

Aiken City Council Minutes

February 12, 2001

Present: Mayor Cavanaugh, Councilmembers Anaclerio, Clyburn, Cuning, Price, Radford, and Sprawls.

Others Present: Roger LeDuc, Bill Huggins, Gary Smith, Larry Morris, Pete Frommer, Terry Rhinehart, Sandra Korbelik, Al Cothran, Richard Pearce, Glenn Parker, Sara Ridout, reporter from the Aiken Standard, KatieThrone from Augusta Chronicle and about 40 citizens.

Mayor Cavanaugh called the meeting to order at 7:35 P.M. Mr. LeDuc led in prayer which was followed by the pledge of allegiance to the flag. The minutes of the regular meeting of January 22, 2001, were considered for approval. Councilwoman Clyburn moved that the minutes be approved as written. The motion was seconded by Councilman Sprawls and unanimously approved.

RESOLUTION

Sloan, Cassel
Aiken High School
ACT Assessment Test

Mayor Cavanaugh stated Council would like to recognize Cassel Sloan. He stated Cassel Sloan is a graduating senior at Aiken High School and is one of only two students out of 237,000 nationally who achieved a perfect score on their ACT Assessment Test. Out of approximately 3,000 students in South Carolina he is the only high school student in South Carolina who achieved this honor. He said Cassel Sloan is present to receive the resolution, which had been prepared. He read the resolution and then presented the resolution to Cassel Sloan.

BOARDS AND COMMISSIONS

Appointments
Accommodations Tax Committee
Shah, Neel
Erb, Sam

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

Mr. LeDuc stated Councilman Anaclerio has recommended appointment of Neel Shah to the Accommodations Tax Committee. This appointment would replace Robbie Penland. If appointed, Mr. Shah's term would expire March 25, 2003. Councilman Sprawls has recommended reappointment of Sam Erb to the Accommodations Tax Committee with the term to expire March 25, 2003.

Councilman Anaclerio moved, seconded by Councilwoman Clyburn and unanimously approved, that Neel Shah be appointed to the Accommodations Tax Committee to replace Robbie Penland with the term to expire March 25, 2003.

Councilman Sprawls moved, seconded by Councilman Radford and unanimously approved, that Council reappoint Sam Erb to the Accommodations Tax Committee with the term to expire March 25, 2003.

ACCOMMODATIONS TAX – ORDINANCE 02122001

Local Accommodations Tax
Hospitality Tax

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing on an ordinance to amend the Hospitality and local Accommodations Tax Ordinance.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING SECTION 21-24 AND SECTION 21-25 OF THE CODE OF THE CITY OF AIKEN REGARDING THE HOSPITALITY AND ACCOMMODATIONS TAXES.

Mr. LeDuc stated in the November, 2000 general election, the citizens of Aiken County adopted the local option sales tax by referendum. With this approval the City of Aiken had proposed that the capital development projects that were funded by the Hospitality and Accommodations tax could now be funded by the proceeds derived by the local option sales tax.

At the January 22, 2001, City Council meeting, a public hearing was held to receive information concerning the continuance of the Accommodations Tax. At the public hearing, several individuals spoke in favor of continuing the Accommodations Tax. A few of the motel owners questioned the increase from the current total tax of \$.10 per dollar to \$.11 per dollar and asked Council to consider reducing the Accommodations Tax from \$.03 to \$.02 thus allowing the total tax to remain at its current level. Based on this year's receipts, we are receiving approximately \$75,000 for every percent of taxes received from accommodations. Therefore by reducing it from 3% to 2% would mean a reduction of approximately \$75,000 or approximately 1 mill of taxes. Additionally over the next several years we will have reduced revenues of approximately \$500,000 from the vehicle tax and up to \$200,000 from the telecommunications fees, and state revenue which would amount to about \$800,000 in the future. Hopefully some of this will be made up by growth within our community; however, this is a major concern as we try to balance future budgets.

