

higher rate increase and lower impact fee such as a 3% rate increase and a \$625 impact fee.

Councilwoman Vaughters stated, considering the services the city provides, she did not feel that an \$850 water impact fee would be out of line. She said she had some calls and letters from some residents, and they want to maintain the city's good water system. She said the residents want to see some impact fees rather than the rate increase, which would be on all residents.

Mr. LeDuc pointed out that even with a 6% increase in revenues, based on projections for the next 5 years, the city will continue to need additional revenues to keep up with the needs of the system. He said a 6% increase has been justified, but Council needs to decide how to raise the 6%.

Mayor Cavanaugh stated the city needed to plan ahead and be prepared for future needs. He said the city had been fortunate not to have an increase since 1996. He said the city had not had to ration water, but in order to ensure the residents would have water the city has to plan ahead, and to do so costs money. He said he preferred not to raise rates, but if the city is to have a good system and a dependable water supply then the city has to have more revenue to make the improvements.

SPECIAL WORK SESSION

Future Items

Mr. LeDuc stated the following items need to be reviewed and discussed by City Council in the near future. He said due to the number of items he would like to hold a special work session with City Council on Tuesday, June 18, 2002, to review four or five of the following items: (1) commercial delivery vehicles in residential zones i.e. Crosland Park, (2) contractual agreement to provide bulk sewer service in Gem Lakes, (3) Playhouse lease agreement, (4) Willow Run Business Park Agreement, (5) Playhouse Update, (6) Comprehensive Plan Review for the south side, (7) cell towers, (8) white house at 210 Barnwell and (9) commercial garbage rates. With this many items to be discussed he said he would suggest that Council review the Comprehensive Plan, Willow Run Business Park, commercial garbage rates, white house at 210 Barnwell and cell tower at the June 18, 2002, meeting and cover the other items at the Council meetings on June 24, 2002 and July 8, 2002.

After discussion it was the consensus of Council to meet at 7 A.M. on Tuesday, June 18, 2002. Councilman Smith asked that Council also have time on that date to discuss the Management Audit for the Washington Group Performing Arts Center Building.

REGULAR MEETING

June 10, 2002

Present: Mayor Cavanaugh, Councilmembers Cuning, Price, Smith, Sprawls and Vaughters.

Absent: Councilwoman Clyburn

Others Present: Roger LeDuc, Bill Huggins, Gary Smith, Anita Lilly, Richard Pearce, Glenn Parker, Pete Frommer, Sara Ridout, Karen Daily of the Aiken Standard, Josh Gelinas of the Augusta Chronicle, and 35 citizens.

Mayor Cavanaugh called the meeting to order at 7:35 P.M. Mayor Cavanaugh led in prayer, which was followed by the pledge of allegiance to the flag.

APPROVAL OF AGENDA

Mayor Cavanaugh stated Council needed to approve the agenda. Councilman Smith moved, seconded by Councilwoman Price and unanimously approved, that the agenda be approved as presented.

MINUTES

The minutes of the meeting of May 13, 2002 were considered for approval. Councilwoman Price moved that the minutes be approved as written. The motion was seconded by Councilman Sprawls and unanimously approved.

PRESENTATION

Miss Aiken County
Jones, Sydney
Miss Teen Aiken County
Eidson, Lauren

Mayor Cavanaugh stated Council had special guests present at the Council meeting. He said Council would like to recognize them at this time.

Mr. LeDuc stated three years ago the pageant to select Miss Aiken County was discontinued. Mr. Bob King spearheaded an effort to resurrect the pageant in Aiken County. It has now been reestablished, and they recently crowned their first Miss Aiken County, who is Sydney Jones, a senior at USC-Aiken. They also recently started up a new program and have crowned the first ever Miss Teen Aiken County, who is Lauren Eidson, a junior at South Aiken High School. These two individuals will be representing our community this coming year and will be competing with other ladies holding similar titles in the Miss South Carolina pageant system this summer in Spartanburg. Mr. King is present and will introduce the girls. At the pageant Councilwoman Lessie Price was a judge for this year's competition and can tell you about the quality of the young ladies that will be representing our community this year.

