

Aiken City Council Minutes

REGULAR MEETING

April 13, 2015

Present: Mayor Cavanaugh, Councilmembers Dewar, Diggs, Ebner, Homoki, Merry and Price.

Others Present: Roger LeDuc, Stuart Bedenbaugh, Gary Smith, Charles Barranco, Tim Coakley, Kim Coleman, Alicia Davis, Kim Abney, George Grinton, Tommy Paradise, Maayan Schechter and Michael Ulmer of the Aiken Standard, and about 25 citizens.

CALL TO ORDER

Mayor Cavanaugh called the meeting to order at 7:01 P.M. Councilwoman Diggs led in prayer, which was followed by the pledge of allegiance to the flag.

Mayor Cavanaugh pointed out that Council had selected a new City Manager, John Klimm. Mr. Klimm will be at the Council meeting on April 27, 2015. He has more than 30 years of experience in the field of public administration and public service as a state legislator, city manager, and town administrator. He said we are pleased to have Mr. Klimm as our next City Manager and ask that all our citizens give Mr. Klimm a warm and friendly welcome when he arrives in Aiken.

GUIDELINES

Mayor Cavanaugh reviewed the guidelines for speaking at the Council meeting. He asked that those who would like to speak raise their hand and be recognized and limit their comments to five minutes. Mayor Cavanaugh pointed out the 5 minute clock on the screen. He said the purpose of that is so the person speaking will know how long they have been speaking. He said this came about because some people were taking advantage of the time. He said Council felt they needed to get back to and stick with the regulations that they have always had. He said the 5 minute limit would not apply to special presentations.

ADDITIONS OR DELETIONS TO AGENDA

Mayor Cavanaugh asked if there were any additions or deletions to the agenda.

MINUTES

The minutes of the Work Session of March 19, 2015, and the Regular Meeting of March 23, 2015, were considered for approval. Councilman Ebner moved, seconded by Councilwoman Diggs, that the minutes of March 19 and 23, 2015, be approved. The motion was unanimously approved.

BOARDS AND COMMISSIONS

Appointments

Mayor Cavanaugh stated Council needed to consider nominations of appointees to various city boards, commissions, and committees.

Mr. LeDuc stated Council has 15 pending appointments to fill vacancies on different City boards, commissions, and committees. No appointments are presented for Council's consideration and vote at the meeting tonight. However, a list of boards, commissions and committees needing appointments by City Council has been provided to Council. Council may have some nominations for appointments to be placed on the next agenda meeting of Council.

Councilman Homoki stated he would like to nominate Sharon Brown for reappointment to the Arts Commission, Regena Brackett for reappointment to the Accommodations Tax Committee, Martin Buckley for reappointment to the Building Code appeals Committee, John Horvath for reappointment to the Housing Authority, and Linda Lucas for reappointment to the Senior Commission.

Mayor Cavanaugh stated the recommendations would be placed on the agenda for the next Council meeting.

CAPITAL PROJECTS SALES TAX FUNDS – ORDINANCE 04132015

Repurposing of Funds

CPST II

CPST III

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing of an ordinance to approve the repurposing of CPST funds.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE TO REPURPOSE THE USE OF FUNDS FROM THE CAPITAL PROJECT SALES TAX.

Mr. LeDuc stated in July, 2014, City Council approved the re-purposing of the CPST II & III funds. We have advanced several projects and would like City Council to consider the following funding changes:

CPST II

- Project 14 Downtown Streetscape - increase funding by \$100,000 to \$144,906.69
- Project 23 Proposed park on landfill - decrease funding from \$2,563,344.28 to \$300,000
- Project 35 Northside regional recreational park - increase funding from \$1,985,282.79 to \$4,179,088.69

CPST III

- Project 1 Computers - increase funding by \$250,000 to \$302,729.80
- Project 15 Public Safety Fire Headquarters - decrease funding from \$1,500,000 to \$1,250,000
- Project 20 University Parkway - Move project up in the priority ahead of Hitchcock Parkway

Mr. LeDuc stated Council had talked about this at the last couple of meetings. At the last meeting Council asked that \$250,000 be allocated for software in Public Safety. This amount of money plus what is included in the budget should be sufficient to fund software for Public Safety to use next year. Originally we were going to have to divide the purchase into two separate budget years, but this adjustment in CPST funds will give us enough money to purchase all of it at one time.

City Council approved this ordinance on first reading at the March 9, 2015, meeting. For City Council consideration is second reading and public hearing of an ordinance changing the funding and repurposing of projects shown in the exhibits for CPST II & III.

The public hearing was held.

Councilman Ebner moved, seconded by Councilwoman Price, that Council approve the ordinance as amended changing the funding and repurposing of projects shown in the exhibit for CPST II and III with the computer software included in the funding. He said he would also say that we need to be sure that the software is purchased in the fiscal year 2015-16 so we don't carry that over. He felt that was a very important item to purchase. He said his motion was to approve the ordinance and that the software be purchased before June 30, 2016. The motion was unanimously approved.

Councilman Dewar asked if the motion would preclude Public Safety purchasing the software earlier if they wanted to. Councilman Ebner stated the software could be purchased earlier. He just wanted to be sure it was done before the end of next fiscal year. Mr. LeDuc stated Public Safety is already seeking bids on the project. If all goes well, it may this summer or fall that we will be able to purchase the software. Councilman Ebner stated the sooner, the better. He said he wanted to make sure it is not one of the end of the year procurement items.

WOODSIDE PLANTATION – ORDINANCE 04132015A

3100 Reserve Club Drive

Woodside Golf LLC

Concept Plan

Reserve Clubhouse

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing of an ordinance to amend the concept plan for property at 3100 Reserve Club Drive in Woodside Plantation.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING THE CONCEPT PLAN FOR PROPERTY LOCATED AT 3100 RESERVE CLUB DRIVE AND OWNED BY WOODSIDE GOLF, LLC.