We have modified the previous ordinance which was passed on March 22, 1999, and have totally eliminated the local hospitality tax from this ordinance. The accommodations tax portion of this ordinance has been modified to eliminate those portions which tie these funds to specific projects. Should Council approve the continuance of these funds, a portion of the revenues could establish an individual to promote tourism. In addition, funds could also be used for specific projects that routinely seek Council's approval and are important to the well being and quality of life in our City. Any remaining revenues could then be used to offset tourism-related projects that are currently budgeted thus offsetting a portion of the revenues lost from the vehicle and telecommunications fees reductions. For these reasons, we have kept the Accommodations Tax at the maximum 3% but should Council desire, it could be reduced to a lower amount.

The public hearing was held.

Mr. Jim Sutherland, Greengate Circle, stated he was opposed to the extension of the Accommodations Tax for two reasons. He said from his reading it seemed that the city would be using the Accommodations Tax monies to supplement the budget. He pointed out there are guidelines under state regulations for use of Accommodations Tax and one restriction is that monies cannot be used for expenditures that would normally be provided by a county or municipality. He said he was hearing that the city would use the money to make up a shortfall in monies which are already in the budget. The second item of concern to him was that the original ordinance stated that "the tax shall be repealed by a subsequent ordinance passed by City Council." He pointed out the proposed ordinance proposes to delete the following statement "this tax shall be repealed by subsequent ordinance passed by City Council, unless extended by further action of City Council." He stated part of the sentence was not in the original ordinance adopted by City Council. He said according to the ordinance passed by City Council, Council does not have the authority to extend the tax. The tax is supposed to be repealed once the funds are collected. He asked where the wording came from in the proposed ordinance because he felt it changed the legal wording of the document.

Mayor Cavanaugh pointed out in regards to the reference to shortfall in revenue, the City of Aiken is spending a lot of money from the General Fund in areas that could and should be from tourism dollars, but the city doesn't have those funds presently. If the tax is

approved some of the items presently funded by General Fund monies could be funded by the Accommodations Tax funds as they are tourism related items such as Rye Patch and Hopelands Gardens. This would give the city more General Fund money to use for other items. Mayor Cavanaugh stated Mr. Smith would answer the question concerning the ordinance after reviewing the question.

Mr. John Paveglio, 313 Live Oak Road, stated he sees the Accommodations Tax as bringing in money for tourism in events, tournaments, Rye Patch, Hopelands Gardens, and Center for the Arts. He said from his observation the citizens of Aiken want these types of things and there are three ways to fund them—a local tax, donations from individuals or corporations, or funding from sources outside of the City of Aiken. He said as a taxpayer he does not want to be taxed any more. He said the corporations and individuals are very generous, but there are more needs than there is funding. The third area of funding is seeking funds from outside the city such as state government, federal government, and grants. He said he sees the Accommodations Tax as that type of funding as it brings in money from outside the city. He said the Accommodations Tax does not negatively impact city citizens or group of citizens. He said the tax impacts all the motels and hotels evenly and the tax would still be less than the tax rate of surrounding communities. He said he felt the tax would be good for the city, the residents and also good for the business owners. He said if more people are visiting the city they will stay in the motels and will spend money here.

Mr. Bill Reynolds, Colleton Avenue, stated after educating himself on the matter, he felt Council would be doing the right thing to extend the Accommodations Tax. He felt Council was looking at the matter in a responsible way from the standpoint of the taxpayers and what is best for the city. He said Council had been very public about the issue by having an extra hearing. He said he supports extension of the Accommodations Tax at the 3% level for four reasons. He said the Accommodations Tax is free money for the citizens of Aiken since it comes from people outside the City of Aiken. He said there are very few sources of revenue from which the city could secure that kind of income. He said most cities have an Accommodations Tax, as people come into the city and use city services. He said that the matter of a 3% versus 2% tax means \$75,000 a year for the city that can be used for tourism related projects. Thirdly, he said he supports 3% after considering the cost of the other 1% to the consumer. He pointed out that the cost to the individual user would be very minimal, but it would mean about \$75,000 to the city. He gave an example of an average room cost of \$52 per night. With the 3% versus the 2% the cost would be \$.52 per night more that the user would have to pay and for 14 nights that would be \$7. He said he would gladly pay that for the city to be able to realize \$75,000 per year to be used for productive purposes. He also pointed out that on the 3% versus the 2% he felt that the people would be mad at Council for voting for 3% would probably be mad at Council for voting for 2% as they would say Council went back on their word. He said the only reason not to stay at 3% is if Council feels they cannot productively use the 1% for the benefit of the citizens of Aiken.

