor Partin called the meeting to order. Mr. Jumper gave the invocation and Mayor Partin led everyone in the Pledge of Allegiance.

Approval of Minutes

The minutes of the June 2, 2009 Regular Meeting were presented for approval. Mr. Jumper made a motion to approve the minutes as submitted. Mr. Jenkins seconded the motion which was unanimously approved.

The minutes of the June 23, 2009 Special Meeting were presented for approval. Mr. Jenkins made a motion to approve the minutes as submitted. Mr. Jumper seconded the motion. Mr. Myers inquired about the cost to provide a 1% COLA to employees and the fact that the June 2, 2009 minutes and the June 23, 2009 minutes were somewhat unclear. He asked that the figures be clarified for the record. The City Manager clarified the discrepancy. After discussion, the motion was unanimously approved.

Presentations

A. Presentation of Photography Contest Awards

Mayor Partin presented awards to the winners of the Photography Contest and thanked all those who participated. She advised that the winning photos will be featured in the FY 2009-2010 city calendar which will be available for pick up on Wednesday, July 8 at City Hall. She stated that over 50 entries were received and all entries were on display in the room.

B. Presentation by Ms. Susan Whitehouse re Twice Per Week Garbage Pickup

Ms. Whitehouse appeared before Council to discuss the city's twice per week garbage pick up service in the summer months. She stated that she lives at 130 Deliesseline and asked Council to reconsider the twice per week garbage pick up service. She stated that of the 14 houses on her street, only one resident is making use of the twice per week service. She stated that since everyone is looking for ways to reduce costs, Council may want to reconsider reducing pick ups during the summer months.

C. Presentation by Robert Milhous re Proposed Capital Budget for Infrastructure Project

The City Manager asked that the presentation be postponed until a later date as other events that took place today would have an effect on the subject and further discussion and research is needed.

D. Presentation by Mayor Partin re Update on Charrette Master Plan

Mayor Partin stated that she and staff met with Mr. Walter Harris recently regarding the Charrette Master Plan and she provided Council with her notes from this meeting. She stated that the city should be receiving the final written report from Clemson Institute next week and Mr. Knudsen was excited that this will be received which he will include in the updated Comprehensive Plan as a separate chapter. She stated that the next step would be to form the steering committee and that Council would need to discuss the make up of that committee. She stated that based on expressed interest from the chair of the Beautification Board, it was also recommended that the chair could be an ex-officio member of the steering committee and the Beautification Board could be a standing sub-committee. She stated that a matrix of how to go forward with each proposed project that will come out of the Charrette would be studied by the committee and the committee would not have statutory authority. She stated that the committee would bring back their suggestions to Council for review. She stated that Mr. Myers also suggested that Mr. Harris attend the August Council meeting to present the final document to Council and to clear up any further questions Council may have.

Public Comment regarding Items on the Agenda

Ms. Barkley advised that Mr. Cromer had signed up to speak, but he had already done so earlier. There were no other signatures on the sign up sheet.

Mr. Isom made a motion to move into executive session for discussion of negotiations incident to proposed contractual agreement with financial institutions concerning financing for the new wastewater facilities. Mr. Jenkins seconded the motion which was unanimously approved.

Reconvene

After the Executive Session was concluded, the Regular meeting was reconvened. Mayor Partin announced that no vote was taken in Executive Session other than to adjourn and resume the Regular meeting.

Ordinances

- A. Approval of Ordinance to Annex and Zone SCANA Property Located South of I-77 – First Reading

Council considered for first reading an Ordinance to annex and zone property owned by SCANA located south of I-77. The City Manager stated that the annexation includes 127 acres plus the highway right of way. He stated that the petition for annexation was submitted to the Planning Commission and the Commission recommends approval of the annexation and zoning as M-1. Mayor Partin asked for an explanation of the M-1 Zoning classification. Mr. Knudsen stated that this zoning

designation is for light industrial develop and allows any type of industrial uses, but not heavy industry like a quarry, or CMC Steel. He stated the property is zone for light industrial but also includes highway commercial projects. Mayor Partin inquired if track A of the property should be zoned light industrial and track B zoned as highway commercial. Mr. Myers stated that once the potential business approaches the owner, the project will be brought to the Planning Commission for any type of rezoning. Mr. Myers made a motion to approve the Ordinance on first reading. Mr. Isom seconded the motion. Mr. Jumper inquired if both tracks of property were on the other side of I-77. The City Manager stated yes. After discussion, the motion was unanimously approved. Mayor Partin thanked Councilman Myers for working with all the parties involved on this issue.