Mr. LeDuc stated that Woodside Golf LLC / Woodside Development has submitted plans for the expansion of The Reserve Clubhouse in Woodside Plantation which is zoned Planned Residential. The applicants are requesting approval to expand the existing club house by 12,961 square feet of heated area. This will increase the building size from 9,132 square feet of heated area to 22,093 square feet of heated space. The project will also include an additional 4,108 square feet of unheated porch area. In 2006 an additional 661 acres was annexed to the city. This acreage included an 18 hole golf course and approximately 1,000 additional residential lots. The additional golf course and homes has brought them to the point where they have outgrown the original clubhouse and need to expand the current facility. The concept plan revision will include the addition of a parking lot containing 99 spaces on the western side of the building.

The Planning Commission considered the request to expand the clubhouse and revise the concept plan at their meeting on March 10, 2015. They voted unanimously to recommend approval of the concept plan with the following conditions:

1. That a revised Concept Plan be submitted prior to the building permit showing a development summary for all of Hollow Creek at the Reserve including the total area, percentage of open space, numbers of dwelling units by type, and dwelling unit density;
2. That parking lot lighting shall meet the requirements for outdoor lighting found in the Planned Commercial provisions at Section 4.3.8.F;
3. That any concerns regarding the extension of the street right-of-way through the parking lot be addressed.

Mr. LeDuc stated Council considered this request at the March 23, 2015, meeting. There were some concerns about parking. Those questions were answered by representatives of Woodside Plantation. There was also concern about the roadway going back to the homes that will be behind the new club. He said a letter was received today from the President of Woodside Plantation Owners Association, Diana Peters, and Larry Wittenmyer, both agreeing in principal to the road and that the Woodside Property Owners Association wants the road built to meet the specifications and their intent is to accept the road in their system. They felt comfortable with the roadway that would be going in and through the parking lot area.

City Council approved this ordinance on first reading at the March 23, 2015, meeting. For Council consideration is second reading and public hearing of an ordinance

to amend the concept plan for property located at 3100 Reserve Club Drive for expansion of the clubhouse.

The public hearing was held.

Councilwoman Price asked Mr. Pat Cuning, a representative of Woodside Plantation, if the clubhouse would be hiring additional employees, and he responded they would be hiring additional employees.

Councilman Ebner moved, seconded by Councilwoman Diggs, that Council approve on second reading and public hearing an ordinance to amend the concept plan for property located at 3100 Reserve Club Drive for expansion of the clubhouse. The motion was unanimously approved.

INTERGOVERNMENTAL AGREEMENT – ORDINANCE 04132015B

IGA

State Infrastructure Bank

SIB

TIB

Funding

University Parkway

Widening Project

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing of an ordinance to amend an Intergovernmental Agreement (IGA) with the State Infrastructure Bank for University Parkway Widening Project.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING ORDINANCE 01122015 TO AUTHORIZE THE CITY OF AIKEN TO ENTER INTO AN AMENDED INTERGOVERNMENTAL AGREEMENT WITH THE SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK FOR THE UNIVERSITY PARKWAY WIDENING PROJECT.

Mr. LeDuc stated the State Infrastructure Bank (SIB) has forwarded an amendment to the Intergovernmental Agreement for the University Parkway project. This amendment is shown in Sections 6.2.1 and 6.2.3. He said the University Parkway agreement was approved by City Council in November, 2014. The SIB has not signed the agreement yet. He said Mr. Jim Holly who represents the State Infrastructure Bank has requested the addition of Sections 6.2.1 and 6.2.3 to the agreement. Essentially the proposed change is stating that the grant funds cannot be used if there is a lawsuit or any legal disagreement and the funds cannot be used for landscaping of the project unless we are disturbing the landscaping with the roadway project. Mr. LeDuc stated with the approval of these amendments the State Infrastructure Bank will sign the agreement, and we will be able to move forward with the project.

Our City Attorney has reviewed and approved the proposed amended Agreement by the State Infrastructure Bank.

City Council approved this ordinance on first reading at the March 23, 2015, meeting. For City Council consideration is second reading and public hearing of an ordinance amending the Intergovernmental Agreement for the University Parkway Widening Project with SIB.

The public hearing was held.

Councilman Dewar moved, seconded by Councilman Merry, that Council approve on second reading and public hearing an ordinance to amend the Intergovernmental Agreement (IGA) with the State Infrastructure Bank for the University Parkway Widening Project. The motion was unanimously approved.

INTERGOVERNMENTAL AGREEMENT – ORDINANCE 04132015CIGAState Infrastructure BankSIBTIBFundingWhiskey RoadDougherty RoadIntersection Improvements

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing of an ordinance to amend an Intergovernmental Agreement (IGA) with State Infrastructure Bank for Dougherty at Whiskey Road Improvement Project.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING ORDINANCE NUMBER 01262015 TO AUTHORIZE THE CITY OF AIKEN TO ENTER INTO AN AMENDED INTERGOVERNMENTAL AGREEMENT WITH THE SOUTH CAROLINA TRANSPORTATION INFRASTRUCTURE BANK FOR THE DOUGHERTY ROAD AT WHISKEY ROAD WIDENING PROJECT.

Mr. LeDuc stated the State Infrastructure Bank (SIB) has determined that the Intergovernmental Agreement for the Dougherty Road at Whiskey Road Intersection Improvement Project needs to be amended. This amendment is shown in Sections 6.2.1 and 6.2.3. The original agreement was approved by Council in January, 2015.

Out City Attorney has reviewed and approved the proposed amended Agreement by the State Infrastructure Bank.

City Council approved this ordinance on first reading at the March 23, 2015, meeting. For City Council consideration is second reading and public hearing of an ordinance amending the Intergovernmental Agreement for the Dougherty at Whiskey Road intersection Project with SIB.

The public hearing was held.