Ms. Susan Victor, representing the Aiken Center for the Arts, stated the Arts Center Board is urging Council to keep the Accommodations Tax. She said no tax is palatable to the community, but the Accommodations Tax is probably the easiest one for most residents to swallow. She said the Accommodations Tax has to be directed toward tourism. She said many times Accommodations Tax funds have been randomly placed into separate entities which makes it harder to prove that it has directly affected Aiken's tourism. She said as a representative for the arts, one of the areas in which the city has been weakest is that we don't have an arts district or cultural district. She pointed out the downtown will have a theater, arts center and a festival center. She pointed out one problem is that Aiken is not the destination point for most tourists. She said the city has business travelers and tournaments that bring people in for a couple of days. She said what she hears from the motels is that Aiken needs tourists that are coming to be specifically in Aiken. She said one of the things that would develop that would be an arts district, which needs a plan and a partnership. She said the logical place for funds for the project would be Accommodations Tax funds. She said an arts district or cultural district is purely to increase tourism. She said a cultural or arts tourist will routinely stay two nights and will spend usually \$100 more than the average tourist. She said that if this is planned well this is a realistic goal for the community. She said if the city doesn't

continue the Accommodations Tax she did not see other revenues which could be used for that area. She said the Accommodations Tax would be the most palatable tax the city could have.

Mr. Wade Brodie, of the Aiken Corporation, stated at the last meeting of the Aiken Corporation the extension of the Accommodations Tax and the matter of keeping it at 3% was discussed extensively. The Aiken Corporation voted in favor of the tax and keeping it at 3%. He said most of the reasons for the recommendation have already been mentioned since it would be a tax on the users of the facilities and not the citizens of Aiken. He said the proposed arts district would cost money and the Accommodations Tax could help establish that district. He said to bring more tourists to Aiken would benefit the motel/hotels and the restaurants. He asked that Council continue the Accommodations Tax at 3%.

Mr. Richard Alvanos, 2704 Banks Mill Road, stated he was not present to speak in favor or against the tax. He said he was going to speak about an issue which he felt was a character issue. He said Council had stated when the tax was adopted that it would be terminated when the projects were completed. He said at that time his comment was that once a tax is adopted it would never be let go. He pointed out in the minutes of the March 22, 1999, meeting an amendment was proposed to the ordinance that "once the projects had been fully paid for and the debt service on the projects satisfied the tax shall be repealed by subsequent ordinance passed by City Council." Also there was a sentence stating "No further projects shall be added to the list." Mr. Alvanos stated he keeps hearing things about new projects and adding projects. He said he was not speaking for or against the tax, but stated that when Council presented the tax to the public Council said they would end the tax when the projects were completed and nothing else would be added. He said now Council is talking about adding new projects and the tax will be continued because there are new needs and there will be a shortfall of money because of other cuts in the budget. He said he feels it is typical "cash cow" and Council is going to lock onto it and not let it go. He said a statement had been made that if the city lowers the rate the County might add an Accommodations Tax and the City would not be able to increase the tax in the future if needed. He said he felt Council should be honest with the public. He said Council had said they were going to repeal the ordinance when the projects were completed and he felt that was what Council should do to show the people they meant what they said. He said to extend the ordinance because there are new projects is not what Council had said they were going to do.

Peggy Penland, 38 Bungalow Village Way, stated she is now responsible for a small hotel, the Guest House at Houndslake which contains 34 rooms. She stated it is complicated collecting the various taxes for the rooms. She stated she was looking forward to the new tourism dollars to increase her business. She stated business is slow at times. She stated she opposed the enactment of the Accommodations and Hospitality Tax in 1999 when it was adopted because she did not agree with the projects the money would be spent on. She stated she was questioning whether the tax is necessary, especially the extra 1%, which makes the tax 11% now. She would like for the tax to remain at 10%. She said she would like for the city to spend more money on tourism, but when the city raises taxes it should be able to justify it. She asked is 11% on the dollar really necessary. She pointed out people do ask questions regarding the amount of tax on rooms and there is competition with other cities and local motels.