Mr. Bob King introduced the girls to Council and stated they had autographed pictures to present to Council. He said Miss Sydney Jones, Miss Aiken County, had graduated from USC-Aiken. Miss Jones stated she had changed her platform because of the controversy concerning nuclear waste at SRS. She said her platform is now "Champions of the Environment." Mr. King then introduced Miss Lauren Eidson, Miss Teen Aiken County. He said South Carolina was the first in the U.S. to develop a teen program to go along with the Miss America program.

AMERICA RECYCLE DAY AWARD

Citizens Park
American Flag
Savannah River Site Pollution Prevention Team
Waste Management

Mayor Cavanaugh stated a group was present to make a presentation to Council for America Recycle Day.

Mr. LeDuc stated that last November the City of Aiken in conjunction with the Savannah River Site Pollution Prevention Team constructed an American flag at Citizens Field. The flag was 55 ft. 2 inches by 104 feet 2 inches. Sarita Berry of the Pollution Prevention Team helped organize individuals throughout the community to construct the American flag made of thousands of aluminum cans that were donated from individuals throughout Aiken. Holly Storey, the South Carolina American Recycle Day Coordinator for DHEC, submitted the project to Waste Management for the American Recycle Day Award. We were recently notified that we received this award from Waste Management. As the winners we will receive a check for \$3,000 in prize money, which will be used to help promote recycling and waste production in Aiken. We are now working with individuals from DHEC and the Pollution Prevention Team to determine what will be the best use of this money to assist the city in waste reduction.

Mr. LeDuc stated that Sarita Berry, Holly Storey and staff members from DHEC, BNFL, SRS Pollution Prevention Team and Waste Management were present to present the \$3,000 check to the City.

Ms. Holly Storey, State Coordinator with America Recycles Day in South Carolina, stated Sarita Berry submitted an essay to the Recycles Award Program. The entry did not win in the state level, but she submitted it on the national level to Waste Management Recycle America Program, and the entry won \$3,000. Ms. Sarita Berry of the SRS Pollution Prevention Team and other staff members from the Department of Energy, BNFL, and Waste Management were present for the presentation.

BOARDS AND COMMISSIONS

Appointments

Bishop, Jerry E.

Coleman, Mike

Building Code of Appeals

Ramseur, Harvey F.

Newburn, Beth

Accommodations Tax Committee

Brown, Marilyn

Carlton, Al

Environmental Committee

Mayor Cavanaugh stated Council needed to consider three appointments to the various boards and commissions.

Mr. LeDuc stated Council has eight pending appointments to boards and committees of the city, and three appointments are presented for Council's consideration.

Councilman Smith has recommended appointment of Jerry E. Bishop of 225 Magnolia Lake Road to the Building Code of Appeals Committee to replace Mike Coleman. If appointed the term would expire May 12, 2004.

Councilwoman Clyburn has recommended Harvey F. Ramseur, of 7 Whitmarsh Drive, to the Accommodations Tax Committee to replace Beth Newburn. If appointed the term would expire March 25, 2004.

Councilwoman Clyburn has also recommended appointment of Marilyn Brown, of 660 Camellia Street, to the Environmental Committee to replace Al Carlton who has resigned. If appointed Ms. Brown's would fill the unexpired term of Mr. Carlton, and the term would expire December 31, 2002.

Councilman Smith moved, seconded by Councilman Cuning and unanimously approved, that Council appoint Jerry Bishop, of 225 Magnolia Lake Road, to the Building Code of Appeals Committee with the term to expire May 12, 2004.

Mayor Cavanaugh moved, seconded by Councilwoman Price and unanimously approved, that Council appoint Harvey Ramseur to the Accommodations Tax Committee, with the term to expire March 25, 2004, and Marilyn Brown to the Environmental Committee to fill the unexpired term of Al Carlton with the term to expire December 31, 2002.

