

Council discussed the proposed building and the loan possibilities, and it was the consensus of Council that the balloon loan would be the best, even though the interest rate may be higher. This would allow the city to pay the loan off after the building sells, rather than making monthly payments on the loan until the building sells. Council had concern as to where the money would come from to make monthly payments until the building sells.

DOWNTOWN

Ribbons Memorial Day

Mr. LeDuc stated Julia West had asked if the city was interested in putting up bows in the downtown area for Memorial Day. She had made some bows as examples of what could be placed in the downtown area. She had stated she would donate her time and get a group to put them up, but asked if the city would pay for the material. She had estimated the cost to be about \$3 for each bow. Mr. LeDuc said if Council was interested he would suggest that the bows be placed at intersections in the downtown area.

Council discussed the request and felt it would add patriotism to the community. It was the consensus of Council to allow Ms. West to place bows at the downtown intersections with the city paying the cost of the materials.

RECREATION COMMISSION

Gibbs, Johanna

Councilman Sprawls stated he would like to nominate Johanna Gibbs as his appointee to the Recreation Commission.

Aiken City Council Minutes

REGULAR MEETING

May 12, 2003

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

Others Present: Roger LeDuc, Gary Smith, Bill Huggins, Ed Evans, Larry Morris, Anita Lilly, Ron Shelley, Kim Coleman, Sara Ridout, Philip Lord of the Aiken Standard, Josh Gelinas of the Augusta Chronicle and about 20 citizens.

Mayor Cavanaugh called the meeting to order at 7:30 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. Councilwoman Clyburn moved, seconded by Councilman Sprawls and unanimously approved, that the agenda be approved as presented.

MINUTES

The minutes of the work session and regular meeting of April 28, 2003, and the budget work session of May 5, 2003, were considered for approval. Councilman Smith moved that the minutes of the meetings be approved as written. The motion was seconded by Councilman Cuning and unanimously approved.

PRESENTATION

Scholarship
Donation
Teddy Bear Show
Yarian, Clara Ann
Fun Funds

Mayor Cavanaugh stated Ms. Clara Ann Yarian would like to make a presentation of a donation to the city for the Fun Funds

Mr. LeDuc stated last November, 2002, Ms. Clara Ann Yarian held an event at the Weeks Center for our community featuring teddy bears. This show and auction was held for two days and included a charity auction, teddy bear tea party, and several workshops for individuals to attend. When Ms. Yarian approached the Recreation Department about this project, she wanted to donate all profits to the Parks and Recreation Department for scholarships to assist youth and adults who cannot afford the fees to participate in sports, day camps and other programs. The City has a scholarship fund which we yearly program at \$6,000. She would like to give a donation to the Fun Funds Scholarship Program in the amount of \$4,768.75. Unfortunately, Ms. Yarian is leaving the Aiken area, and we are uncertain at this time if the Teddy Bear Show will continue to be offered in the future. However, we would like to accept these funds and thank her for the great work she did in putting forth the Teddy Bear Show and Auction.

Ms. Yarian appeared before Council and presented a check to the city in the amount of \$4,768.75. She said she had 45 teddy bear artists to participate in the show. She said the participants really liked Aiken.

Council thanked Ms. Yarian for her donation. Mayor Cavanaugh stated this was the first time he had attended something like this. He said it was very exciting to see all the exquisite work that was done. He said he hoped someone would do the show in Aiken again.

BOARDS AND COMMISSIONS

Appointments
Findley, James R.
Black, Steve
Building Code Appeals Committee
Dicks, Nathaniel
Wood, Sara
Housing Authority
Wood, Keith
Election Commission
Gratop, John A.
Dave Snyder
Recreation Commission

Mayor Cavanaugh stated Council needed to consider some appointments to the various boards and commissions of the city.

Mr. LeDuc stated Council has 6 pending appointments to boards and committees of the city and 5 appointments are presented for Council's consideration.

Councilman Cuning has recommended reappointment of James R. Findley, of 149 Balsam Lane, to the Building Code Appeals Committee, with the term to expire May 12, 2005.

Councilwoman Clyburn has recommended reappointment of Nathaniel Dicks, of 314 Jehossee Drive, to the Housing Authority, with the term to expire May 28, 2008. Terms on the Housing Authority are for five years by state law.

Mayor Cavanaugh has recommended reappointment of Sara Wood, of 536 Berrie Road, to the Housing Authority, with the term to expire May 28, 2008. Terms on the Housing Authority are for five years by state law.

Councilman Sprawls has recommended reappointment of Steve Black, of 16 Bluff Point Way, to the Building Code Appeals Committee, with the term to expire May 12, 2005.

Councilwoman Price has recommended reappointment of Keith Wood, of 19 Inverness East, to the Election Commission, with the term to expire August, 2009. Election Commission terms are for six years.

In addition, Councilmembers Smith and Vaughters have recommended their appointments to the newly created Recreation Commission. Councilman Smith's recommendation is appointment of John A. Grato, of 50 Shagback Court, for a one year term with the term to expire in 2004. Councilwoman Vaughters has recommended appointment of Dave Snyder, of 382 Plantation Drive, who lives outside the city, to a one year term to expire in 2004.

Councilman Sprawls pointed out that Steve Black had moved outside the city so he would have to make another recommendation for the Building Code Appeals Committee.