Mayor Cavanaugh stated presently the city is using General Fund money for tourism related activities such as Hopelands Gardens, etc. He said the city would be able to use the Accommodations Tax funds for the tourism related activities which are presently being funded by the General Fund and then the General Funds could be used for other needs of the city such as roads, etc. He also pointed out the number of reductions in revenue that the city would be getting in the next couple of years from a reduction in the vehicle tax, telecommunications tax, and a possible cut in state aid if the Governor's 15% cut is approved. He also pointed out the city had not had an increase in the tax millage rate for 12 years. He pointed out the Accommodations Tax is a tax that the city's citizens will not pay as it is paid by tourists. He also pointed out that the statement had been made that revenues received from motels had increased 10% over last year. He said a

good portion of that is due to the increase in tourism in the area. Mayor Cavanaugh stated if the Accommodations Tax remains at 3% the city would not be raising taxes.

Councilwoman Price pointed out that the Accommodations Tax is a method to help the motels as the tax money is used to fund tourism related projects which in turn brings in more tourists to use the motels, restaurants, etc. She stated it had been proposed that the city become known as an arts community where people come and stay several days. She said this will help promote business for the motels. She pointed out the Mayor had mentioned that Council needed to be visionary. She stated when expansion of Citizens Park was considered several years ago she voted against the project, but the project passed. She said she was glad the other Councilmembers had more vision than she did at that time. She said she was not opposed to the project, but did not think it was the right time to commit so much money for the project. She said Citizens Park had been successful and many people and businesses had benefited as a result of the project.

Mayor Cavanaugh stated Council has to make tough decisions deciding what they feel is right for the community. He said they must have vision for the community. He said he had wrestled with the technicality of what Council said versus what is proposed to be done at this time. He said he did not feel that Council was being dishonest when Council comes back to the public and has several meetings on the proposal to get input from the citizens. He said he felt Council was being honest about the issue and the needs of the city. He pointed out again the loss of revenues that the city would be facing over the next couple of years.

Councilwoman Clyburn stated that at the last meeting it had been suggested by the motel owners that the Accommodations Tax be lowered to 2% rather than 3% so the total tax would be 10% rather than 11%. She asked if being 10% made the tax easier to calculate.

Ms. Penland stated it was easier to swallow at 10%. She said of course she was not paying the tax, only collecting it. She said 10% is a nice round number. She just questioned whether the 1% is necessary.

Councilwoman Clyburn stated in December there were predictions of a slow down in the economy and a possible recession. She stated people reacted to that and the stock market showed the reaction of the people to those fears. She asked that Council be very careful that people don't get scared of what might be coming out of Columbia. She said she was hoping that the people who have been elected in Columbia would exercise vision and they will take care of things and not cause cities or individuals to suffer. She wanted Council to be careful what they say relative to what the State government is going to do. She said the question is whether the city will continue the Accommodations Tax and whether it will be 3% or 2%. She agreed with Mr. Reynolds that it is not going to matter to individuals whether the city adopts 2% or 3% as those who are opposed do not want 2% any more than they want 3%. She felt Council should stick with the issues of what they want to do and not justify the tax by scaring people into thinking terrible things are going to come out of Columbia or Washington.

Mayor Cavanaugh stated he would like to do that but it is difficult not to consider what is happening in Columbia on the vehicle tax, the telecommunications tax reduction and the proposed Governor's reduction. He said he feels the city has to plan for the future. He said he would hate to see the city reduce the Accommodations Tax by 1%, a tax that the citizens of Aiken do not pay, and then have to increase the property taxes in a few years to make up for the loss of revenue when the Accommodations Tax could be used for tourism related projects that are presently funded by the General Fund. He said there was a possibility that the County could use the 1% Accommodations Tax if the city reduced the amount to 2% and then the city could not increase the fee, as by law 3% is the limit. He said since the Accommodations Tax is a tax that the citizens of Aiken do not have to pay he would rather see that kind of tax than a property tax increase.

Councilman Sprawls stated as a small business owner he may look at things differently. He said he had talked to several of the hotel/motel owners about the 1%. He said to some people it may not make a difference. He said in looking at his truck rental business, people do shop and they compare tax rates. He said many times people from Augusta

rent from Aiken because South Carolina has less sales tax. He said, however, the biggest issue he has with the Accommodations Tax is that Council stated several times that the tax would be ended. He said he felt Council owed it to the citizens as a Council to do what was stated and end the tax. He said he would not vote in favor of the ordinance.