WATER AND SEWER RATES – ORDINANCE 06102002

Rates

Water Rates

Sewer Rates

Water Taps

Water Meters

Connection Fee

Fees

Sewer Connections

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing on an ordinance to establish new charges for water and sewer services, connections, etc.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE ESTABLISHING NEW CHARGES FOR WATER AND SEWER SERVICE.

Mr. LeDuc stated this matter was discussed at length in the work session. He stated for the past month we have been reviewing the need for increasing the overall funding for water and sewer by 6% to 12%. We have seen our utility balance decrease significantly over the last few years, from a high of over \$8 million at the end of June, 2000 to its present level of \$5.4 million. This is due to several capital improvements plus a reduction in revenue versus expenses over the last several years. Our last water and sewer increase was in 1996 and 1997, amounting to approximately 12%. Previous to that, we had rate increases at intervals of no more than 3 years. He pointed out capital improvements of about \$10 million will be needed over the next 5 years, and revenues will need to be increased to meet these demands. He said this was a combination of capital improvements for new expansion and rehabilitation improvements needed on the existing system. He said these needs are about \$5 million each.

For the past few years we have been experiencing a drought in Aiken area. This has resulted in larger than normal revenues for our utility system. Even with these increased revenues, though, we are now seeing our reserves reduced, while experiencing additional increases in operating and maintenance costs, plus the rising costs due to personnel needs, supplies, electricity, and chemicals. Thus, even with increased revenues during this drought period, they are not adequate to balance this year's budget. In addition, we are seeing a decrease in water usage by several of our major water users, resulting in less total consumption than in the previous year.

The staff is recommending to Council a water impact fee, which will help pay for a major portion of the capital improvements anticipated over the next five years. Council may want to consider the impact fee in combination with a rate increase to cover rising operation and maintenance costs. Along with this rate increase, we are also recommending to Council an adjustment to some of our water and tap fees for new development and a \$5 increase for all initial turn on or reconnections. At the first reading of this ordinance Council approved these new rates plus a 4% rate increase, which assumed a \$400 impact fee. City Council would need to amend that ordinance if you want to recommend a different rate increase. Once the ordinance is amended, then Council could approve and adopt the amended ordinance. If Council desires to increase the combined fees above 6%, we would amend the budget accordingly. He pointed out this proposed ordinance is for the rate charges, and the proposed impact fee is a separate ordinance, but Council needs to consider each as they set the rate fees, because a combination of rates and impact fees of at least 6% is needed.

Councilman Smith stated if Council will set an impact fee of at least \$850, he would move that Council amend the proposed ordinance to set increased water and sewer rates to 2% rather than 4%, as stated in the proposed ordinance. The motion was seconded by Mayor Cavanaugh.

Councilman Sprawls stated he would like for the impact fee to remain at \$400, as discussed at the last Council meeting. He felt higher impact fees would discourage new growth, especially on the north side.

Councilman Cuning pointed out the proposed increase would only raise about \$2.5 million, whereas \$9 million is needed over the next 5 years for maintenance of the present system and for capital improvements. He was concerned that Council would not be facing the increases that are needed and will have to come back and raise rates again soon. He felt it might be better to raise the rates more at this time, rather than coming back in a short time for another increase. He said he did not like to raise rates, but the increase was needed to have a good water system. He said he was also concerned about the impact raising rates would have on lower income citizens and how it might affect growth on the north side.

Mr. LeDuc stated the proposed increase was based on projected needs over the next 5 years. He said, of course, the needs depend on the growth over the next few years. He

said based on the present growth the new production facility will be needed in the next three to four years and this is a major portion of the cost of the projected \$4.9 million needed for capital improvements. He said the city will be facing the necessity for rate increases in the future. He said, based on the projections made by the consultant, the city will be facing a shortfall again in the next year or two. He pointed out even if Council increases the rates at this time there will not be enough money for the new production facility in 5 years, and Council will have to decide how they will get the money for the facility.