Councilman Cunning moved, seconded by Councilwoman Clyburn and unanimously approved, that James R. Findley be reappointed to the Building Code Appeals Committee with the term to expire May 12, 2005, Nathaniel Dicks and Sara Wood be reappointed to the Housing Authority for five year terms with the terms to expire May 28, 2008, Keith Wood be reappointed to the Election Commission for a six year term with the term to expire August, 2009, and John A. Grato and Dave Snyder be appointed to the Recreation Commission for one year terms with the terms to expire in May, 2004.

BUILDING CODE -- ORDINANCE 05122003

International Building Code

National Electrical Code

Electrical Code

Residential Code for One and Two Family Buildings

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing on an ordinance to amend the Building Code.

Mr. LeDuc pointed out that this ordinance plus the ordinance on the 4-2-1 districting had been covered at the meeting on April 28, 2003, and a public hearing had been held. He stated, however, we later discovered that the advertisement of the ordinances was not published in the newspaper. He said because of this the ordinances were advertised for public hearing at this meeting. He said he would recommend that the minutes from the last meeting on these two items be incorporated as a part of the minutes of this meeting.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING SECTION 10-2, AIKEN CITY CODE TO ALSO ADOPT THE 2000 EDITION OF THE INTERNATIONAL RESIDENTIAL CODE FOR ONE- AND TWO-FAMILY DWELLINGS AND THE 2002 NATIONAL ELECTRIC CODE.

Mr. LeDuc stated this ordinance was discussed as a change that is necessary to be up to standard with the rest of the state. He said these codes are being adopted by all local governments. He said this was approved on first reading on April 14, 2003.

The public hearing was held and no one spoke.

Councilman Cunning moved, seconded by Councilwoman Clyburn and unanimously approved, that Council pass on second and final reading an ordinance to amend Section 10-2 of the Aiken City Code and adopt the new Residential and Electrical Codes as published by the International Code Council, Inc. with the ordinance to become effective

May 12, 2003

immediately and that the minutes of April 28, 2003, regarding this item be included in these minutes.

The April 28, 2003, minutes were as follows:

"Mr. LeDuc stated in January, 2001, City Council approved the new International Building Code, along with other codes which apply to the construction of new residential, commercial and industrial buildings. This same code was also approved by Aiken County and the City of North Augusta. The National Electrical Code was recently amended, and the International Residential Code for One and Two Family Buildings was approved by the South Carolina Building Codes Council. Both of these codes need to be adopted by all local governments.

Our Building Official and City Staff Attorney have reviewed these new codes and find them to be reasonable and necessary to comply with the state law. We are therefore asking City Council to approve the amendment of Section 10-2 of the Aiken City Code and the adoption of the new Residential and Electrical Code.

The public hearing was held and no one spoke.

Councilman Cunning moved, seconded by Councilman Smith and unanimously approved, that Council pass on second and final reading an ordinance to amend Section 10-2 of the Aiken City Code and adopt the new Residential and Electrical Codes as published by the International Code Council, Inc. and that the ordinance become effective immediately.

Because publication requirements in the City Code were not complied with this ordinance received another second reading at the May 12, 2003, City Council meeting."

ELECTION – ORDINANCE 05122003A

4-2-1 Plan City Council Redistricting Districts

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing on an ordinance to approve a revised 4-2-1 Plan.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING SECTION 14-1 OF THE AIKEN CITY CODE FOR THE PURPOSE OF ADJUSTING THE BOUNDARIES OF THE FOUR SINGLE MEMBER CITY COUNCIL ELECTION DISTRICTS TO THE 2000 CENSUS.

Mr. LeDuc stated there had been a lot of discussion on this matter for the last several months. He said the ordinance was approved on first reading on April 14, 2003.

The public hearing was held and no one spoke.

Councilman Cunning moved, seconded by Councilman Sprawls, that Council pass on second and final reading an ordinance to approve the revised 4-2-1 Plan for the election of Councilmembers and that the minutes from the April 28, 2003, meeting regarding this matter be incorporated into the minutes of this meeting. The motion was approved by a vote of 5 in favor and 2 opposed. Mayor Cavanaugh and Councilmembers Cunning, Smith, Sprawls and Vaughters voted in favor of the motion with Councilmembers Clyburn and Price opposing the motion.

The minutes of April 28, 2003, were as follows:

"Mr. LeDuc stated every ten years, after the Census, typically the boundary of the city changes and the population changes. He said based on the 2000 Census the city needs to make a change in the current voting districts.

Mr. LeDuc stated that at the April 1, 2003, referendum election the City of Aiken voters failed to approve a 5-1-1 Redistricting Plan. Thus, a new plan needs to be approved by City Council, at which time it would then be sent to the U.S. Department of Justice (USDOJ) for their review and pre-clearance under the Voting Rights Act. Should Council adopt the redistricted 4-2-1 Plan, the plan would be sent to the U.S. Department of Justice in early May. The USDOJ would have 60 days to review this plan and to either pre-clear it, let the time expire, or request additional information. If they pre-clear it or let the time expire City Council elections can take place under its normal schedule for an election on November 4, 2003. If the USDOJ requests additional information and/or rejects the redistricted 4-2-1 Plan, it may be necessary to ask the Court to delay the November 4, 2003, election until the matter is resolved. Or, Council could consider holding the November 4, 2003, election under the existing 4-2-1 Plan and implementing any new plan at a special election after the new plan is adopted by Council and pre-cleared by the USDOJ.

