

CITY OF CAYCE
Public Hearings and Regular Council Meeting
June 5, 2008

Public Hearing – Utility Rate Structure

A Public Hearing was held at 6:00 p.m. in Council Chambers to obtain public comment on the proposed City of Cayce Utility Rate Structure effective July 1, 2008. Those present included Mayor Avery B. Wilkerson, Jr., Councilmen James Jenkins, Kenneth Jumper, Robert Malpass, and Rick Myers, City Manager John C. Sharpe, and Tammy Barkley, Municipal Clerk, and City Attorney, Danny Crowe. Mayor Wilkerson advised that members of the press and the public were duly notified of the Public Hearing in accordance with the FOIA.

Opening Statement

Mayor Wilkerson stated that the purpose of the Public Hearing was to obtain public comment regarding the Proposed City of Cayce Utility Rate Structure to become effective July 1, 2008. He stated that according to State Law, the City holds an open hearing regarding any proposed increase in rates for each budget year and that any increases approved would become effective July 1, 2008. He stated that the city's auditors have prepared a rate study that includes the cost to maintain the quality of service to the city's water and wastewater services and to maintain guidelines on debt service for the city's bonds. He stated that an initial vote will be taken on first reading of an Ordinance at tonight's meeting and second and final reading of the Ordinance would take place at a later date.

Public Testimony

No one from the public in attendance offered any public testimony or comment.

Close Hearing

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

Public Hearing – FY2008-2009 Budget

A second Public Hearing was held immediately following the above to obtain public comment on the proposed FY 2008-2009 City of Cayce Budget. Mayor Wilkerson advised that members of the press and the public were duly notified of the Public Hearing in accordance with the FOIA.

Opening Statement

Mayor Wilkerson stated that the purpose of the Public Hearing was to obtain public comment regarding the Proposed City of Cayce FY 2008-2009 Budget. He noted that the FY 2008-2009 projected General Fund budget includes a total increase of 4.05% over the City of Cayce's current FY 2007-2008 budget.

Public Testimony

No one from the public in attendance offered any public testimony or comment.

Close Hearing

Mayor Wilkerson closed the public hearing noting that no public comment was received. He stated that additional budget issues would be discussed during the Regular Meeting to follow.

Regular Meeting

The Regular Council Meeting immediately followed the Public Hearings. Those present included Mayor Avery B. Wilkerson, Jr., Councilmen James Jenkins, Kenneth Jumper, Robert Malpass, and Rick Myers, City Manager John C. Sharpe, Tammy Barkley, Municipal Clerk, Garry Huddle, Municipal Treasurer, and City Attorney, Danny Crowe. Also in attendance were Mr. Frank Robinson, Director of Utilities, and Mr. Ken Knudsen, Director of Planning and Development. Mayor Wilkerson advised that members of the press and the public were duly notified of the meeting in accordance with the FOIA.

Mayor Wilkerson opened the meeting with the invocation and then led everyone in the Pledge of Allegiance. He welcomed Cayce Boy Scout Troop 339 who were in attendance and working on their community merit badge.

Mr. Myers made a motion to amend the agenda to include a motion to authorize the Mayor pro-tem to sign for the Mayor in the Mayor's absence any documents relating to the Letter of Credit in connection with City bond insurance documents. Mr. Malpass seconded the motion which was unanimously approved.

Mr. Myers then made a motion to authorize the Mayor pro-tem to sign for the Mayor in the Mayor's absence any documents relating to the Letter of Credit in connection with City bond insurance documents. Mr. Jenkins seconded the motion which was unanimously approved.

Approval of Minutes

The minutes of the May 6, 2008 Regular Meeting and May 20, 2008 Special Meeting were presented for approval. Mr. Myers made a motion that the minutes be approved as submitted. Mr. Jumper seconded the motion which was unanimously approved.

Presentations and Proclamations

A. Presentation of Awards to Photography Contest Winners

Mayor Wilkerson, on behalf of Council, presented awards to the winners of the City's photography contest. He stated that the photographs chosen would be included in the citizens' calendar which will be available for pick up in July. He thanked those who participated in the contest.

B. Presentation by Mr. Fred Taylor, Lexington Soil & Water Conservation District

Mr. Taylor was not able to attend the meeting. Council asked that the presentation be rescheduled.