Councilman Ebner stated he had a question relating to this project and Item 2 under New Business regarding approval of a contract with W. R. Toole Engineering for right of way acquisition services for the Dougherty Road Widening Project. He asked if that cost would be covered under the SIB agreement or if that would be city cost to get the right of way. He said he recalls some discussion when this came up a couple of years ago as to who pays for what when we get down to right of way acquisition. Mr. LeDuc stated on the Dougherty and Whiskey Road project we will not be using any of our local funds on the project. It is supposed to be paid 100% through SIB. Councilman Ebner stated then the \$33,850 plus the property that we procure would be paid for out of SIB funding. Mr. LeDuc stated that would be paid for out of SIB funding.

Councilwoman Diggs moved, seconded by Councilman Ebner, that Council approve on second reading and public hearing an ordinance to amend an Intergovernmental Agreement (IGA) with the State Infrastructure Bank for Dougherty at Whiskey Road Improvement Project. The motion was unanimously approved.

PUBLIC SAFETY TRAINING GROUNDSMoore and AssociatesCPST IIIContract

Mayor Cavanaugh stated Council needed to consider approval to enter into a contract with Moore and Associates for an engineering contract for the Public Safety Training Grounds.

Mr. LeDuc stated as part of our Capital Projects Sales Tax [CPST] III list, voters approved \$250,000 for improvements to the burn building and fire tower at the Public Safety Training Ground on Dupont Drive. We are ready to begin an assessment of this work and will need to contract with an engineer to determine the level of structural damage that has occurred over many years of use as a training facility. Moore and Associates of North Augusta has given us an estimate of \$2,975.00 to perform a structural assessment of the burn building and will issue a report containing sketches and will outline a repair plan and material specifications for the project. They will also examine the fire tower for structural integrity and evaluate rappelling tie-off points with some structural modifications being recommended for OSHA compliance for \$5,975.00. Both projects will also have reports issued that are stamped by a registered professional engineer. Staff has reviewed these proposals and recommend acceptance. The total cost for the two reports will be \$8,950.00 and the cost will be paid out of CPST III line item 017-2150-425.72-02 3PSTG. Mr. LeDuc stated once the engineering is done, we will be able to come back and do the full design. Once the bids have come in we will have Council authorize the funding from the CPST III to complete this project.

Mr. LeDuc stated this did not need to come before Council for approval, but he felt it was important that Council understand the status of the project so he was bringing it to Council for approval. The cost is under \$10,000 for the project which does not require Council approval.

For Council consideration is approval to enter into a contract with Moore and Associates to perform an assessment of the burn building at the Public Safety training grounds.

Councilman Ebner stated on all the Capital Projects Sales Tax projects Council has asked for several years that the preliminary work that needs to be done on them even though it is less than \$10,000 he felt it would be wise to advise Council because the \$8,900 will quickly turn into hundreds of thousands. He felt on these projects Council has asked before that any type of engineering functions, etc. that is done in preparation for the big work be brought to Council as information.

Mr. LeDuc stated normally he probably would put this item in the Issues and Updates memo just to inform Council, but he felt it was important enough that this project and Council's interest in the project that Council at least be informed as to what is being done.

Councilwoman Diggs asked if this would be something that the City would receive estimates on. Mr. LeDuc said it is. He said there are not many structural engineering firms that deal strictly in structural work.

Councilwoman Price moved, seconded by Councilwoman Diggs, that Council approve entering into a contract with Moore and Associates to perform an assessment of the burn building at the Public Safety training grounds. The motion was unanimously approved.

DOUGHERTY ROAD

W.R. Toole Engineers, Inc.

State Infrastructure Bank

SIB

Dougherty Road

Whiskey Road

Right of Way

Mayor Cavanaugh stated Council needed to consider approval to enter into a contract with W.R. Toole Engineers, Inc. for right-of-way acquisition services.

Mr. LeDuc stated the city has been waiting to move forward on acquiring the right of way for the Dougherty Road at Whiskey intersection improvements. He said when he came here 10 months ago there was an agreement with Toole Engineering to go forward and acquire right of way for the project.

Mr. LeDuc stated at the January 26, 2015, meeting, Council approved second reading of an ordinance approving an Intergovernmental Agreement between the City and the State Infrastructure Bank [SIB] to increase the amount of SIB money by \$700,000 for the Dougherty at Whiskey Road intersection improvement. This project now has a budget of \$1.6 million for intersection improvements at this intersection.

W.R. Toole Engineers, Inc. has been doing the engineering work for us since the project's inception. With the SIB agreement now executed, we are ready to begin acquisition for rights-of-way and temporary construction easements. There are 15 parcels where acquisitions must take place. This includes one parcel for a right-of-way acquisition, 11 parcels for temporary construction easements and three parcels for both right-of-way acquisition and temporary construction easements. W.R. Toole estimates this acquisition effort will take three to six months, and they can complete all work for up to \$33,850.00. They will use a sub-consultant, CHB Acquisition Services, LLC of Warrenton, Georgia. Staff has reviewed this proposal and recommends Council's acceptance.

Mr. LeDuc stated the bowling alley structure will not be touched and neither will Walgreens. He said it will be taking up a small piece of the corner for right of way needed. He said he questioned the price of \$33,000, as he felt this seems high. We talked to Toole Engineering about this. He pointed out they have to negotiate, and each separate piece of property according to state acquisition requires a lot of paperwork. That is why such a large expense to acquire the individual pieces of property.

For Council consideration is approval to enter into a contract with W.R. Toole Engineers, Inc. for right-of-way acquisition services at \$33,850.

Councilman Dewar asked what is a construction easement. Mr. LeDuc responded a construction easement is a temporary easement that may be used while they are digging up or burying utility lines. Some of the dirt and other materials will go over into that area. When the project is finished they will restore the area to how it was originally.

Councilman Ebner moved, seconded by Councilman Merry, that Council approve entering into a contract with W.R. Toole Engineers, Inc. for right-of-way acquisition services for the Dougherty at Whiskey Road improvements. The motion was approved unanimously.