Each of those options would need to be thoroughly reviewed and discussed, taking into account all circumstances and complications with this matter. However, the next step is to submit the redistricted 4-2-1 Plan Ordinance to the U.S. Department of Justice for their review under the Voting Rights Act.

Mayor Cavanaugh asked Jim Holly if anything had changed as far as numbers or percentages since the last time the 4-2-1 Revised Plan was discussed several months ago. He also asked, if the approval was not cleared by election time, could the City go ahead with its election in November.

Mr. Holly stated the proposed map and statistics were the same as when the ordinance previously received first reading in November, 2002. He said there were some changes made at the request of individuals before Council had first reading last time, but no changes since then. Mr. Holly said if the plan is not pre-cleared in time for the 2003 election, it is possible after discussions that Council could hold the election under the existing plan, or Council could go before the Circuit Court and ask for a delay in the election for several months. Mr. Holly pointed out he would be writing a letter and compiling information to submit to the Justice Department if the proposed ordinance is passed by Council.

Councilmembers stated they would like to see a copy of the letter being submitted to the Justice Department.

The public hearing was held.

Mr. David Walker, President of the NAACP, who lives at 978 Old Jordan Road located in Aiken County, spoke. He said he did own property in the city and pays city taxes. Mr. Walker stated he was disappointed regarding the outcome of the April 1, 2003, election results. He said on behalf of the Aiken Branch of NAACP, the Ministerial Alliance, the concerned ministers and the 450 people who voted in favor of the 5-1-1 Plan, he wanted to thank those on Council for standing for justice, fairness and diversity. He said they presented their case based on fairness and diversity, for diversity is the color of America and ought to be the social goal of the most assorted society on earth. No system be they political, educational or private industry, should be exempt from the diverse status. He said the strength of the city, as well as the County, lies in how well we can diversify. He said he did not believe that any reasonable people will see anything wrong with maintaining diversity on City Council. He said, however, that part of the process is over, but it is not too late for City Council to do the right thing. He said there is still time for Council to act and not allow the Department of Justice to dictate how districts will be drawn in Aiken. He said we have to ask how progressive is Aiken. He pointed out ten years ago the percentage for Districts 1 and 2 was between 56% and 58%. He said even though the majority won on the April 1, 2003, election, there are times when the majority can be wrong. He said this is not about protecting the seats held by Councilmembers Clyburn or Price, but about protecting the two minority seats that 30% of the population of Aiken holds on City Council. He said he was concerned that if his son moves into District 1 or 2 he may not have the opportunity to choose a representative of his choice

regardless of party, gender or ethnic background. He said he was asking that City Council consider a plan that was considered ten years ago, a 6-1 Plan. He said however disappointed they are concerning the results of April 1, 2003, they remain firm in their resolve to maintain diversity on the Aiken City Council.

No one else spoke.

Councilman Cuning moved, seconded by Councilwoman Vaughters, that Council pass on second and final reading an ordinance to approve the revised 4-2-1 Plan for election of Councilmembers.

Councilwoman Clyburn stated she had always tried to do what she felt was the right thing for the citizens of the City of Aiken. She said there was an election on April 1, 2003. However, the vote was less than 10% of the population of the City of Aiken. She said she looked at the breakdown of the vote as reported by the Election Commission. She pointed out other Councilmembers have rallied behind their constituents on many issues even when it came to losing causes. They tend to support the people that support them and the people from their district. She said on occasion Council has gone with the will of the voters in a particular district as a district representative. She said she had looked at the votes and the people from District 1 were in support of the 5-1-1 Plan. She said for that reason she will not be voting for the 4-2-1 Plan. She said she hoped the Justice Department would look at the matter and do what they feel is in the best interest of the City of Aiken. She said she meant no harm in going against what the majority of the people voted for, but she felt it was a very small majority. She said she was going to vote with what she perceived to be the will of the people in her district.

Councilwoman Price stated she saved all the articles when this matter was discussed years ago to go from at-large elections to a district plan. She said it was almost the same debate years ago with those opposed to the district voting. She said we had learned that it was not that bad to go to a 4-2-1 system. She said the 5-1-1 Plan was not approved by the voters and Reverend Walker is now proposing a 6-1 Plan. She pointed out the previous percentages for Districts 1 and 2 with 56% and 58% with those percentages now being down to 51%. She said the city will continue to grow, especially on the south side. She said this will only dilute the voting strength even more, with the percentages being reduced in Districts 1 and 2. She said the impact of the growth puts maintaining diversity on Council in jeopardy. She said she could not support the continuation of a 4-2-1 Plan. She said she and Councilwoman Clyburn were elected at large and by district, but the issue is not how they were elected but for those who follow them. She said she wanted to make sure there was minority representation on Council. She said she would not support the 4-2-1 Plan.

Mayor Cavanaugh stated he supported the 5-1-1 Plan because he felt it was the best for the City of Aiken in the long term. He said the majority of Council voted to have a 5-1-1 referendum to see what the people wanted. He said the vote for the 5-1-1 failed so therefore he was going to support the will of the people and support the 4-2-1. He said he still felt the 5-1-1 Plan would be the best for the long term, but he would support the will of the people. He pointed out the percentage of people who voted was very low. He said evidently it was something that most of the people did not care about. He said he feels that the majority of the people want to see the city progressing and he feels they are pleased with the way the city is progressing. He said he felt the city was progressing because there is diversity on Council. He said he was going to support the will of the people. He said there was an election and there was a result.