B. Approval of Ordinance Prescribing Rates for the City of Cayce Utility Rate Structure – First Reading

Council considered for first reading an Ordinance prescribing rates for the City's Utility Rate Structure. Mr. Jaime Michaelson provided Council with a handout which was an update to what was discussed in a previous Council workshop. He stated that some of the figures have been refined and that the purpose of the rates is to fund the budget of the Utility Fund, and also ensure the city recovers enough revenue to meet the debt service requirement. He stated that the water and sewer rates in the revised rate table is slightly lower than the one discussed in the workshop. He stated that the projected revenue from the rates would allow the city to meet its 115% debt coverage ratio. He stated that the results of the bid opening for the new wastewater treatment plant may impact the numbers again and depending on the bid award, a final rate structure would be provided to Council prior to second reading of the Ordinance. Mr. Jumper made a motion to approve the Ordinance prescribing rates for the city's Utility Rate Structure on first reading with the amended rate schedule provided by Mr. Michaelson. Mr. Myers seconded the motion which was unanimously approved.

C. Approval of Ordinance to Amend Zoning Map for Brickworks Project - Second Reading

Council considered for second and final reading the approval of an Ordinance to amend the zoning map for the Brickworks project. The City Manager advised that this Ordinance was in response to a request from the owner of the property to add a second driveway cut. He stated that the Planning Commission recommended the approval of the request. Mr. Myers made a motion to approve the Ordinance on second and final reading. Mr. Isom seconded the motion which was unanimously approved.

Other

A. Updated Review and Approval of the "Wastewater Services Agreement among the City of Cayce, Town of Lexington and Joint Municipal Water and Sewer Commission"

The City Manager advised that Council has approved the Ordinance which approves the contract subject to minor revisions. Mr. Crowe stated that minor revisions have been made based on comments from the Town of Lexington and the Joint Water & Sewer Commission. He stated that his office has taken the comments received from the entities involved and incorporated the revisions and also cleaned up and tightened up some of the language and clarified some of the points. He stated that there are a number of changes, but he views these as clean up in nature. He stated that this draft was submitted to the entities involved at the end of last week advising them as well that it was being submitted to the Cayce Council for updated approval. He stated that he was not aware if a response has been received from the other entities on this revision, but any further changes requested by the Town or the Commission would be brought back to Council for review. He stated that the contract is moving toward a final version. Mr. Myers inquired if any of the changes affects the meat of the contract. Mr. Crowe advised that there are some changes in some of the sections but caused no overall detriment to the city. He stated that one of the revisions did take into consideration a request from the Commission regarding the treatment of debt service charges and how they would be treated against capital contributions. He stated that there is some impact on the financing but did not think it is adverse to the city. Mr. Myers inquired if the allocation of capacity, rights reserved to the city, any unused capacity, volume metric, etc., remained as they were before. Mr. Crowe stated yes, that was his understanding.

Mayor Partin asked for clarification on several of the changes. Mr. Michaelson went through various changes with Council and provided detailed explanations. Mr. Myers made a motion to approve the revised "Wastewater Services Agreement among the City of Cayce, Town of Lexington and Joint Municipal Water and Sewer Commission as submitted. Mr. Isom seconded the motion which was unanimously approved.

B. Approval to Authorize Transfer of Funds to Debt Service Reserve Funds for 2004 and 2007A Bond Issues

The City Manager advised that when the City sold Revenue Bonds in 2004 and 2007, instead of funding the Debt Service Reserve Funds with cash, the city opted to purchase a surety bond to guarantee the funds. He stated that in July 2008, the City was notified that the rating of the insurance company issuing the surety bond had been downgraded and that the city was in technical default. He stated the city promptly gave notice of the event and engaged Margaret Pope to assist the city in the matter.

He stated that in order to cure the event, the city had the option of either funding the Debt Service Reserve Funds of both issues with cash or using a Letter of Credit. He stated a Letter of Credit was secured from BB&T at that time and that on the annual renewal of the Letters of Credit, BB&T declined to renew them. He stated that in order to fund the Debt Service Reserve Funds, the city must place a total of \$2,654,264 with the trustee for the bonds by August 13, 2009.

He stated that Mr. Milhous, the City's Auditor, has recommended that the city fund the reserves with cash and not issue the additional debt until the amount of the bids for the Wastewater Treatment Plant project are known. He stated it is recommended that Council approve funding the 2004 and 2007A Debt Service Reserve Funds with cash from city reserves and authorize the City Manager to transfer the \$2,654,264 to the bond trustee by the August 13, 2009 deadline. Mr. Myers made a motion to approve the recommendation as stated by the City Manager. Mr. Isom seconded the motion which was unanimously approved.

C. Approval to Accept \$7,700,000 Revenue Bond Proposal – BB&T

The City Manager requested that this item be postponed pending the opening of the bids for the Wastewater Treatment Plant project. Mr. Myers made a motion to postpone the item until a later date. Mr. Isom seconded the motion which was unanimously approved.