MEMORANDUM OF UNDERSTANDING

The Dumpster Depot

Recyclables

Materials Recovery Facility

Norman Dunagan

Recycling

Mayor Cavanaugh stated Council needed to approve a Memorandum of Understanding with The Dumpster Depot LLC for receipt of the City's recyclables.

Mr. LeDuc stated it is interesting that the city will be celebrating Earth Day on Saturday and that this agreement is coming before Council at this time. He said he recalls 25 years ago when we started the whole process of recycling each of the homeowners got three containers. One was yellow, one green, and one blue. In one container the resident would place plastics; one would be for glass; and one for paper products. He said we started with dumpsters where we hand loaded into the dumpster while we experimented. Eventually we got a truck that had compartments to dump the containers into to keep the material separated. In turn the City has at the old landfill a pile of cans, a pile of glass, and a pile of papers. We did all of our own separation, storing, and bundling. However, we found out that it was a lot of work. A few years later the City of North Augusta got a grant to open up a MRF.

Mr. LeDuc stated for many years, we have sent our recyclables including glass, paper, cardboard and metals to North Augusta's Materials Recovery Facility [MRF]. This expends many man-hours and fuel as we make several trips a day taking these materials to North Augusta. We receive no compensation from North Augusta for our recyclables. The materials are put on a conveyor belt. Along the conveyor belt there are about 12 individuals with 6 on each side who separate the paper from the plastic, etc. It is an expensive operation. At that time we were paying North Augusta \$30 a ton just to accept our recyclables. That equated to about \$30,000 a year that we were paying North Augusta to accept our materials. About 5 years ago we had a company out of Columbia and one from Augusta who said they would take our material for free. We looked at the distance to take the material to either location. Compared to \$30 a ton doing it for free was a much better proposal. We went back to North Augusta and said we wanted to change our contract. North Augusta then started accepting all our recycling material for free.

About six months ago, we were approached by Norman Dunagan of Dumpster Depot about processing our recyclables if he had the same type operation as North Augusta and spent several hundreds of thousands of dollars in capital for the equipment. He asked if the City of Aiken would consider for a couple of years giving his company the material. Mr. Dunagan has set up an MRF in the old R.E. Phelon plant on University Parkway and would like to enter into a Memorandum of Understanding [MOU]. The basic terms of the MOU call for Mr. Dunagan to process the material and pay us no money for the first two years. After two years, we would execute an amended agreement that would allow for profit-sharing of revenues received from the sale of the recyclables. We looked at the proposal and calculated the number of miles going to North Augusta versus where Dumpster has their facility. Should Council approve this resolution, we expect to see immediate cost savings from less fuel consumption, shorter trips to the Aiken-based facility, and less wear and tear on our equipment.

Mr. LeDuc stated over the last 30 to 60 days Mr. Coakley has been working with Mr. Dunagan concerning receiving our recyclables. We have before Council a proposal for Dumpster Depot to receive the City of Aiken recycling at no cost. After they get their business established, we would then enter into a more formal agreement and determine how we can receive some of the money that they will be making with their operation.

For Council approval is a request to enter into a Memorandum of Understanding with The Dumpster Depot LLC for receipt of recyclables collected by the Solid Waste Division of the Public Services Department.

Councilman Dewar stated he felt this would be a wonderful thing to do. He said he had looked at the proposal carefully. He feels it is a win-win situation. He pointed out as Mr. LeDuc stated it is fitting that we are doing this during Earth Week.

Councilman Merry stated he felt it was a great project. He said he knew it was an expensive investment and undertaking for Mr. Dunagan. He said he wanted to make sure before we start taking all of our recyclables to Dumpster Depot that all the appropriate permits and requirements are in place so we don't have any problems.

Councilman Ebner pointed out that Saturday, April 18, is Earth Day and the event will be held in The Alley and on Newberry Street. He pointed out that Dumpster Depot and some other businesses are major contributors to the event. He said it should be a great event.

Mr. Dunagan was asked to give Council a brief comment about how his process would work. Councilwoman Diggs pointed out that there will be a cleanup in Crosland Park on Saturday, and Mr. Dunagan is loaning them some dumpsters for the event.

Mr. Dunagan stated he wanted to thank Council for considering his proposal for accepting the city's recyclables. He said he also wanted to highlight that he plans on doing the operation with opportunity employees--people who may be at risk. He said there is a program that they designed with Goodwill and Megiddo Dream Station. He

said he would be hiring people who may be passed over by a lot of other companies. He said one may think that is a risk, but he wanted them to know that his team is made up of a lot of individuals already. He said they have won the Small Business of the Year with employees that everyone else passed up. He said there are some fantastic people out there who may just not have the opportunity. He said the other thing he wanted to talk about is that this is brand new money that is coming to Aiken. This is not money that is being passed around from business to business in Aiken. This money has been going to North Augusta. They have been utilizing this money for the betterment of their community. He said this is just the beginning of what he wants to do with solid waste in the City of Aiken. He said there are a lot of exciting things that can happen. He said they have a plan that will move us forward not only from where we are today, but three years from now he felt Council would be astonished and be extremely pleased with what they have done with the trust that the City of Aiken has put into them. He said they are ready to receive products at the old Phelon building, called the new Dumpster Depot building. He said they are prepared with the permits from DHEC. They are aware of what he is doing and are supportive of what he is doing. The products will come in the door. They will go into a bunker. From there they will be placed on a line and will run some sortation equipment that separates them. Starting off he said he would have between 12 and 16 people who will take the waste off the line. He said those were entry level positions, but they are not low pay positions. He said not a single person with Dumpster Depot is at minimum wage. He said they show people dignity by paying them more than minimum wage. In return they give a performance that you would not believe. At the end of the process all the product is bulk baled. He said they will find secondary markets for all the material. He said the reason he was asking that the City give him the first two years is because today he knows how much material is being recycled in Aiken, but we don't know the breakdown of the material. He said, therefore, he can't really tell anyone what that will generate. He said he believes by the end of year one, he will figure it out. He said they would use those numbers to find better sources for people to buy the products. He said he feels this will be a big win for the City of Aiken to revenue share with recyclables that the City worked so hard over 25 years to develop. He said they have looked at the numbers and the number of people in Aiken. He said they think there is a lot of material that is still in our waste stream that is going to the landfill. He said they have a plan to continue to educate through the school system and also through a lot of events in Aiken to get that recycle rate up. He said we only win if in two years from now we double the recycle rate in the City of Aiken.