Mayor Cavanaugh stated he did not feel the city should ask for more money before it is needed. He said the projections are estimates and the production facility is not projected until 2007. He said if Council has to raise the rates in two years at least Council would not have asked for the increase before it is needed.

Councilwoman Vaughters stated she did not feel government should have money until they need it so she would not have a problem raising rates again soon if needed. She pointed out the impact fees in other places are higher than proposed for Aiken, and she felt Aiken was certainly the best place to live of all those places. She felt Aiken would have growth with an \$850 impact fee.

Councilwoman Price expressed concern about the amount of the proposed impact fee and also a rate increase. She was concerned about how it would affect citizens in lower income brackets as far as building homes and providing water for their use. She was concerned about the fee, by state law, having to be the same for a \$30,000 house and a \$1 million house. She felt the north side would be paying for improvements on the south side.

Council continued to discuss how much to raise the rates, whether the rates should increase 2%, 3% or 4%, and how much the impact fee should be. It was pointed out the rates and fees have been justified; Council just needs to decide how much they want to increase the rates at this time.

Councilman Cuning suggested an alternate of perhaps a \$625 impact fee and a 3% rate increase might be a better balance.

Councilman Smith stated he understood that there were about 300 new homes built a year, with the vast majority of those homes being built on the south side. He said he did not feel that those homes were in the \$40,000 to \$60,000 range. He said he felt incentives could be used to encourage building on the north side.

Mr. LeDuc stated most of the new houses are on the south side, but it is the vision or goal to try to get 50 or more homes built on the north side. He said the homes recently built on the north side are \$70,000 to \$80,000, and he hoped there would be houses built in the \$100,000 to \$150,000 range on the north side in the future.

Councilman Smith pointed out that many other cities have a higher impact fee than that proposed for Aiken. He said a much higher fee than \$850 has already been justified. He said someone has to pay for the improvements, and it will either be those who are already living here or the persons coming in and building new homes. He said he agreed that a 3% water and sewer rate is justified, but he did not feel the impact fee should be lower than \$850. He said he did not feel an \$850 impact fee would affect growth.

Mayor Cavanaugh stated the motion before Council is that the proposed ordinance be amended to provide for a 2% water and sewer rate increase, with the understanding that there will be an \$850 water impact fee. He called for a vote on the motion. Those in favor of the motion were Mayor Cavanaugh and Councilmembers Smith and Vaughters. Opposed to the motion were Councilmembers Cuning, Price and Sprawls. The motion failed.

Councilman Cuning moved that the proposed ordinance be amended to provide for a 3% increase in water and sewer rates, with the understanding there would be a \$625 impact fee. The motion was seconded by Councilman Sprawls. The motion failed with a 3 to 3

vote with Councilmembers Cuning, Price and Sprawls voting in favor of the motion and Mayor Cavanaugh and Councilmembers Smith and Vaughters opposing the motion.

Mayor Cavanaugh moved that the proposed ordinance be amended to provide for a 2 ½% water and sewer rate increase with the understanding the impact fee would be \$750. The motion was seconded by Councilman Smith. The motion was unanimously approved.

The public hearing was held on the amended ordinance. No one spoke.

Councilman Cuning moved, seconded by Mayor Cavanaugh, that Council pass on second and final reading the amended ordinance which will increase water and sewer rates by 2 ½% plus increase the other fees as listed in the ordinance. The motion was approved by a vote of 5 in favor and 1 opposed. Councilwoman Price opposed the motion.