Mr. Gary Smith stated he would try to address Mr. Sutherland's question regarding the wording in the original ordinance and the proposed ordinance even though he did not have the benefit of seeing what Mr. Sutherland had at this time. Mr. Smith stated Council could agree to make sure that the paragraph in Section 21-24 Local Accommodations Tax and Section 21-25 Local Hospitality Tax regarding termination of the taxes would be deleted in their entirety which is what is proposed. He said that would be based on the present ordinance in effect if that differs from the proposed ordinance. Mr. Smith said if the wording in the proposed ordinance is not the same as the final version passed by City Council in 1999 that the wording would be changed and that wording deleted from the proposed ordinance.

Mr. Sutherland stated according to the ordinance passed by City Council in 1999 Council does not have the right to extend the ordinance.

Mr. Smith stated Council had the legal authority to modify any ordinance. He stated also that an ordinance can be amended on second reading and public hearing of the ordinance. Mr. Smith stated he could not explain the difference in the present ordinance and the proposed ordinance, but what he was saying was that if Council wants to delete those paragraphs in the proposed ordinance then that would take care of whatever the language is in both ordinances.

Mr. Sutherland's question was if Council had the right to extend the tax when the ordinance stated the tax shall be repealed by subsequent ordinance passed by City Council.

Councilman Cunning stated it seemed that Mr. Sutherland's question is whether Council has the right to extend the ordinance. He understands that Council has the right to end the tax and to start the tax again, but his question is does Council have the right to extend the tax.

Mr. Smith stated if one wants to get real technical, the ordinance says that Council would not repeal the tax until the projects are fully funded and they are not fully funded at this time. If approved, Council would be repealing the tax sooner than anticipated.

Councilman Radford stated when the Accommodations Tax and Hospitality Tax were passed Council had stated that once the projects were funded the taxes would be repealed. He said he was going to stand by the statement made. He said he felt the projects identified for the Accommodations Tax and Hospitality Tax will be covered by funds from the Local Option Sales Tax.

Councilwoman Clyburn stated when the Accommodations Tax and Hospitality taxes were passed she seconded the motion. She said she believed at that time when the projects were completed the tax would be ended. She said several things have come up in the meantime, and she is interested in the Aiken Center for the Arts and always supports their projects and programs. She said she has a lot of faith in the staff and employees of the city and the city has always managed to hire good people that tend to make Council look good. She said they always come up with ways to get some of the things the citizens need. She said she wanted to believe that without the Accommodations Tax the staff would come through. She stated she wanted to believe that things are going to work out in Columbia and that all the bad things will be worked out and that the General Assembly will find a way to help cities to make up for the loss of automobile taxes. She said she wanted someone to convince her that continuing the Accommodations Tax when Council said they would end it is the right thing to do. Councilman Cunning stated he did not think the motel owners were opposed to the tax totally, but their concern was keeping the tax at 3% versus 2%. He pointed out, however, if the tax is continued the money needs to be used wisely to where the city grows to bring in more tourism. He said he had tried to work out a compromise whereby the tax would

be 2% for a year and then increased to 3% but he was not able to work out a compromise to his satisfaction. He said because of the legal problems that may come up if the tax were reduced to 2%, he was going to vote for the extension of the Accommodations Tax. He said the city's charge is to be sure the money is spent to increase tourism.

Councilman Anaclerio moved that the ordinance amending Section 21-24 and Section 21-25 of the Code be adopted on second reading and public hearing which would repeal the Hospitality Tax and extend the Accommodations Tax at 3% with the ordinance to become effective May 1, 2001. He further moved that if the two paragraphs in the original ordinance and the ordinance being adopted at this time differ as far as termination of the taxes that Council is moving to delete both paragraphs regarding the termination provisions. Councilman Anaclerio stated Council would be criticized whether the Accommodations Tax was 2% or 3%. He also pointed out that things have changed since Council adopted the taxes in March, 1999. He said at that time Council had no idea the local option sales tax would happen. He said things have to be adjusted as changes occur in every day life. Councilman Cuning seconded the motion. The motion was approved by a vote of 4 in favor and 3 opposed. Those voting in favor of the motion were: Mayor Cavanaugh, Councilmembers Anaclerio, Cuning and Price. Opposed were Councilmembers Clyburn, Radford and Sprawls.