Councilman Homoki asked when all this would take place, and would we be educating the citizens on how to divide, what to divide, and when it would be in effect.

Mr. LeDuc stated as far as the materials that they would be accepting, they would be the same materials that the City is accepting now. Eventually we will be looking at different products and working with Mr. Dunagan. He said we have to give North Augusta 30 days' notice that we are going to stop taking our recyclables to North Augusta. He stated the consumer won't know any difference. They will still put their material in the recycling cart. He said we just hope over a period of time to be able to collect more products.

Councilman Dewar moved, seconded by Councilwoman Diggs, that Council approve a Memorandum of Understanding with The Dumpster Depot LLC for receipt of recyclables collected by the Solid Waste Division of the Public Services Department. The motion was approved unanimously.

DEED OF DEDICATION – RESOLUTION 04132015DWoodside Phase 4 Section 14UtilitiesWater LinesSanitary SewerStorm SewerSummer Hill

Mayor Cavanaugh stated a resolution had been prepared for Council's consideration to accept a deed of dedication of utilities in Woodside Phase 4 Section 14.

Mr. LeDuc read the title of the resolution.

A RESOLUTION AUTHORIZING THE ACCEPTANCE OF A DEED OF DEDICATION FROM RESERVE AT HOLLOW CREEK, LLC.

Mr. LeDuc stated the owners of Woodside Plantation Phase 4, Section 14, Reserve at Hollow Creek, LLC, have requested the City to accept a deed of dedication for the water, sanitary sewer and storm sewer systems in the development.

Our Engineering and Utilities Department has reviewed this request and are recommending that the City accept this deed of dedication.

For Council consideration is approval of a resolution accepting the deed of dedication for the water, sanitary and storm sewer infrastructure lines and related equipment, and easements to access and maintain these utilities in Woodside Plantation, Phase 4, Section 14.

Councilwoman Diggs moved, seconded by Councilman Merry, that Council accept the deed of dedication for the water, sanitary and storm sewer infrastructure lines and related equipment, and easements to access and maintain these utilities in Woodside Plantation, Phase 4, Section 14. The motion was unanimously approved.

BID AWARDSanitary Sewer LineCPST IIIWoodside Sanitary Sewer Lift StationGem Lakes Sanitary Sewer Lift StationIPR Southeast, LLC

Mayor Cavanaugh stated Council needed to consider approval of a bid award for repair of a sanitary sewer line using Capital Projects Sales III Funds.

Mr. LeDuc stated as part of our Capital Projects Sales Tax [CPST] III projects, we conducted a bid opening to repair a sanitary sewer line running from the Woodside Sanitary Sewer Lift Station to the Gem Lakes Sanitary Sewer Lift Station. About 3,140 feet of pipe has deteriorated due to corrosion caused by hydrogen sulfide gas. We are able to repair the line using a liner which is much less expensive than replacing the line. The liner will protect the pipe and extend its useful life. We will also rehabilitate 13 existing sewer manholes along this sewer line.

We conducted a bid opening for this project on March 3. Staff has reviewed the bids and recommends awarding this project to IPR Southeast LLC of Stone Mountain, Georgia, who submitted the lowest responsible bid of \$464,948.40. We will have sufficient funds in the CPST III to pay for this work without executing an interfund loan. This work will begin within eight weeks of Council approval and will take approximately five months to complete.

For Council consideration is approval of a bid award to repair a sanitary sewer line running from the Woodside Sanitary Sewer Lift Station to the Gem Lakes Sanitary Sewer Lift Station using CPST III funds.

Councilwoman Price moved, seconded by Councilman Merry, that Council approve the bid award to IPR Southeast for \$464,948.40 to repair a sanitary sewer line running from the Woodside Sanitary Sewer Lift Station to the Gem Lakes Sanitary Sewer Lift Station using CPST III funds. The motion was unanimously approved.

SEWER SYSTEM INFRASTRUCTURE

CPST III

Berrie Road

Sandhurst Drive

Hitchcock Woods

Johnson Laschober & Associates (JLA)

Mayor Cavanaugh stated Council needed to approve a request to spend funds from the Capital Project Sales Tax III for sewer system infrastructure.

Mr. LeDuc stated we recently discovered that some sanitary sewer infrastructure near the Berrie Road and Sandhurst Drive area has failed. We found that a tree had fallen on a pipe, and we made an emergency repair. In looking at this area, we found other sections of the pipe also needed further extensive repairs. This location is an environmentally sensitive area due to its proximity to Hitchcock Woods. Engineering and Utilities staff executed a temporary repair of the failure and engaged Johnson Laschober & Associates [JLA] to identify permanent repair options.

JLA's evaluation presented us with three options, and we are now ready to proceed with a design. This work will cost up to \$58,000 and will include soil testing, survey work, easement appraisal and acquisition and structural design. Once this work is complete, we will bid the actual project out and come back to Council for approval to complete the work. This cost will be paid from account 017-3181-468.76-02 3INFRS. We have sufficient CPST III funds on hand, so an interfund loan will not be necessary.

Mr. LeDuc stated we would like to proceed with replacement of the pipe if necessary, but are also looking at the possibility of putting a liner in the pipe. He said we are looking at several options for the area.

For Council approval is a request to spend funds up to \$58,000 from Capital Projects Sales Tax III to hire JLA to come up with a permanent repair solution and to replace several more sections of sewer pipe.