MILLAGE RATE – ORDINANCE 06102002A

71 Mills
FY 2002-2003
Budget

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing of an ordinance to set the millage rate for fiscal year 2002-2003.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE TO PROVIDE FOR THE LEVY OF TAXES FOR ORDINARY CITY PURPOSES AND FOR CAPITAL DEVELOPMENT PURPOSES IN THE CITY OF AIKEN FOR THE FISCAL YEAR BEGINNING JULY 1, 2002, SET THE MILLAGE THEREFOR AT SEVENTY-ONE (71) MILLS AND TO PROVIDE FOR THE EXPENDITURES THEREOF.

Mr. LeDuc stated for City Council consideration is approval of an ordinance establishing the millage rate at 71 mills for fiscal year 2002-03. With the adoption of this millage rate you will have experienced fourteen (14) consecutive fiscal years without a millage rate increase. Over this fourteen year period we have actually reduced the millage rate on four separate occasions, three times as a result of reassessment, from 120 mills to the current 71 mills. Although we have to pay careful attention to keep funding at an adequate level to continue all the city's services, we are proud that we have been able to control raising taxes for fourteen years, and we attribute this success to your careful stewardship of these funds. Last year's millage rate was 79 mills. He said currently a mill is worth \$96,000.

Mr. LeDuc stated there had been some increases in other fees, however, none of the water, sewer or stormwater fees go into the General Fund. Those fees are to provide revenue for the water, sewer or stormwater funds, which must be kept separate by law.

The public hearing was held and no one spoke.

Councilman Smith moved, seconded by Councilman Cuning and unanimously approved, that the ordinance be passed on second and final reading to set the millage rate for fiscal year 2002-2003 at 71 mills.

BUDGET – ORDINANCE 06102002B

FY 2002-2003

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing of an ordinance to approve a budget for fiscal year 2002-2003.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE ADOPTING A BUDGET PROPOSED BY THE CITY MANAGER, CONTAINING ESTIMATES OF PROPOSED REVENUES AND EXPENDITURES

BY THE CITY OF AIKEN FOR THE FISCAL YEAR BEGINNING JULY 1, 2002,
AND ENDING JUNE 30, 2003, AND DECLARING THAT THE SAME SHALL
CONSTITUTE THE BUDGET OF THE CITY OF AIKEN FOR SUCH FISCAL YEAR.

Mr. LeDuc stated each year City Council adopts a budget for the City of Aiken presenting the policies and goals of the city for the upcoming year. The staff has prepared and is recommending a budget for Fiscal Year 2002-2003 for City Council's acceptance meeting the goals established.

At the budget review session of April 29, 2002, Council had the opportunity to review the budget in detail and discuss several of the goals included in this year's budget. As in years past, the budget has been developed based on the needs and services adopted by City Council to serve the citizens, plus the goals which Council adopted from Horizons sessions. Within this budget are several major capital development projects which have been initiated over the past few years. These include the Tennis Complex at Virginia Acres, the Public Safety Car Take Home Program, the rewiring and sprinkler improvements at the Rye Patch-Hopelands Complex, the streetscape program on Chesterfield, York, Fairfield and Union from Richland to Park, the landscaping and enhancement improvements along Whiskey Road from Pine Log to Arby's, the relocation of our Dispatch facilities and the enhanced E-911 System, funding for planning studies of Old Aiken, Traffic Impact and Management Ordinance and Connector Streets, a new parking lot in Hopelands and continuation of the brick pathways, the completion of the Schofield Park, and funding to lengthen the major runway at the airport. Within this budget we are recommending the addition of 3 Fire Engineers, changing 3 part-time employees to full-time employees, and the addition of 2 employees to the Utilities budget. We are continuing to look for ways to use part-time versus full-time employees and to cross-train our employees wherever possible to job share. In addition, we are working to better enhance our relationship with other local agencies and businesses to improve our level of service and to increase our efficiency.

Staff is recommending a rate increase for water and sewer, plus an increase in our connection and tap fees, equivalent to 6%. These increases are due to the added expenses to meet personnel needs, several requirements imposed from DHEC and general inflationary expenses since our last adjustment in 1996 for water and 1997 for sewer. These increases are reflected in a separate ordinance reflecting the new rates for our water and sewer utility system.