Councilman Cuning stated he felt the issue was a Democrat-Republican issue not a race issue. He said the people in Aiken vote for the party, but they don't vote by race. He pointed out there was growth in Aiken and Districts 1 and 2 did decrease percentage wise, but the minorities had moved to other parts of the city. He said the overall minority percentage stayed the same for the city with more minorities in other parts of the city.

Councilman Smith stated the 51% for Districts 1 and 2 did not meet the Department of Justice guidelines. He said he supported the 5-1-1 Plan because he felt it was the right thing to do. He said, however, the small percentage that voted in the referendum was a

very clear decision. He said he felt the only thing to do at this time was to send the 4-2-1 Plan to the Department of Justice.

Councilwoman Vaughters stated she felt all of Council believes in diversity. She said that was not the issue. She felt that redistricting does have to do with race. She said she felt the people in Aiken believe in diversity and the community is integrating. She felt that the city would continue to have trouble getting the high percentages in certain districts because people are continuing to move to other areas and integrate neighborhoods. She said if she felt there was not fairness in a 4-2-1 Plan she would not support it. She felt there was a chance of fairness in a 4-2-1 Plan. She felt that every citizen of every race in the city is better off by being able to vote for a majority of City Council. She was concerned about considering only the vote for a district guiding the decision of a Councilmember. She said that was what she was worried about with single member districts.

Councilwoman Clyburn pointed out that South Carolina was one of the states under the Department of Justice's jurisdiction for elections and voting districts because of past history in its voting patterns. She said it had nothing to do with the present, but addresses the issue of certain states and the way elections were in the past. She said she felt it did not matter the party, but the person and the character of the individuals seeking election. She said there were comments regarding the 5-1-1 Plan, and she felt that had a lot to do with the outcome of the election. She pointed out she did not feel she was the only one who rallies behind the constituents of a district. She pointed out those in a district feel that if a decision affects their district they want a positive vote for it. She said those in a district do look at their constituents and how they feel. She said, however, those in a district do not always think about their district at every vote. She said some of the problem is caused by annexations on the south side. She said some of the problem could have been stopped by opposing the annexations. She said, however, she did not see the annexations as an issue at the time.

Mayor Cavanaugh stated whatever the outcome City Council needed to continue to work together for the good of the community.

Mayor Cavanaugh called for a vote on the motion to approve the revised 4-2-1 Plan. The motion was approved by a vote of 5 in favor and 2 opposed. Mayor Cavanaugh and Councilmembers Cuning, Smith, Sprawls and Vaughters voted in favor of the motion with Councilmembers Clyburn and Price opposing the motion.

Because publication requirements in the City Code were not complied with this ordinance received another second reading at the May 12, 2003, City Council meeting."

RECOGNITION

Boy Scouts

Troop 121

St. John's Methodist Church

Mayor Cavanaugh recognized the Boy Scouts present from Troop 121 from St. John's Methodist Church.

HIDDEN HAVEN - ORDINANCE

Silver Bluff Road

Sale of Lot

City Property

TPN 134-01.0-01-106

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to sell city property in Hidden Haven.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE APPROVING THE SALE AND CONVEYANCE OF 0.69 ACRE OF PROPERTY OWNED BY THE CITY OF AIKEN LOCATED ON SIRIUS DRIVE IN AIKEN, SOUTH CAROLINA, KNOWN AS TAX PARCEL NUMBER 00-134.0-01-106.

Mr. LeDuc stated the City of Aiken received a piece of property in Hidden Haven when it was annexed into the city in the early 90's. This property was formerly the septic field for the entire development. Approximately seven years ago the City of Aiken constructed a sewer line from River Bluff into Hidden Haven to eliminate the septic system. This allowed the septic tank and field to be eliminated on the .69 acres of property which has remained vacant.

We recently received an offer from a couple who has been working with Ms. Gail Foster with Eulalie Salley & Company to purchase this property. They have offered the City \$16,200 for this lot which was appraised at \$18,000 by Mr. Don Toole. We discussed the sale of this property at our last work session, and as Councilman Cunning stated the fair value for property is usually 10% to 15% below the appraised price. The City has no need for this property and recommends the sale of this land for \$16,200 in Hidden Haven for the installation of a manufactured home.

Councilman Cunning moved, seconded by Councilman Smith and unanimously approved, that Council pass on first reading an ordinance to sell .69 acres of property in Hidden Haven at \$16,200 to Irene and Sylvia Cole and that second reading and public hearing will be set for the next regularly scheduled Council meeting.

GARBAGE FEES- ORDINANCE

Solid Waste Fees
Fees

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to increase the charges for garbage pickup.