Ordinances

A. Approval of Ordinance Amendment, Section 10-31 of the City Code Re Adoption 2006 International Codes – First Reading

Council considered for first reading the approval of an Ordinance amending Section 10-31 of the City Code regarding the adoption of the 2006 International Codes. The City Manager advised that as before, the South Carolina Building Codes Council formally adopts construction related technical codes for the mandatory enforcement by all municipal and county jurisdictions in the State. He stated that the codes must be adopted by a deadline of July 1, 2008. He advised that the City's code currently includes the 2002 codes. In addition, he stated that the City Attorney has recommended some text modifications in this section to clean up ambiguous language in the code.

The City Manager stated that in accordance with State Law, a Public Hearing must be held prior to the adoption of the Ordinance and the Hearing would be scheduled immediately preceding the July 1, 2008 Council Meeting. Mr. Malpass made a motion to approve the Ordinance on first reading. Mr. Jenkins seconded the motion. After discussed the motion was unanimously approved.

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

Council considered for first reading the approval of an Ordinance prescribing rates for the City of Cayce Utility Rate Structure. Mayor Wilkerson stated that the proposed rates include a 7.5% increase across the board for water and wastewater charges. Mr. Myers made a motion to approve the Ordinance on first reading, Mr. Malpass seconded the motion. Mr. Malpass inquired if a rate comparison of surrounding municipalities had been done. The City Manager stated he would provide that information for Council prior to second reading of the Ordinance. Mr. Jenkins inquired as to a breakdown that was supposed to be provided by the auditor. The City

Manager stated that the information was provided to Council at the special meeting, noting that Mr. Jenkins was not in attendance due to a conflict in schedule. Mr. Jenkins inquired if the additional 2.5% could be done in increments. Mr. Myers stated that by doing so it would not make a substantial difference in customers' rates.

After discussion, the motion passed three to two with Mayor Wilkerson, Mr. Myers and Mr. Malpass voting yes and Mr. Jenkins and Mr. Jumper voting no.

C. Continued Discussion of FY2008-2009 Draft Budget and Approval of Ordinance to Adopt FY2008-09 Budget to Provide Revenue for the City of Cayce for Fiscal Year 2008-09 – First Reading

Council considered for first reading the approval of an Ordinance to adopt the FY2008-2009 Budget to provide revenue for the City of Cayce for FY2008-2009. The City Manager stated that the revenues are in pretty decent shape, and that the business licenses have come through because of the SCANA project. He stated, however, that expenses have increased dramatically and that the city was not immune to the rising gas and diesel prices. He advised that the city is currently paying \$3.55 a gallon for regular gas and \$4.47 for diesel, and that the SCE&G rates have also increased. He stated that the proposed budget includes a 3% COLA and limited capital requests from both the General and O&M Funds. He provided Council with a brief overview of items included in the proposed budget including capital, COLA, and hospitalization insurance. He stated that the GASB 45 issue is not included at current time, but he did have a proposal for Council to review. He stated that over all, the proposed budget includes an Increase of 4% in the General Fund and 7% in the Utilities Fund. He stated that the proposed budget also includes a 1.5 mills increase which equates to \$6.00 increase on a \$100,000 home. Mr. Malpass made a motion to approve the Ordinance on first reading. Mr. Myers seconded the motion.

Mr. Malpass stated that Council certainly wanted to give the city's employees as much as possible, but unfortunately because of the increase in expenses this would limit Council on what they could do this year.

Mr. Jenkins inquired if there was a great deal of overtime. The City Manager stated that most of the overtime is in the Public Safety Department which most of the time is for paid holidays. Mr. Myers stated that State legislation has handcuffed the cities by placing a millage cap on each municipality. He stated that the city's department heads have asked for additional personnel, but unless expenses can cut, Council's hands are tied. Mr. Malpass stated that unless the city continues to grow, services would have to be cut if the millage caps are kept in place. Mr. Jumper stated that there were quite a few requests for additional help that was not included in the proposed budget and stated his concern that as the city grows, it will not have enough personnel to provide services. Mr. Myers stated that the department heads have done a good job of providing services to our growth areas. The City Manager stated that Automatic and Mutual Aid agreements have been put into place which also helps provide emergency services.

After discussion, the motion was unanimously approved.

Other

A. Approval of GASB-45 Recommendations

The City Manager stated that this issue has become a headache for all municipalities here and around the country. He provided Council with a brief overview of the other post retirement benefits guidelines and the options to fund the city's liability. He stated that bottom line is that the city needs to address GASB 45 in FY 2008-2009 budget. He recommended that the city limit liability in the future by not offering post retirement benefits for employees beginning work after July 1, 2008. Secondly, he stated that the city would have to book the liability in June 2009 and thirdly, that the city fund the ARC and proposed that the indirect cost from the Utility Fund to the General Fund be increased. He stated that even though it is handled this way, the budget would be balanced and the transfer from the O&M funds would not be done until the city meets with the auditor to examine the exact course of action to take.

