

Aiken City Council Minutes

July 28, 1997

Present: Mayor Cavanaugh, Councilmembers Anaclerio, Clyburn, Papouchado, Perry, Price, and Radford.

Others Present: Steve Thompson, Gary Smith, Frances Thomas, Roger LeDuc, Anita Lilly, Sara Ridout, Tom Smith of the Aiken Standard, Chasiti Kirkland of the Augusta Chronicle, and 5 citizens.

Mayor Cavanaugh called the meeting to order at 8:35 P.M. Steve Thompson led in prayer which was followed by the pledge of allegiance to the flag.

CITY PROPERTY - ORDINANCE 072897

756 Laurens Street NW
Talk to Me Program
Manning, Beatrice
Vanwood Subdivision
School District

Mayor Cavanaugh stated this was the time advertised for the second reading and public hearing on an ordinance to lease the property at 756 Laurens Steet NW for use by the Talk to Me Program.

Mr. Thompson read the title of the ordinance.

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A LEASE OF REAL ESTATE LOCATED AT 756 LAURENS STREET NW TO TALK TO ME\A LISTENING EAR FOR THE PURPOSE OF HOUSING THE TALK TO ME\A LISTENING EAR PROGRAM.

Mr. Thompson stated City Council has received a request from Ms. Beatrice Manning, the founder and director of the Talk to Me\A Listening Ear service. Ms. Manning has asked that the city donate the building located at 756 Laurens Street NW to the Talk to Me Program. City Council suggested instead that the building be leased to the program. City Council has approved on first reading a lease to Ms. Manning under the same conditions outlined in the original lease to the School District. This proposed lease is submitted to City Council for second reading and public hearing consideration.

The building at 756 Laurens Street NW was occupied by the Administrative Offices of the School District, but was originally leased to the city in 1962. The city subsequently purchased this building and several other buildings in the Vanwood Subdivision in 1966, and the School District leased this property from the city. Last year the School District moved out and into other offices, and the building is presently vacant. The lease prepared by Mr. Smith is very similar to the lease offered to the School District. The lease under consideration is an annual lease with automatic renewal for up to ten years. The lease amount is \$5 per year.

Ms. Manning has also asked if the city could assist with repairs to the existing building with this lease arrangement. Ms. Manning is asking if the city would provide either funding or materials to repair the house. She believes she can provide the labor necessary for the actual repairs.

The public hearing was held and no one spoke.

Councilman Anaclerio asked if the Talk to Me Program would be eligible for any of the money received from the All-America City Award.

Mayor Cavanaugh pointed out the All-America Committee had discussed the use of the funds received from the All-America Award. He stated that the National Civic League recommends that the money be used for the three projects which were submitted for the award. It is possible to use the money for other projects, but the use has to be documented and sent to the All-America Award for review. Mayor Cavanaugh stated the Aiken All-America Committee had decided to ask the three project leaders to submit proposals for use of \$3,500 each. The Committee would review the proposals and decide where the money would be spent. Mayor Cavanaugh pointed out the Talk to Me Program was not one of the three projects submitted for the All-America Award.

Council asked whether the city might have some materials which could be used for repair of the building, and Mr. Thompson pointed out the city would not have materials for use.

Council continued to discuss the request for help with repairs to the building. Habitat was discussed as a possible source for help, possible use of HUD funds, help from individuals and possibly some of the local civic clubs.

Council also asked that the lease for use of the property be to the Talk to Me Program rather than to Ms. Manning as an individual.

Councilman Anaclerio moved, seconded by Councilwoman Papouchado and unanimously approved, that Council pass on second and final reading the ordinance to approve the lease for use of the property at 756 Laurens Street for the Talk to Me Program corporation.

SEWER - ORDINANCE

Rates

Sewer Rates

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to increase the sewer rates by 5%.

Mr. Thompson read the title of the ordinance.