Mr. LeDuc pointed out the next several ordinances are a part of consideration of the proposed budget. He stated the changes were needed to provide revenue for the proposed budget. He then reviewed the changes which impact the proposed budget. He pointed out the Pension Plan cost was increasing because the stock market had been down. Costs for fire and liability insurance were increasing. Historically the city has given a 4% pay increase, but this year the recommendation is a 3% increase with the base salary being increased \$500 and then a 1% COLA and another 1% COLA in January, 2004. Aiken County Public Service Authority which treats the sewage is increasing their fees 6% the second increase of 6% in three years. Advanced Glass Fiber Yarn have had a 50% reduction in their water usage which amounts to a loss of revenue for the Utilities Division of \$400,000 per year. Some state impacts are reduction of telecommunications fees, which will result in a loss of revenue of \$450,000. The vehicle tax will be reduced over a period of years from 10.5% to 6.5%. Currently that is a loss of revenue to Aiken of \$250,000. He said these two fees amount to a loss of \$700,000, or a loss of about 7 mills of taxes. There is also a loss of revenue from state shared revenues. There are new stormwater regulations that EPA and DHEC have mandated. One is that all the streets be swept on a regular basis about once a month. We also have to hire someone to do monitoring of all the outfalls, test this and have education of the citizens as to how we can have less pollution of the streams. Worker's Compensation for the inmates has been discontinued. Also, the Department of Corrections has increased their fee to \$10 per day for each inmate. He said, however, to hire 18 new people to replace the inmates would cost \$360,000 to \$400,000. He said this was general background in considering the budget.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE ESTABLISHING NEW CHARGES FOR RESIDENTIAL AND SMALL BUSINESS GARBAGE SERVICE.

Mr. LeDuc stated every year staff reviews the various service fees that the City charges to determine if we are recovering our full costs for those services. At this year's Horizons meeting we discussed various options for city collection of garbage, recycling and trash for our residential customers. The actual cost for this service is \$15.50 per month. Currently the city charges \$8.75. It was suggested at the meeting that Council may want to consider a curbside service for the collection of garbage with the rate to remain at \$8.75 per month.

After analyzing our services and the cost, especially in comparison to other cities, it was recommended that we increase the fee this year by \$2.50 to \$11.25 per month. This rate compares favorably with Tyler's Sanitation which provides services to those residents just outside the city and North Augusta, both of whom provide a curbside service, and charge \$15.50 per month and \$13.50 per month respectively. The City of Augusta charges \$16.25 per month for collection of garbage, recycling and trash services.

With this new fee we will begin a program of removing all trash on the assigned collection day, even if they are mixed piles. This will expand the service that we currently provide our residents and allow a quicker pickup of mixed piles, which have caused us a problem in the past in trying to get them separated.

The garbage fee will be reviewed again next year, especially since it is still not fully recovering all of our expense for this service. For this year's budget, though, we are recommending a \$2.50 increase for garbage to all city residents.

Mr. LeDuc stated he felt that with the increase the city residents would still have a tremendous bargain for garbage and trash pickup, with the fee several dollars lower than others in the area. He said staff is recommending continuing the backyard service. Also, the service would be increased on the collection of mixed piles so they will be picked up immediately. Some extra equipment is recommended to be able to accomplish this.

Mayor Cavanaugh stated there presently are so many things causing pressure from outside not in the control of the city that are affecting the budget for the city as far as revenue and expenditures.

Councilman Cuning moved, seconded by Mayor Cavanaugh, that Council pass on first reading an ordinance to establish new charges for garbage fees, increasing the fee by \$2.50 to \$11.25 per month and that second reading and public hearing be set for the next regularly scheduled meeting. The motion was approved by a vote of 5 in favor and 2 opposed. Councilmembers Clyburn and Price opposed the motion.

FIRE FEES – ORDINANCE

Fees

Outside City Fire Fees

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to increase the outside city fire fees.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE ESTABLISHING NEW CHARGES FOR FIRE SERVICE.

Mr. LeDuc stated this year our Public Safety and Finance Departments both reviewed our fire fees, and it has been over 10 years since we have last increased those fees. Based on the Consumer Price Index, this cost in the last 10 years has risen by 27%. We feel that a 10% rate increase to all of our outside customers, both residential and business, would be a fair increase at this point in time. He pointed out the city charges individuals outside the city who receive city water service and others who are on a well system in the city's

fire district a fee for fire service. Because of the city's fire rating class those outside the city receive a tremendous decrease in their fire insurance premiums. The fire fee will be reviewed again next year, especially since it is still not fully recovering all of our expense for this service. He pointed out the city had built two more substations since the last fire service fee increase. He said it is proposed that within the next 18 months the city will be constructing another substation in the Whiskey Road-Brookhaven-Mall area. For this year's budget though we are recommending a 10% increase on all fire fees for properties located outside the city limits. He pointed out the base rate of \$10 for a \$20,000 value home would remain the same, but the fee would increase to 25 cents from 20 cents per thousand dollars of appraised value exceeding \$20,001 with the total monthly charge not exceeding \$36.00. For those outside the city not on city water service the fee would increase from \$75 to \$100 per year.

Councilman Smith moved, seconded by Councilman Cuning and unanimously approved, that Council pass on first reading an ordinance to increase the fire service fees outside the city limits and that second reading and public hearing be set for the next regular meeting of Council.

WATER AND SEWER RATES – ORDINANCE

Water Rates

Sewer Rates

Fees

Rates

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to increase water and sewer charges.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE ESTABLISHING NEW CHARGES FOR WATER AND SEWER SERVICE.