ZONING ORDINANCE – ORDINANCE 02122001A

Amendment

Board of Zoning Appeals

Terms

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing on an ordinance to amend the Zoning Ordinance concerning terms for Board of Zoning Appeal members.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING THE CITY OF AIKEN ZONING ORDINANCE TO PROVIDE FOR A MINIMUM THREE (3) YEAR TERM OF MEMBERSHIP ON THE BOARD OF ZONING APPEALS.

Mr. LeDuc stated the State law under Section 6-29-780-B states that the Board of Zoning Appeals members should serve overlapping terms of not less than three nor more than five years. Our current Zoning Ordinance states under 7.1.6.B.2 that all members shall be appointed for a two-year term.

The Planning Commission voted unanimously to revise the wording under Section 7.1.6.B.2 on page 7-3 to read as follows:

“All members shall be appointed for overlapping three year terms.”

The public hearing was held and no one spoke.

Councilwoman Price moved, seconded by Councilwoman Clyburn and unanimously approved, that Council approve on second and final reading an ordinance to amend the Zoning Ordinance to allow for three year overlapping terms for the Board of Zoning Appeals members and that the ordinance become effective immediately.

ZONING – ORDINANCE 02122001B

Mallard Lake Subdivision

M. K. Builders

Robin Road

Thoroughbred Run

TPN 00-157.0-01-143

Robinwood Subdivision

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing on an ordinance to rezone 4 acres in the Mallard Lake Subdivision.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING THE ZONING OF REAL ESTATE OWNED BY DEVCOM, INC. FROM RESIDENTIAL SINGLE FAMILY (RS-8) TO RESIDENTIAL MULTIFAMILY LOW-DENSITY (RML).

Mr. LeDuc stated M & K Builders has requested that 4 acres east of Robin Road north of Thoroughbred Run be rezoned from Residential Single Family (RS-8) to Residential Multi-Family High Density (RMH). Over the past couple of years they have been constructing attached single family residences in the area zoned multi-family. This has been very successful, and they are now requesting that 4 additional acres of land located between this multi-family area and Robin Road be rezoned so they can continue this type of development.

The Planning Commission has reviewed this request and has approved it unanimously with the proviso that it be rezoned as Residential Multi-Family Low Density. The applicant's development meets this requirement for low density and high density would not be appropriate for this area since they plan to construct 60 single family units and this number of units would comply with the city's Comprehensive Low Density Plan. If the RMH were approved, they could build up to 160 units versus the 60, which they are currently requesting. The proposed 60 units would have a far less impact on the neighborhood and its infrastructure.

The public hearing was held and no one spoke.

Councilwoman Clyburn moved, seconded by Councilwoman Price and unanimously approved, that Council pass on second and final reading an ordinance to rezone 4 acres of property east of Robin Road and north of Thoroughbred Run from Residential Single Family (RS-8) to Multi-Family Low Density (RML) and that the ordinance become effective immediately.

RESOLUTION

Local Government Fund

State Budget

State Aid

Mayor Cavanaugh stated a resolution had been prepared for Council's consideration regarding Governor Hodge's reduction in Local Government Funds.

Mr. LeDuc stated Governor Hodges' budget proposal contains a 15% reduction in most state agencies and programs including the Local Government Fund. This means about 38 million dollars will be removed from funds earmarked for municipalities and counties and translates into a loss of \$6.5 million to municipalities. The City of Aiken's reduction would amount to approximately \$85,000 per year.

The Governor's Office believes it is only fair for local governments to participate in the reductions required of other state agencies. In the past two years local agencies have been asked to participate involuntarily in revenue reductions imposed by the state. These include a mandatory rollback of the automobile tax assessment, which will result in a reduction of 1.2 billion dollars to local governments over the next five years and to the City of Aiken approximately \$500,000 each year. In addition legislative action by the state will require that our telecommunications franchise fee be reduced amounting to a revenue loss of approximately \$200,000 per year.