D. Discussion and Approval of Name for the new Wastewater Treatment Plant

The City Manager advised that American Engineering has recommended that the name of the new Wastewater Treatment Plant be changed in order to incorporate the fact that the Plant is now a regional plant. Mr. Jenkins stated that he was concerned with removing the name of Mr. Heustess from the sign without notification. He recommended that Mr. Heustess' name be part of the name of the plant. Mr. Jenkins made a motion to name the Plant the City of Cayce Regional Wastewater Treatment Plant, E. H. Heustess, Jr. Facility. Mr. Isom seconded the motion which was unanimously approved.

E. Approval of Memorandum of Agreement between the City of Cayce and the Department of Juvenile Justice's Detention Center for FY09-10

The City Manager advised that annually the City enters into an Agreement with the Department of Juvenile Justice's Detention Center for the housing of juvenile offenders. He stated that the current rate in the Agreement has not changed. He stated that the City Attorney has reviewed the Agreement and recommends the same revisions as has been made in the past by deleting the disclaimer of financial responsibility by DJJ for medical costs and inserting a transportation clause that has been included in past agreements. Mr. Myers made a motion to approve the Memorandum of Agreement between the City and the Department of Juvenile Justice's Detention Center for FY 2009-2010 with modifications as stated above. Mr. Isom seconded the motion which was unanimously approved.

F. Approval to Accept Victims of Crime Act Grant Award

The City Manager stated that this grant was pending when the FY 2009-2010 budget was being prepared and eventually approved. He stated that last week the City was extended a grant award for the VOCA grant for equipment and supplies for the Victim's Advocate. He stated the total amount of the grant is \$30,208 with a local match required of \$6,043 and a grant of \$24,165. He stated that the budget would need to be amended to include the grant funds and the local match. Mr. Myers made a motion to accept the grant award for the VOCA grant in the amount of \$24,165 and authorize the City Manager to sign the grant award and amend the FY2009-2010 General Fund budget accordingly. Mr. Jumper seconded the motion which was unanimously approved.

Committee Matters

A. Committee Minutes

Council reviewed the following Committee meeting minutes for approval to enter into the official city record:

Zoning Board of Appeals – January 26, 2009
Beautification Board – April 18, 2009, May 26, 2009, June 9, 2009
Planning Commission – May 18, 2009
Cayce Housing Authority – June 16, 2009

Mr. Jenkins made a motion to approve entering the minutes into the official city record. Mr. Myers seconded the motion which was unanimously approved.

City Manager's Report

The City Manager advised that staff was in the process of closing out the quarter and end of the year and the financial reports for June, 2009 would be submitted to Council and placed on the web site as quickly as possible.

The City Manager provided Council with the following dates:

July 14, 2009 – Special Council Meeting – 6 pm – The City Manager recommended that the meeting date be rescheduled to July 28, 2009 at 6 pm to allow time for the opening of the bids for the Wastewater Treatment Plant project and so that Margaret Pope, Bond Counsel can attend.

July 27, 2009 – Neighborhood Coalition Meeting – 5:30 pm – Rick Myers to attend

He provided Council with updates on the following issues:

NFIP Community Rating System – The City Manager advised that the city received a reply from FEMA regarding this issue and that FEMA will be conducting a Community Assistance Visit on July 14 and 15, 2009. He stated that Senator Joe Wilson will be visiting the city during that time as well to provide assistance as needed.

Tennis Complex Issue – The City Manager advised that he would be meeting with the City Attorney and Bond Counsel next week to review funding options for this project.

Infrastructure Engineering Plan – The City Manager advised that the city received a letter from American Engineering and provided Council with a copy. He provided Council with background information on the previous 1997 capital plan. He stated that American Engineering is willing to assist the city in preparing a new 5-year Utility Master Plan without any direct charge for this service. He stated he would provide Council with a copy of the plan as soon as it is received.

Mayor Partin reminded Council that Mr. Myers had requested that the November Council meeting be rescheduled to November 10. She asked Council to review their calendars and the matter would be discussed and finalized at the July 28, 2009 meeting.

Mr. Jenkins asked for an update on the beaver situation. The City Manager stated that he has contacted the Department of Transportation and they have advised they would do what they could to alleviate the problem. He stated that he previously contacted DNR and they were unable to assist at that time. He stated he would again call DNR to see if they can help.

Mr. Myers commended the City Manager and staff for the good job they did with the FY0208-2009 budget and stated that the numbers speak for themselves as to what revenues and expenditures came in. He stated that the City Manager and staff deserve credit for a job well done.

VII. Executive Session

A. City Manager's Annual Review

Mr. Jenkins made a motion to move into Executive Session to discuss the matter above. Mr. Isom seconded the motion which was unanimously approved.

Reconvene

After the Executive Session was concluded, the Regular meeting was reconvened. Mayor Partin announced that no vote was taken in Executive Session other than to adjourn and resume the Regular meeting.

There being no further business, the meeting adjourned at 10:55 p.m.

Elise Partin, Mayor

ATTEST:

Tammy P. Barkley, CMC, Municipal Clerk