Mr. LeDuc stated for the past several years we have experienced a major drought in the Aiken area. This has resulted in larger than normal revenues for our utility system. Even with these increased revenues, we have seen our reserves reduced every year. The revenues we have received have not been able to keep up with the added expenses, due to increased costs for salaries, chemicals, electricity and other items needed in our utility system. We have added three new wells in the last four years. Our reserves have also been reduced over the last three years by over three million dollars due to the large number of capital improvements needed to keep up with the demand of the growing population and to provide maintenance for our older water and sewer lines. The reserves have been reduced from a high of \$8 million down to a little under \$4.5 million. Thus, even with increased revenues during this drought period, we have not been able to maintain an adequate reserve balance in this year's budget and have eliminated most of our capital projects.

In addition, our highest water user, Advance Glassfiber (Owens Corning) has decreased their consumption since 1997 by 50% which resulted in loss revenue of over \$400,000 per year. We recently also received our second 6% rate increase in the last three years, from the Public Service Authority, which provides Aiken County sewer service. This is equivalent to a 2% increase in overall rates for the City of Aiken, or an increased expenditure of approximately \$150,000. Last year we raised our rates by 2% and added a water impact fee which resulted in approximately a 6% overall increase in revenue. We are anticipating a wetter than normal year and therefore feel our revenues will be down in relationship to previous years. Prior to this year's increase the water had last been adjusted on September 8, 1997, and previously the city had ten increases during a thirteen year period. He reviewed the past increases pointing out the percentage of increase for those years. He pointed out that even with the rate increase going up to \$11.65 for 800 cubic feet the City of Aiken will still be 33% below the state average for water.

Conversely the sewer rates were last increased in December, 1996 with five increases over the previous twelve years. Therefore, even though we had a slight increase last year

the City needs to bring the revenues in line with our expenses, and we are requesting a 7% rate increase this year which would make the sewer rate \$19.57 for 800 cubic feet. Even with the 7% rate increase the City's combined water and sewer rate of \$31.22 for an average user will be 33% less than the average 2002 rate throughout the state of \$41.57. The new rates will still be lower than any other municipality in the local Aiken area, including towns like North Augusta, Saluda, McCormick, Edgefield and New Ellenton.

With this budget we are also proposing to upgrade our water meter system. We hope that this will bring our billing more in line with our water production and hopefully with the new rate increase we will not need another adjustment for several more years. The proposed rate increase would be effective July 1, 2003.

Councilwoman Vaughters moved, seconded by Councilwoman Price, that the ordinance be passed on first reading to increase the water and sewer rates by 7% as proposed in the ordinance and that second reading and public hearing be set for the next regular meeting of Council.

Councilman Smith pointed out an editorial which had appeared in the State Newspaper today concerning the fact that law makers should allow more uses for impact fees. He pointed out the explanation for using the reserves of the Utilities Division was the need to have more wells and install more infrastructure to support growth and population. He said this growth then in part was causing the city to have to increase the fees. He said he agreed that Aiken's fees compare very favorably with other cities. He said, however, increased fees require people already here to bear the cost of new infrastructure that is brought on by new growth. He said he felt impact fees would help the city in the future to try to keep down the rate of growth in water and sewer fees.

Councilman Cuning stated he understood what Councilman Smith was saying, but he pointed out one of the concerns was that the city did not have as much water usage as in the past. He pointed out the great reduction of water usage by Advance Glassfiber. He said his concern was the reserves. He pointed out the \$3.5 million spent was to put wells in to make sure the city can provide the capacity for both growth and regular usage of the citizens. He said his question is whether the city over the next four years will have to fund another \$4 million to keep the capacity at the level needed. He said if that is not the case would the city be able to build the reserves back up by possibly increasing the rates 3% or 4% rather than 7%. Councilman Cuning pointed out some of the problem is growth, but part of the problem is that the city doesn't have the usage that it did have. He pointed out he was concerned about the cost for impact fees. He said the city had to have some growth. He said the concern now is the amount of usage is down. He said if the city doesn't have to spend to increase production will the reserves begin to increase. He said he would like to see a smaller increase, possibly 3% or 4% increase and if the reserves are not building back up then increase the rate another 3% or 4%.

Council continued to discuss the proposed increase at length. Mr. LeDuc pointed out that if the increase is smaller than 7% it would mean that the fund for reserves would get a smaller amount. Short term this would be all right, but in the long term this would not be good for the Utilities Division. He said if we don't pay now, we will pay later.

Mayor Cavanaugh stated one of the things the city has tried to do is stay ahead in improvements and keep high standards for not running out of water. He pointed out with the 7% increase the rates would still be 33% less than the average for the state. He said the increase would help the city to continue to improve the systems. He said he did not want to increase fees, but sometimes it is necessary.

Councilman Cuning stated he did not feel that it would hurt to increase the rates 4% this year and if the reserve for replacement does not start to go up then the rates could be increased another 3% next year. He said there was no question that there needs to be an increase. He was just trying to see if a smaller fee would work.

Councilwoman Vaughters expressed concern about the old sewer system and the replacement of the lines. She stated she did not want to give a low increase and not have the money to do the work that needs to be done. She pointed out that sewer work is

expensive and there are areas that need improvements. She said the infrastructure is old and she did not want to skimp and not have the money to make the necessary improvements. She said the city needs to make the improvements that are needed. She stated she did not like raising fees, but she did not want to see the city have substandard services.