The public hearing was held and no one spoke.

Councilman Smith moved, seconded by Councilman Cuning and unanimously approved, that Council pass on second and final reading an ordinance to approve the budget for the City of Aiken for fiscal year 2002-2003.

ANNEXATION – ORDINANCE

Henry Street 791
Owens, Christine
Virginia Acres
TPN 30-057.0-04-001

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to annex 791 Henry Street.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE TO ANNEX TO THE CORPORATE LIMITS OF THE CITY OF
AIKEN CERTAIN PROPERTY CONSISTING OF .32 ACRES OF LAND, MORE OR
LESS, OWNED BY CHRISTINE H. OWENS AND LOCATED AT 791 HENRY
STREET AND TO ZONE THE SAME RESIDENTIAL SINGLE-FAMILY (RS-10).

Mr. LeDuc stated Christine Owens, owner of a 0.32 acre lot at 791 Henry Street, is requesting annexation. The site is currently occupied by a single family home and is contiguous to the City of Aiken on the north and east. We recently annexed 35 lots

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within this subdivision, primarily so they could receive city sewer. The sewer in this area has recently been completed, and she would like to receive this service along with the lot across from her at 793 Henry Street.

The Planning Commission unanimously approved the request at their May 14, 2002, meeting.

Councilman Sprawls moved, seconded by Mayor Cavanaugh and unanimously approved, that Council pass on first reading an ordinance to annex property at 791 Henry Street to be zoned RS-10 and that second reading and public hearing be set for the next regularly scheduled meeting.

ANNEXATION – ORDINANCE

Henry Street 793

Virginia Acres

Fogle, Ann

TPN 30-057.0-05-023

Mayor Cavanaugh stated an ordinance had been prepared for first reading to annex 793 Henry Street.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE TO ANNEX TO THE CORPORATE LIMITS OF THE CITY OF AIKEN CERTAIN PROPERTY CONSISTING OF .31 ACRES OF LAND, MORE OR LESS, OWNED BY ANN J. FOGLE AND LOCATED AT 793 HENRY STREET AND TO ZONE THE SAME RESIDENTIAL SINGLE-FAMILY (RS-10).

Mr. LeDuc stated Ann Fogle, who owns property at 793 Henry Street, is requesting annexation of her 0.31 acre lot. The site is currently occupied by a single family home and is contiguous to the City of Aiken on the east. This home is part of the Virginia Acres Subdivision, which has had 35 homes annexed into the city within the last two years to receive city sewer service.

The Planning Commission unanimously approved her request for annexation of this lot at their May 14, 2002, meeting.

Councilman Cuning moved, seconded by Councilman Smith and unanimously approved, that Council pass on first reading an ordinance to annex 793 Henry Street to be zoned RS-10 and that second reading and public hearing be set for the next regularly scheduled meeting.

WATER IMPACT FEES – ORDINANCE

Impact Fees

Fees

Utilities

Water

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to set water impact fees for the city.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING SECTION 44-5 OF THE AIKEN CITY CODE TO ESTABLISH A DEVELOPMENT IMPACT FEE FOR THE PROVISION OF WATER SERVICE TO NEW WATER CUSTOMERS OF THE CITY OF AIKEN.

Mr. LeDuc stated City Council has discussed the need for a water impact fee to help pay for a major portion of anticipated capital projects in the Utility Budget. Several cities in South Carolina use water and sewer impact fees to help pay for their capital improvements. Four other South Carolina cities have their combined fees above \$1,500, with the City of Mount Pleasant at \$2,431.

The firm of Cherry Bekaert and Holland has reviewed our fees and feels we can justify establishing a water impact fee in excess of \$1,100 for an equivalent residential unit. Based on the five-year historical average of 300 homes per year we can raise nearly \$2 million over the next five-year period. We anticipate adding two new wells, plus new water and sewer lines that will approximate these costs, over that period of time. Additionally, a new water treatment facility may need to be constructed some time within this time frame, based on the recent growth patterns in the Aiken community.