Councilman Dewar moved, seconded by Councilwoman Diggs, that Council approve a request to spend funds from Capital Projects Sales Tax III for Sewer System Infrastructure. The motion was approved unanimously.

ELECTION PROCESS – ORDINANCE

City Code

Section 2-35

Schedule for Filing for City Council

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to amend Section 2-35 of the City Code regarding the schedule for filing for City Council.

Mr. LeDuc read the title of the ordinance.

AN ORDINANCE AMENDING SECTION 2-35 OF THE AIKEN CITY CODE BY REVISING THE TIME FOR FILING NOMINATING PETITIONS, HOLDING PRIMARIES OR CONVENTIONS, ENTRY OF CANDIDATES FOR NOMINATION IN MUNICIPAL PARTY PRIMARIES OR CONVENTIONS, CLOSING OF ENTRIES,

AND ELECTION OF MEMBERS OF CITY COUNCIL AND MAKING RELATED AMENDMENTS THERETO.

Mr. LeDuc stated in working on the guidelines for the election process requested by City Council, it has come to our attention that our election schedule needs to be amended to be consistent with changes in state law, particularly the last day for certifying candidates to the Municipal Election Commission. This date according to state law should be at least 60 days prior to the election. Our present schedule designates the certifying of candidates by noon on the thirty-first day prior to the General Election.

In adjusting the schedule to meet the state requirement for certifying the candidates, we had to adjust all the other dates in the schedule. It is proposed that we move the opening of filing for candidates to Monday, July 6, at noon and close the filing for candidates for nomination by parties at noon on Monday, July 13, 2015. All the other dates of the schedule are included in the ordinance.

Filing by Petition: Petitions must contain the signatures of 5% of the registered voters from the geographical area of the office and must be filed 75 Days Prior to the Municipal General Election. If the deadline falls on a Saturday or Sunday, the petition deadline is extended to 12:00 p.m. on the following Monday. After receiving the petition, the Municipal Election Commission has 15 days to approve and verify the petition [SC Code Sec. 7-15-85].

Filing by Political Party: Municipal political parties may nominate candidates by primary election or convention. The parties conduct primaries or conventions and candidates must be certified no later than the 60th day prior to the Municipal General Election per SC Code Sec. 5-15-70.

Filing for Office Opens: 12:00 p.m. on the first Monday in July at an advertised location by the municipal political party.

Filing for Office Closes: 12:00 p.m. on the second Monday in July at an advertised location by the municipal political party.

Primary Election: The second Tuesday in August of odd-numbered years

Primary Runoff Election [if necessary]: The fourth Tuesday in August of odd-numbered years

Deadline to Nominate Candidates by Convention and Certify to the Municipal Election Commission: 12:00 p.m. on the sixtieth day prior to the municipal general election.

Deadline to Certify Candidates to the Municipal Election Commission: No later than sixty [60] days prior to the municipal general election

Municipal Election: First Tuesday after the first Monday in November in odd-numbered years

With this information, we have amended Ordinance 021389B, which established the election schedule as codified in City Code Section 2-35.

For Council consideration is first reading of an ordinance amending Section 2-35 of the City Code establishing the time for filing nominating petitions, holding primaries or conventions, entry of candidates for nomination in municipal party primaries or conventions, closing of entries and election of members of City Council.

Councilman Ebner asked if the proposed ordinance is for one year or for several years. He pointed out the first Monday in July could be the Fourth of July holiday. Mr. LeDuc responded that the dates for the 2015 election is just for this year, but in future years the actual dates will change for the schedule. He also pointed out that the ordinance has a provision for dates that fall on Saturday, Sunday or legal holidays.

Councilman Dewar stated he would make a comment that for those who actually walk the streets, the heat was bad enough in August. He felt it would be absolutely horrible in July. He pointed out that North Augusta had their election in February. He said he did not think there would be anything wrong with the city moving the election. He said it is a tough time to campaign in the summer with this change. He said it is something Council might want to consider in the future.

Mr. LeDuc stated that general elections are held in many different months. He said some cities he has worked with have their elections in March, April, May, and September. He said the date needs to be set by Council. He said the state would prefer that elections be held in November, but that is not a requirement for city elections. Councilman Dewar felt it would be good to move the general election to earlier in the year.

Councilwoman Price moved, seconded by Councilwoman Diggs, that Council approve on first reading an ordinance to amend Section 2—35 of the City Code establishing the time for filing nominating petitions, holding primaries or conventions, entry of candidates for nomination in municipal party primaries or conventions, closing of entries and election of members of City Council and that second reading and public hearing be set for the next regular meeting of Council. The motion was unanimously approved.

ELECTION SCHEDULE

2015 Election

Mr. LeDuc stated if City Council approves amending the ordinance regarding setting the schedule for filing for City Council, the new schedule would be as follows:

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| 1. Opening of filing for nomination petitions and entry of candidates for primaries 12 noon | Monday, July 6, 2015 |
| 2. Closing of entry of candidates for primaries 12 noon | Monday, July 13, 2015 |
| 3. Municipal Party Primaries or Conventions | Tuesday, August 11, 2015 |
| 4. Closing of entries for nomination by petition 12 noon | Thursday, August 20, 2015 |
| 5. Municipal Party Primary Run Offs, if necessary | Tuesday, August 25, 2015 |
| 6. Last day for certifying candidates to Election Commission 12 noon | Friday, September 4, 2015 |
| 7. Election Day | Tuesday, November 3, 2015 |

This amended schedule is presented to Council as information. This would be the schedule if Council adopts the amended ordinance setting the election schedule. This year Mayor Cavanaugh and Council members Diggs and Dewar will be eligible for reelection. This election includes seats for Mayor and for Districts 1 and 3.

HOSPITALITY TAX

Re-Investment

Economic Reinvestment Fund

Mayor Cavanaugh stated Council needed to discuss the Economic Re-Investment Fund.