Mr. LeDuc stated during the tight budget year decisions had to be made as to which of the older lines would be rehabilitated. He said there are a lot of problems in Crosland Park and money has been budgeted to do some work in Crosland Park with the 7% increase. He said Pendleton Street which had been discussed was removed from the budget because there was not enough money. He said it is hard to anticipate where there may be problems. He pointed out there was a 12 inch water line break in Woodside which cost a lot of money and also the road had to be replaced. He said this was at least \$150,000 that was not in the budget.

Council discussed the water and sewer impact fees and how this affects citizens. They also discussed the proposed water and sewer rate increases at length. Councilman Cunning expressed concern about no growth and still having to increase fees to take care of the needs of the systems.

Councilwoman Price asked why are we requesting a rate increase of 7%.

Mr. LeDuc responded that the increase is requested because revenues are down, and there have been increases from other agencies such as the PSA which affect the expenditures for the city. Also, improvements need to be made to the systems. He pointed out expansion projects had not been recommended in the budget. He said he had tried to keep in the budget improvements to some of the older water and sewer lines. He said other improvements need to be made such as roofs and painting of tanks and ongoing maintenance. He said a decision would have to be made whether to use reserve funds or just not do some of the maintenance items with just a 4% increase. He said a smaller increase now may result in a higher increase later. He said the city can't go on forever without a maintenance program. He said if the city doesn't have a maintenance program then the city will continue to see problems with sewer lines backing up and water lines breaking. He said the increase is needed to take care of loss of revenue and rising costs as well as replacing infrastructure.

Councilwoman Clyburn asked if the proposed fees were taxes how many mills would the increase be to raise the needed revenue. She said she raised the question because some people may not be aware that raising taxes is not an option for increasing some of the revenues. She stated raising taxes would not increase the revenues in the needed funds. She said she realizes there are areas that need some work and Council needs to find a way to fund these needs.

Mr. LeDuc pointed out water and sewer is not paid by millage, but by the water or sewer bill. He said the 7% increase amounts to about \$550,000 which would be about 5 mills if it were taxes. The garbage increase would be about \$250,000 in revenue which would be about 2 ½ mills. He said the stormwater increase amounts to about \$75,000 which would be less than 1 mill. He said the total increases would amount to about 8 mills if the revenue was taxes.

Mayor Cavanaugh stated he shared some of the same concerns as Councilwoman Vaughters. He said Council could lower the increase and continue to have problems. He said if there are problems that we know about and they are not in the budget that is not very smart. He pointed out Aiken would still be 33% less than the state average. He said he feels Aiken has the best services, but at the lowest rate. He said he wants to keep the rates low, but he does want to have enough revenue to take care of needs. He said the City Manager has tried to tell Council what he thinks the budget needs to be to do some of the needed items. He said he would like to make the rates as low as possible, but Council has to stand up and say this is what it takes to have a good system where we can fix some of the problems. He pointed out with the increase Aiken's rates would still be 33% below the average. He said he wanted to stick with the 7% increase that the City

Manager had recommended. He said he was convinced that even the 7% increase does not include some of the situations that the city may encounter during the year.

Councilman Smith pointed out that with the increases of 7% recommended by the City Manager the city would be preserving the idea of \$1.2 million being added to the reserve funds. If the increase was only 4% there would only be \$900,000 in the reserve funds. He pointed out, however, the city would not be making any more improvements at this time. He said if Council increases the fees 7% he felt the \$300,000 should be used to do some of the things not included in the budget.

Councilman Cuning was concerned that if people start conserving on their water usage that will make a decrease in revenue. He said the matter is a balancing act.

Councilwoman Vaughters stated she did not want to amend her motion at this time to reduce the percentage increase to 4% rather than 7%. She stated she wanted her motion to remain as made.

Mayor Cavanaugh called for a vote on the motion to pass the ordinance on first reading to increase the water and the sewer rates by 7%. The motion was approved by a vote of 4 in favor and 3 opposed. In favor were Mayor Cavanaugh and Councilmembers Clyburn, Price and Vaughters. Opposed was Councilmembers Cuning, Smith and Sprawls.

STORMWATER FEES – ORDINANCE

Fees Rates

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to increase the stormwater fees.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING THE STORMWATER MANAGEMENT UTILITY FEES.

Mr. LeDuc stated the Federal Environmental Protection Agency and the Department of Health and Environment Control for South Carolina has instituted new rules and regulations for stormwater runoff which apply to the City of Aiken. They are mandating that beginning this spring all communities of our size will have an educational outreach program, along with the testing and monitoring of all major stormwater outlets. In addition they are requiring the City to sweep all of our streets at least once a month. These new regulations will require the City to hire a new Engineering Technician to set up this program and to implement the monitoring and testing phase. He said if it were not for these regulations he would not be asking for a rate increase.

Also within the budget is a new street sweeper, which we anticipate to cost over \$110,000. The side benefit of the sweeper program is that City streets will now be swept on a consistent basis, which will avoid some complaints we received concerning dirty streets. These added requirements will cost the city around \$75,000 per year, and we will need to raise our stormwater fee 15% to meet these new regulations. This is an increase of \$.42 per average household and will increase our rates from \$2.80 per month to \$3.22 per month. This is in comparison to the current \$4 rate being charged in the City of North Augusta and is our first rate increase since its inception over 10 years ago.