The impact fee recommended by City Council, in conjunction with the rate increase, should combine to equal at least a 6% total increase for our utility system. This impact fee would be effective on all new building permits as of July 1, 2002.

Mr. LeDuc stated Council had discussed this matter in the work session and earlier in the regular meeting. It was the consensus of Council that the city would increase the water and sewer rates 2 ½% and impose a \$750 water impact fee to increase revenue 6% in order to meet the needs of the utilities budget for fiscal year 2002-03. He said the proposed ordinance would impose the water impact fee of \$750 on all new construction within the city's water system.

Councilman Smith moved, seconded by Councilman Cunning, that Council pass on first reading an ordinance to enact a water impact fee of \$750 for the City of Aiken on all new construction within our water system and that second reading and public hearing be set for the next regular meeting of Council. The motion was approved by a vote of 5 in favor and 1 opposed. Councilwoman Price voted in opposition to the motion.

CONTRACT

City Manager
LeDuc, Roger

Mayor Cavanaugh stated last year during the City Manager's evaluation Council discussed with him the development of a contract with the City of Aiken. At the last meeting Council discussed this contractual agreement in executive session. It is a conglomeration of several others from numerous County and City Managers throughout South Carolina. The language in the contract is nearly the same as what appears in the other contracts, and most of it is there for clarification as to the duties of the City Manager, what City Council can expect of the City Manager, and the benefits afforded to him during the contractual period.

Councilwoman Price moved, seconded by Councilman Cunning and unanimously approved, that Council approve the contract for the City Manager as presented.

SEWER

Averaging
Sewer Rate

Mayor Cavanaugh stated Council needed to discuss a change in calculating sewer charges for the yearly average.

Mr. LeDuc stated in January, 2002 City Council approved keeping the sewer averaging as it was calculated last year (2001) to run through the remainder of this year. This was to allow the citizens the opportunity, during this drought period, to continue watering, knowing that it would not affect this upcoming year's sewer bill. We recently received some requests from citizens who had high sewer bills during this period last year and had expected that they would receive relief this year when the sewer averaging took place. They are asking Council to reconsider this policy for this year and have requested that their bills be lowered based on this year's usual three-month sewer averaging.

Council discussed this at length at the last meeting and asked us to set a minimum cubic foot difference between the two years before we would consider re-averaging a customer's sewer bill. We feel this should be at 400 cubic feet or higher before we recalculate the new sewer bill. Therefore only individuals that have a major difference

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due to some compelling reason would have their sewer-averaging rate changed. Thus, individuals who may save a little due to the fact that there is a slight difference in their water usage should not come forward to ask for a change, which is time consuming and hand calculated by our staff. A 400 cubic foot difference would make a difference of a little over \$5 a month. As of the end of May, we have received over 40 calls about reaveraging their sewer bill.

Councilman Cuning moved, seconded by Mayor Cavanaugh and unanimously approved, that Council approve hand calculated sewer changes based on the difference of 400 cubic feet per month or higher between the year 2001 and 2002 winter averages.

EXECUTIVE SESSION

Ventures Industrial Park

Spec Building

Barnwell Avenue

Houses

Traffic Engineer

Mayor Cavanaugh stated Council needed to go into executive session to discuss several matters, including a spec building in Ventures Park, the sale of a house at Barnwell and York Street, and traffic engineering services.

Councilwoman Price moved, seconded by Mayor Cavanaugh and unanimously approved, that Council go into executive session to discuss the three items named.

Council went into executive session at 9:15 P.M. After discussion of the matters Councilman Sprawls moved, seconded by Councilman Smith and unanimously approved, that the executive session end. The executive session ended at 10:20 P.M.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:20 P.M.



Sara B. Ridout
City Clerk