Mr. LeDuc stated over the last ten months he has had the opportunity to work with Council on a number of projects and a variety of different subjects. It has come up over and over again that we need to find ways to move the city forward and there are opportunities that we have not availed ourselves of. A lot of that is because of funding. When we started the process last June we were several hundreds of thousands of dollars short in our budget. We had to make up that difference by using Reserve Funds. We have been able to use some Holding Funds and Reserve Funds to help balance the budget, but this still does not provide the funding that Council has asked for to make good

economic investments for our community such as looking at property on which we may want to place sanitary sewer, storm water, roads that would go on a project that would then allow businesses to come into our community. He pointed out as you go down Whiskey Road probably half of the property from Pine Log Road south is not in the city limits. That is because infrastructure is not available. If we could put some of that infrastructure in, not only would those properties annex to the city, but we could include some great businesses. He said this is just Whiskey Road. He said the same thing applies to Pine Log Road, Richland Avenue, on the By-Pass. He said there are a lot of areas where we could help businesses grow and become stronger in Aiken.

Mr. LeDuc stated we have also received a report through the Chamber of Commerce that the growth in this area has been stagnant. The median income over the last 10 to 15 years has decreased tremendously in our area mainly because of SRS and the number of jobs that have been lost at that location. South Carolina is the second fastest growing state in the United States, but Aiken is not receiving that growth in our area. He said Columbia, Greenville, Spartanburg and several other cities are having a tremendous growth and development. He said we could say that we like Aiken the way it is. We like the quiet nature of Aiken. He said things have not changed a lot since he moved to Aiken 29 years ago. He said we don't want it to change as we love the historic properties, and we want to continue with the historic properties. We want to keep the charm and livability of our community. On the other hand how do we move forward.

Mr. LeDuc stated in the 1990's Aiken had a Hospitality Tax. It was decided to discontinue it when we got the Capital Projects Sales Tax. We started looking at how we could raise the necessary funding for the City of Aiken to be able to move forward. We looked at a number of things. Mr. LeDuc then presented some slides on a proposed Hospitality Tax Re-Investment Proposal.

Mr. LeDuc pointed out headlines from several newspapers, The Post and Courier and the Aiken Standard pointing out South Carolina is No. 2 in the nation as far as people moving here. However, the growth in Aiken has not changed. The median income is declining. That was shown in previous columns in the Aiken Standard. The growth rate according to a Chamber of Commerce Study is approaching zero growth. He pointed out that Aiken is the 13th largest city in South Carolina. Every city larger than Aiken has a Hospitality Tax. Greenwood is one city, and they are reinvesting in the downtown area and other areas to make their city stronger. Greenville gets almost \$8 million a year from their 2% Hospitality Tax. He pointed out it is amazing the number of things being done in Greenville. He pointed out, however, Aiken is not any of these cities, but we are unique to ourselves. He said we have to find out what will work best for our area. He said even some of the towns like Johnsonville are looking at the Hospitality Tax as something that could make a difference. He showed a slide of some cities in South Carolina and the amount of money they are receiving from the Hospitality Tax. He pointed out that over 100 cities in South Carolina are currently receiving the Hospitality Tax. They are using that money for recreation, economic development and moving their community forward.

Mr. LeDuc posed the question as to what could we expect in Aiken. Mr. LeDuc stated we are proposing to impose a 1% on the dollar for prepared food only. That would raise about \$1.2 million. If we look at this in relationship to what that would mean if we raised our taxes instead of having a Hospitality Tax, that would mean that every resident and every business inside the City of Aiken would have to have a millage rate increase of 7.5 mills. That is over 10% higher than our taxes are now. Again, a millage increase affects 100% of the residents. Conversely with the Hospitality Tax we feel that over 60% of it would be paid by individuals that live outside the city limits. He said he paid a 2% tax on food that he bought in Greenville this past weekend. He said in comparing the Hospitality Tax and a millage increase, it would cost residents \$1.2 million with a 7.5 millage rate increase and \$480,000 with a 1% Hospitality Tax as about 60% of the tax would be paid by tourists or people outside the city limits.

Mr. LeDuc stated he was looking at how we make this into a pro-active and pro-development for businesses. He said in the budget we have looked at a number of

investment projects for which we could use the Hospitality Tax. According to state law the Hospitality Tax money can only be used for tourist related items such as cultural centers, historical buildings, recreation sites, and beautification in the community. He said he was proposing to take \$1.2 million of projects that we are currently working with and use the Hospitality Tax for those projects. That then frees up \$1.2 million that we can use for economic development within the City of Aiken.

The use of these funds is split between four major categories:

• **BUSINESS RELATED INVESTMENT - \$600,000**

PUBLIC PARKING GARAGE - \$500,000
STORM SEWER AT THERESA - \$50,000
SANITARY SEWER AT FORMER TD BANK - \$50,000

• **BUSINESS LICENSE RELIEF - \$160,000**

RESTAURANTS - 50% RELIEF
NEW BUSINESS - 100%/YEAR 1
67%/YEAR 2
33%/YEAR 3

• **BUSINESS VITALITY - \$110,000**

BUSINESS ADVOCATE/PUBLIC RELATIONS/GRANT WRITING
ECONOMIC BENCHMARKING

• **ENTERPRISE CAPITAL RESERVES - \$330,000**

INFRASTRUCTURE EXPANSION
BUSINESS RECRUITMENT
IMPACT FEE WAIVER
BUSINESS VENTURES
RETAIL ASSISTANCE
HISTORIC PROPERTY TAX RELIEF
UNATCAPATED NEW PROJECTS