Although we realize every agency and program will require some possible reduction, we feel that the reductions asked of local governments should take into account our previous revenue losses which will be required of us over the next few years.

Councilman Sprawls moved, seconded by Councilwoman Clyburn and unanimously approved, that Council approve adoption of a resolution concerning the Governor's budget proposal affecting the Local Governments Fund.

STRATEGIC PLAN 2001

Adoption Update

Mayor Cavanaugh stated Council needed to consider approval of the updated Strategic Plan.

Mr. LeDuc stated last May the staff started the process of updating the city's Strategic Plan by asking the Steering Committee to review the various projects that were already within the plan. Over 160 citizens met to prioritize and determine what projects should be considered by the city over the next couple of years along with a projection of future projects through year 2010.

At the City Council Horizons retreat Council discussed these projects at length, and the staff has made the changes which Council recommended. After Council gives final acceptance the staff will then develop a final report. This will be sent to each participant and used by the city and other agencies throughout our community as we work together in completing these goals.

Councilman Anaclerio stated any good organization needs a plan to know where they are going. Councilman Anaclerio moved, seconded by Councilman Cuning and unanimously approved, that Council approve the Strategic Plan as presented as a guide for the city in planning for the next ten years.

GOALS

Fiscal Year 2001-02

Mayor Cavanaugh stated Council needed to consider adoption of goals for fiscal year 2001-2002.

Mr. LeDuc stated at Aiken's Horizons Council discussed specific goals for the fiscal year starting July 1, 2001 through June 30, 2002. Some of these goals are ones which Council feels are important for the city to continue such as the mission at SRS, the Home Rule Legislation, and the Youth Programs within our city. This year Council also added several other goals that are more specific, which we will begin implementing as we prepare for the new budget.

The proposed goals for 2001-2002 are as follows:

1. The city will support new missions at SRS through active participation by the Mayor and other city representatives through Washington visits and any other efforts necessary on behalf of the site.
2. City staff will continue the development of the Character Program with all city employees and support community character initiatives.
3. We will continue our initiative concerning the education, enforcement and elimination of litter within our city.
4. We will continue the streetscape renewal along Richland Avenue from Waterloo to Valley Road.
5. The city will continue its neighborhood renewal efforts through neighborhood park improvement cleanup and the construction of new affordable housing.
6. We will continue our legislative emphasis on Home Rule.
7. Through the City Council Youth Commission we will resolve issues facing the youth of this community and continue integrating our Character Program.
8. We will begin to add Youth Commission members as ex-officio members of our boards and commissions.

9. With concern about our future water supply, we will begin a water conservation program.
10. We will develop a master plan for all of our major corridors, detailing the major design elements needed as growth continues in these areas.
11. The city will forecast future budgets to help manage the anticipated decrease in state revenue due to reductions in telecommunications, vehicle tax, and South Carolina Local Government Funding.
12. We will foster the cooperation of the various arts related agencies and events.
13. Working with other agencies we will develop the centralization of tourism and promotion for our community, i.e. Aiken Center for the Arts, Playhouse, tournaments, equine events and other.

Councilwoman Clyburn called attention to the goals listed as 7, 8, and 9 pointing out that 7 has to do with working with the youth of the community, with the Character Education program, and Youth Commission. No. 8 also stipulates that the city will assign some of the young people to the boards and commissions of the city as representatives to give them experience in seeing how things are done. No. 9 has to do with water conservation. She said even though the city is adding wells the city will begin to do for water conservation sort of like the city did for recycling.

Councilwoman Clyburn moved, seconded by Councilman Sprawls and unanimously approved, that Council approve the goals as presented for the year 2001-2002.

GRANT

Federal Aviation Administration Airport

Mayor Cavanaugh stated Council needed to consider acceptance of a grant from the Federal Aviation Administration for improvements at the airport.

Mr. LeDuc stated last fall the city requested grant funding from the Federal Aviation Administration through the General Aviation Entitlement Program. Although we have not received official approval of this grant, we did receive a press release through Senator Hollings' office that we have been approved for a grant of \$150,000. This money can be used to fund several different projects, and our engineering consultant, W. K. Dickson, our FBO and the city's airport commission are assisting us with the projects eligible for these funds. This is a matching grant program and the city's share will be 5% along with a 5% match by the South Carolina Division of Aeronautics and 90% by the Federal Government.