AN ORDINANCE AMENDING ORDINANCE NO. 061394 SO AS TO INCREASE THE SEWER USER CONSUMPTION CHARGE FROM \$1.31 PER 100 CUBIC FEET TO \$1.38 PER 100 CUBIC FEET AND INCREASING THE BASE RATE FROM \$6.50 to \$6.83.

Mr. Thompson stated the city has received notification from the Aiken County Public Service Authority at Horse Creek Valley that the cost for sewerage treatment will increase to all customers of the system. The City of Aiken is a customer of the system, and the staff is recommending that the city pass this increase on to the retail customers.

The staff is recommending a 5% increase in the sewer rates, and the primary expense is to offset the County's expenses for new capital items for the treatment facility. The city is continuing to see a decline in sewer system consumption. This has resulted in an unanticipated loss of \$141,932. The staff is recommending an increase in rates of 5%, to offset the increase in cost from the Public Service Authority. This also includes two (2) cents to help offset some of the loss of revenues for the sewer system. The average sewer user could expect an increase of 89 cents per month based on this rate change. This increase is not adequate to fully cover the cost of the system, but we are hoping that next year we will have a more positive revenue flow. It is possible that the city will have to have another rate increase next year.

The city has certain fixed expenses that we will not be able to reduce. The city has to maintain a limited amount of staff for maintenance of lines and facilities and to check the lift stations daily. The city has taken very active steps to reduce expenses of the system. For the past three years the city has reduced the number of employees in the Utilities Division by a total of six, or by more than 10% of the employees in this division. We are also working to reduce the cost of power within our system, and are in the middle of restructuring the debt service on this division to further reduce the expenses of the city. However, a rate increase to support operational expenses is necessary, and will be the first sewer service increase for operations in three years.

With the proposed ordinance, the city will be passing the expense raised by the Public Service Authority directly to the city's sewer customers, and this new fee structure will maintain the integrity of the sewer system.

Mr. Thompson pointed out the city's sewer rates are based on the water consumption. Recently there has been a lot of rain so water consumption is down and therefore sewer usage is down as well as revenues from sewer service.

Councilman Anaclerio moved, seconded by Councilwoman Papouchado and unanimously approved, that Council pass the ordinance on first reading to

increase the sewer rates by 5% and that second reading and public hearing be set for the next regular meeting of Council.

ADDITIONS TO AGENDA

Airport Projects

Grant

Landscape

Mayor Cavanaugh stated two items need to be added to the agenda and submitted the items for Council's approval to add to the agenda.

Mayor Cavanaugh stated one item is the priority list for projects for the airport. The other item is a grant from the Highway Department for beautification work on Richland Avenue.

Councilwoman Papouchado moved, seconded by Councilwoman Price and unanimously approved, that the items regarding priority listing of projects for the airport and acceptance of a grant for beautification work on Richland Avenue be added to the agenda.

BONDS

Refinancing

Bonds 1990

Bonds 1977

Water and Sewer Bonds

Robinson-Humphrey

NationsBank

Mayor Cavanaugh stated Council needed to consider selection of firms to handle refinancing of the Water and Sewer Bonds for 1977 and 1990.

Mr. Thompson stated during the budget discussions the need to refinance the revenue bonds in the utility system was discussed in order to achieve savings with the present low rates on the loans. He said the staff has been working with the bond counsel Charlton deSaussure, with Sinkler and Boyd. Mr. deSaussure is present if Council has any questions. He said the staff had been working with the bond counsel to identify firms that could underwrite these bonds and essentially market these bonds to their customers. After interviewing the companies that are capable of helping with this, the staff is recommending that Council name the Robinson-Humphrey Co. as the senior manager on the refinancing with NationsBank Securities as co-manager of the refinancing.