Councilman Cuning moved, seconded by Mayor Cavanaugh and unanimously approved, that Council pass on first reading an ordinance to establish a new charge for stormwater services increasing the rate by 15% from \$2.80 per month to \$3.22 per month and that second reading and public hearing be set for the next regular meeting of Council.

MILLAGE RATE – ORDINANCE

Budget
FY 2003-04
71 Mills

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration setting the millage rate for the City of Aiken for fiscal year 2003-04.

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, 2003, SET THE MILLAGE THEREFOR AT SEVENTY-ONE (71) MILLS AND TO PROVIDE FOR THE EXPENDITURES THEREOF.

Mr. LeDuc stated every year City Council adopts a budget for the following year and also a separate ordinance which establishes the millage rate to meet the budget needs. For City Council consideration, this is approval of an ordinance establishing the millage rate at 71 mills for the next fiscal year. With the adoption of this millage rate, you will have experienced 15 consecutive fiscal years without a millage rate increase. Over this 15 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, or over 40%. Although we have to pay careful attention to keep funding at an adequate level to continue the city services, we are happy that we have been able to control raising taxes for 15 years, and we contribute the success to your careful stewardship of these funds. He pointed out that Council tries to make each service that the city provides pay for itself. He stated the millage rate is for taxes on property and pays for a lot of things. He pointed out however it costs more for Public Safety than the city receives in taxes so the city depends on other sources of revenue to provide services to the city.

Councilwoman Price moved, seconded by Mayor Cavanaugh and unanimously approved, that Council pass on first reading an ordinance to set the millage rate for Fiscal Year 2003-04 at 71 mills and that second reading and public hearing be set for the next regular meeting of Council.

BUDGET – ORDINANCE

FY 2003-04

Mayor Cavanaugh stated an ordinance had been prepared to adopt a budget for the City of Aiken for Fiscal Year 2003-04.

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, 2003, AND ENDING JUNE 30, 2004, 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. We have prepared and are recommending a budget for Fiscal Year 2003-2004 for City Council's acceptance meeting the goals which Council has established.

At the budget review session of May 5, 2003, 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 you adopted from Horizons sessions. Two major factors are affecting this year's budget a \$450,000 reduction in telecommunications fee and \$250,000 loss in vehicle taxes. These two losses are equivalent to losing 7 mills in taxes or eliminating over 20 Public Safety Officers.

Within this budget are several major capital development projects which you have initiated over the past few years. These include the Tennis Center at Virginia Acres, continuation of the Public Safety Car Take Home Program, the rewiring and sprinkler improvements at the Guest Cottage, the streetscape program on Hayne and Park, the landscaping and enhancement improvements along Whiskey Road from Pine Log to Arby's, funding for several planning studies, a new parking lot and color garden in Hopelands, and funding to lengthen and strengthen the major runway at the airport. Within this budget we are recommending the addition of 2 Public Safety Officers, 2 Tennis Complex Facilitators, changing 2 part-time employees to full-time employees, and the reduction 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.

We are recommending an increase for water and sewer of 7%. This still leaves our rates 33% less than the state average and lower than all the surrounding cities in our area. These increases are mainly due to a loss in revenue of \$400,000, or 5%, revenue loss from a local industry, and the other 2% increase is due to two rate adjustments of 6% from the Aiken County Public Service Authority over the past 3 years. These increases are reflected in a separate ordinance reflecting the new rates for our water and sewer utility system.

We feel that this budget should meet Council's expectations for the coming year with the services you desire for both yourself and the citizens of Aiken.

Councilwoman Clyburn moved, seconded by Councilman Sprawls and unanimously approved, that Council pass on first reading an ordinance to approve a budget for the City of Aiken for fiscal year 2003-04 and that second reading and public hearing be held at the next regularly scheduled meeting.

COUNCIL MEETING

Meeting
Schedule
May 26, 2003

Mayor Cavanaugh stated Council needed to consider the schedule for May.

Mr. LeDuc stated the second Council meeting date in May falls on Monday, May 26, 2003, Memorial Day. Last year City Council asked that we cancel the meeting on Memorial Day since this is a holiday for many individuals.

For City Council consideration, this is adoption of the May schedule, with Council meeting on May 12, 2003, and canceling the second meeting scheduled for May 26, 2003. If we have any issues that require your immediate attention, we would schedule a special meeting for City Council.

Councilwoman Price moved, seconded by Councilman Smith and unanimously approved, that Council cancel the second regular meeting of City Council for the month of May.

EXECUTIVE SESSION

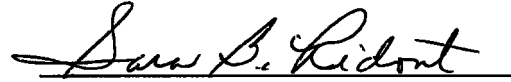
Legal Matter
Contractual Agreement

Mayor Cavanaugh stated Council needed to go into executive session to discuss a legal matter and a contractual agreement.

Councilman Cuning moved, seconded by Councilman Smith and unanimously approved, that Council go into executive session to discuss a legal matter and a contractual agreement. Council went into executive session at 9:10 P.M. After discussion Councilman Sprawls moved, seconded by Councilman Cuning and unanimously approved, that the executive session end. The executive session ended at 10:30 P.M.

ADJOURNMENT

There being no further business the meeting adjourned at 10:30 P.M.



Sara B. Ridout
City Clerk