We are anticipating receiving these funds shortly and are requesting City Council to approve the city's acceptance of a \$150,000 grant by the Federal Aviation Administration for use on several projects at the airport.

Councilman Radford moved, seconded by Councilwoman Clyburn and unanimously approved, that Council approve the city's acceptance of a \$150,000 grant by the Federal Aviation Administration for use on several projects at the airport.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

CDBG Funds Block Grant Funds Entitlement Funds

Mayor Cavanaugh stated Council needed to consider approval of the Community Development Block Grant Entitlement Funds.

Mr. LeDuc stated every year the City of Aiken receives funding from HUD for Community Development projects. The city received \$276,000 this year. At the January

16, 2001, Community Development Committee meeting, the committee unanimously approved funding the following projects:

<u>Project Description</u>	<u>Amount</u>
Housing Rehabilitation	\$161,000
Housing Development	50,000
Administration	35,000
Lot Clean Up	15,000
WHOA	10,000
Contingency	<u>5,000</u>
Total	\$276,000

This year we recommend allocating \$161,000 to Housing Rehab as more houses are being rehabilitated this year with the city's ability to partner with New Labor. The Housing Development Funds will help us begin installing the infrastructure necessary for some of the single family homes that we are now building throughout the northside, and the lot cleanup will supplement the work that the youth are doing under WHOA. This money will be available in the fall and over the last couple of years has been instrumental in allowing us to complete many projects on the northside, thus enabling us to help in the renewal of several of these neighborhoods.

Councilwoman Price moved, seconded by Councilman Anaclerio and unanimously approved, that Council approve the distribution of the Community Development Block Grant funds of \$276,000 as recommended.

SCULPTURE EXHIBITION SHOW

Sculpture Festival

Aiken Center for the Arts

Aiken Downtown Development Association

ADDA

Downtown Development Association

Art

Mayor Cavanaugh stated a request had been received for the city to endorse a Sculpture Exhibition Show.

Mr. LeDuc stated at this year's Horizons Retreat City Council discussed the possibility of the city co-sponsoring a Sculpture Festival in Aiken. The Aiken Center for the Arts has agreed to be the lead agency in developing this festival and with the city's assistance will put together the details outlining this event. The Center for the Arts would like the city to endorse this project and to allow them to display these sculptures on public right of way throughout the downtown area. Primarily they would be placed on Laurens, Richland and Newberry for approximately one month. During this time visitors and citizens could then be able to vote on the piece of sculpture which the city would then purchase.

Councilmember Mike Anaclerio is the Chairman of the Arts Committee for the Downtown Development Association and has been working with the Center for the Arts concerning this project. With the city's endorsement of this project, the Center for the Arts will move forward to begin the process of putting together this festival.

Mayor Cavanaugh stated he had a problem with the statement that after the visitors and citizens vote on the piece of sculpture then the city would then purchase the sculpture. He said he felt the word should be "could" or "may." He said he was concerned that the city would commit to buy whatever the visitors or citizens vote on.

Councilman Anaclerio pointed out that for the sculptors to bring their pieces to the City of Aiken entails a lot of money. He said he was concerned that the city may not get first class sculptors in town to show their pieces unless the city is serious about making a commitment to purchase a piece of sculpture.

Mayor Cavanaugh stated he wanted Council to have the final authority to spend taxpayers money to purchase a sculpture. He said he felt it was very important that some of the sculptures have something to do or tie in with Aiken.

Councilman Anaclerio moved, seconded by Councilwoman Clyburn and unanimously approved, that Council give endorsement of a Sculpture Exhibition Show in the downtown area with the understanding that the city may purchase a sculpture after the event.

EXECUTIVE SESSION

Personnel Matters

Mayor Cavanaugh stated Council needed to go into executive session to discuss two personnel matters.

Councilman Anaclerio moved, seconded by Councilwoman Price and unanimously approved, that Council go into executive session to discuss two personnel matters.

Council went into executive session at 9:30 P.M. After discussion Councilman Radford moved, seconded by Councilman Anaclerio and unanimously approved that the executive session end. The executive session ended at 9:55 P.M.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:55 P.M.


Sara B. Ridout
City Clerk