Mr. Thompson stated essentially both companies bring some strengths to the process. Both have a large number of retail customers. Both have a large number of local retail customers that will help in the sale of the bonds. The staff has looked at refinancing both the 1990 bonds and the 1977 bonds. The process is that once the underwriters are named, work will begin on the bond proposals and bond ordinance. Out of the process it will be identified whether both bond issues will be refinanced or just the 1990 issue. The savings the city would receive are primarily in the 1990 bonds which expire in 2014. There are some restrictions and requirements in the 1977 bonds that would be attractive for refinancing. It is felt that the interest rate could be dropped from the present rate of 6% and 7.25% down to a new range of somewhere between 3.7% and 5.25%. It is felt that the net present value savings could be approximately \$750,000 with the refinancing. Over time this would mean lower rates for the city's customers and reduce the annual expenses. This is part of the process of reducing the expenses of the utility system.

Mr. Thompson stated the city advertised for proposals for investment banking services for refinancing outstanding water and sewer revenue debt. The bond counsel and Finance Director met to review the firms which submitted a proposal to determine who was capable of handling this size of municipal bond. After review of the proposals four firms were interviewed and the staff is recommending designation of Robinson-Humphrey and NationsBank as the firms to help with the refinancing of the bonds.

Councilman Perry moved, seconded by Councilwoman Papouchado and unanimously approved, that Council follow the recommendations of the City Manager and staff and select the Robinson-Humphrey Company, Inc. and NationsBank as the co-managers for refinancing of the utility bonds. Councilman Anaclerio and

Councilwoman Price did not participate in the voting because of a possible conflict of interest. The motion was approved by a vote of 5 in favor.

AIRPORT

Capital Improvements Projects

Mayor Cavanaugh stated Council needed to consider a priority listing of projects from the General Aviation Commission for the Aiken Airport.

Mr. Thompson stated the General Aviation Commission has suggested that the priority listing of projects for the Aiken Municipal Airport be adjusted to reflect the order for the first three projects for submittal to the State Aeronautics Division for possible funding. The General Aviation Commission has suggested that the projects in order of priority should be: (1) a weather station; (2) a new terminal building; and (3) instrument approach. The Aeronautics Division has indicated that they would like to have the priority listing to help them with decisions on funding. The Aviation Commission has recommended the three to City Council for consideration.

Mayor Cavanaugh stated Council had met with the Aviation Commission in a worksession before the Council meeting and had discussed the matter extensively.

Councilman Perry moved, seconded by Councilman Anaclerio and unanimously approved, that the city submit the following projects to the Aeronautics Division for possible state funding: (1) a weather station, (2) a terminal building; and (3) instrument landing.

GRANT

ISTEA South Carolina Department of Transportation Landscaping Richland Avenue, West U.S. 1 South

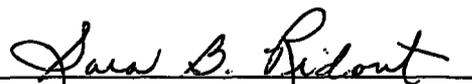
Mayor Cavanaugh stated Council needed to consider acceptance of an Intermodal Surface Transportation Enhancement Act (ISTEA) grant for landscaping improvements.

Mr. Thompson stated for some time the city has been working on improvements to Richland Avenue W. where it ties into the Bypass and Highway 1. He said the city had submitted a plan through the S. C. Department of Transportation which has access to ISTEA funding for landscaping and streetscaping projects. The city has received notice from the Department of Transportation that they have approved the landscape plans. The Department has approved a grant of up to \$100,000 for the Department's participation in the streetscape program. This is the project that was developed through the ARTS Transportation Plan for median and streetscape improvements. The staff is recommending acceptance of the grant. The grant is for streetscape and landscaping improvements on U.S. 1 from the S.C. 118 Bypass to the Gregg Highway.

Councilwoman Price moved, seconded by Councilman Anaclerio and unanimously approved, that Council accept the grant from the Department of Transportation for ISTEA funds in the amount of \$100,000 for streetscape and landscaping improvements on U.S. 1 from the S.C. 118 Bypass to the Gregg Highway.

ADJOURNMENT

There being no further business Councilman Anaclerio moved, seconded by Councilwoman Price and unanimously approved, that the meeting adjourn. The meeting adjourned at 9 P.M.


Sara B. Ridout
City Clerk