Mr. Myers stated that serious research needed to be done on the entire benefits program to possibly change the years of service or other benefits that could reduce the city's liability. Mr. Malpass made a motion to approve the City Manager's recommendation and that the issue be revisited no later than October 1, 2008. Mr. Jenkins seconded the motion. The motion passed four to one with Mayor Wilkerson, Mr. Jenkins, Mr. Jumper and Mr. Malpass voting yes and Mr. Myers voting no.

Committee Matters

A. Committee Appointments

Beautification Board – Two (2) Positions

Two open positions remain. The Board has reviewed potential member applications received and recommends the appointments of Joanne Wilson and Alana Jordan. Potential member applications were provided to Council for review. Mr. Malpass made a motion to appoint Ms. Wilson and Ms. Jordan to the Board. Mr. Jumper seconded the motion which was unanimously approved.

Cayce Events Committee – Three (3) Positions

The terms of Ms. Frankie Newman, Dr. Pete Cassidy, and Mr. Danny Creamer will expire in June, 2008. The completed reappointment applications were provided to Council for review. The Committee recommends reappointment of these members. Mr. Malpass made a motion to reappoint Ms. Newman, Dr. Cassidy and Mr. Creamer to the Committee. Mr. Jenkins seconded the motion which was unanimously approved.

Cayce Museum Commission – One (1) Position

A replacement is needed to fill the term of Ms. Lee. Ms. Lee has been made an Honorary Commissioner. The Commission recommends the appointment of Ms. Alice

Brooks. Potential member application was provided to Council for review. Mr. Malpass made a motion to appoint Ms. Brooks to the Commission. Mr. Jumper seconded the motion which was unanimously approved.

B. Committee Minutes

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

Planning Commission – March 17, 2008
Cayce Housing Authority – April 8, 2008
Accommodations Tax Committee – May 6, 2008
Beautification Board – May 14, 2008
Cayce Events Committee – May 13, 2008
Cayce Museum Commission – May 22, 2008

Mr. Jumper made a motion that the minutes be entered into the official city record. Mr. Malpass seconded the motion which was unanimously approved.

Public Comment

Mayor Wilkerson inquired if anyone in attendance had signed the speakers' list to address Council on municipal matters listed on the agenda. Ms. Barkley advised that no signatures had been obtained.

City Manager's Report

The City Manager stated that the May financial reports would be distributed to Council by the end of week.

The City Manager provided Council with the following dates:

June 24, 2008 – Special Council Meeting
SCANA LiveWell Day - Cayce Exhibit, Thursday, June 19
July 1, 2008 – Regular July Council meeting

Saxe Gotha Sewer Agreement – The City Manager advised that the agreement from the City Attorney has been received and that the County Attorney is in the process of reviewing the agreement. He stated that he has asked the County Administrator to advise him when the review process has been completed. He stated that hopefully the agreement can be placed on the July or August agenda for Council's review and approval.

Tennis Complex Joint Venture – The City Manager advised that the petition for annexation of the property has been received which includes 232 acres plus the original 13 acres for the complex. He stated that the property is undeveloped. He advised that

the survey for the tennis complex has been completed and the city has received a copy. He stated that all information would be placed on the Planning Commission's July agenda for consideration and then on the August Council Meeting agenda for first reading approval. He stated that this will put the city in a position to move forward on the project. He advised that the city's financing needs to be put in place as the Recreation Commission plans to move quickly once approval of the annexation petition has been received.

CSX Transportation, Taylor Road Crossing – The City Manager advised that all the funds have been collected from all parties and has been sent to CSX Transportation. He stated that the agreement has also been received by CSX is being reviewed by their attorney. He stated that the city should be receiving their comments on the agreement in the very near future.

Mayor Wilkerson advised that this was his last official regular meeting. He stated that he appreciates the help that staff has put forth over the last 18 years. He stated that the City Manager has been with him through the whole process and appreciates that opportunity. He stated that it has been an honor to serve with members of Council and represent the citizens of Cayce. He has learned something from every opportunity that he has experienced. He stated that although he will no longer be Mayor, he will be around as he plans to continue to reside in Cayce. He stated that he truly consider it an honor to serve the citizens of Cayce.

Mr. Malpass stated that there are not enough to express to the Mayor how much Council appreciates everything he's done for the City.

There being no further business, meeting adjourned at 7:25 p.m.

Robert E. Malpass, Mayor

ATTEST:

Tammy P. Barkley, CMC, Municipal Clerk