Mr. LeDuc stated we are proposing that \$600,000 be used for Business Related Investment. Most of this would be looking at a downtown parking garage. He said since he came to Aiken in the 1980's he has heard from merchants that we don't have enough parking downtown. He said sometimes during the day, but especially in the evenings and weekends it is very difficult to find a parking space. We recently received a letter from St. John's Church stating that persons attending their church and other churches in the area are having a very difficult time finding a parking space. St. John's has an 8:30 a.m. service and people are arriving for the next service and Sunday School and it doubles up the parking, and they have no place to go. He said we are proposing a public garage. In the past we have had a difficult time saying how we would do the public garage and where the income would come from to help support the public garage in the future as it costs money to maintain the garage. Elevators are needed, electricity for lights, ventilation, repairs for the garage, and keeping the garage clean. We have looked at a public garage several times. We looked at the Regions Bank area and other areas. We feel we have an opportunity at this point to locate the garage on Bee Lane in the motel section of the Aiken Hotel. In turn hotel guests who use the garage would pay approximately \$5 per night to help maintain the garage. That would bring in approximately \$90,000 a year for maintenance and upkeep of the garage. We have an opportunity for a funding source and in turn the public garage could be used to provide some space for individuals staying in the hotel that is to be renovated in the near future.

Mr. LeDuc stated we have some areas within our community on Whiskey Road where several businesses have looked at the properties in the past, but because of some storm water problems, water problems, sewer problems, and infrastructure they have backed away from the property. He said presently we have a couple of proposals that may be

ready to go forward. One called last week and asked that he let him know how Council feels about this so they could enter into an engineering and developer's agreement on providing sewer to the property and some of the others so reinvestment could take place.

Mr. LeDuc stated the second area is the Business License Rebate and other Incentives for \$160,000. That rebate would be given to all restaurants with 50% or more of their gross income coming from prepared food. They would pay the fee, and one year later once we determined how much they provided in revenue, we would rebate half of their business license. Half of the business licenses for restaurants would amount to about \$50,000 in rebates a year. That is quite substantial to help the restaurants. The rest of the money would be used to help businesses that are getting started. He said it is very difficult that first and second year for new businesses when they are having to pay business license fees and taxes. They are very vulnerable, especially the first year. We are proposing that for the first year for a new business locating inside the city limits, we would rebate 100% of their business license fee; 67% the second year; and 33% the third year. Hopefully, by the second and third year their business is growing, and they are getting more money in and their business license is going up, and their rebates become larger. When we looked at this for the past three years, businesses that came to the city in 2012 and 2013 versus 2011 and 2012 we would be rebating more money on the third year than we would on the second year. He pointed out they are growing. He said we would want to have a component where we could have a rebate or reinvestment through the business license.

Mr. LeDuc stated the third area is called the Business Vitality Division for \$110,000. He said this area is where we would hire an individual where all they think about is how we bring more businesses in, and how we help the current businesses that are in Aiken to become more attractive and to create and have more businesses within the community. Part of that would be looking at doing assessments as to why our money is going to Augusta or Columbia. What products could we bring to our community so the money would not be leaving our city. The individual would do some grant writing, PR and attend a group called the ICSC, International Conference of Shopping Centers. Just about any brand name is located at their shows. They would attend things like that, and go to some of the home shows to bring more people in to Aiken. The main job for the individual would be how to create more business, and how we could help the businesses that are here. They would work hand in hand with the Chamber of Commerce. They would be working with our Planning Department, our Inspections Department, and helping walk businesses through the process that would be coming here for the first time. They would be working with developers and making sure that the development and business go forward in a timely manner.

Mr. LeDuc stated the last area is called Enterprise Capital Reserves for \$330,000. It is money that is set aside for infrastructure expansion, business recruitment, collaboration with County, new Venture Fund, and increased participation with Economic Development Partnership. In future years we would probably not set aside as much money as more money would be in the Business Related Investment. Council would identify the projects that they feel are needed to help businesses. He said that is where we were talking about the storm water, the sewers, roads, etc. He said that is part of it. It will also help with collaboration with the County in determining how we can work with the County in bringing more businesses to our area. He pointed out that a brand new business, called an incubator, could come to us for Venture Capital. If Council felt that the business would really be good for the city and bring in more jobs they could provide some help. Possibly we could allow them to rent the Municipal Building or rent property across the street. We would work on how we could help that business the first couple of years either through grants or loans. That would be the New Venture Fund.

Mr. LeDuc stated we have had some opportunities in the very recent past where Will Williams with EDP has come before the city and asked for some money towards a project which would be a good fit, but it would require some infrastructure improvements for an industry. Money could be used for that. He said there are a number of things that Council could do that would allow us to move forward on the Capital Reserves. He said each one of projects would be approved by Council ahead of time. Just like Council approved engineering for work at the Public Safety Burn Building before staff goes

forward, the same thing would happen any time money is used from the Capital Reserves Fund. He said recently we had a business to construct apartments on the second floor, and they asked if there could be some historic property tax credits available. He said this is the area that the money could come from. There could be property tax relief on new projects. He said he remembers before The Reserve in Woodside was built, they were looking at whether they should come in the city or stay in the County. At that time Council stepped up and said they would give some tax relief for five years on the vacant property and three years on the Clubhouse. That money could come out of the Capital Reserve Fund.

Mr. LeDuc reviewed some of the projects that are being done through Capital Investment throughout the state. He said Summerville has a \$30 million economic development project for a hotel, conference center, condos in the downtown area. They have been helping with the parking garage and other things. Darlington is doing the same thing. Spartanburg had a major announcement recently, and they are using economic development funds coming from the hospitality tax. Anderson has just built a public parking garage downtown through the Hospitality tax and doing streetscape work. Rock Hill, Hartsville and others are doing tremendous things in their community for economic development.

Mr. LeDuc stated if Council moves ahead with approval of the Hospitality Tax and reinvestments, that money would free up some General Fund money that could be transferred to an Economic Development Fund. He pointed out that Council has in their agenda package how the money would be split among the various projects.

Mr. LeDuc stated there would be money for the business advocate, legal services, architectural and engineering, other Professional Services, and various things to support the individual. There is \$50,000 for storm drainage, \$50,000 for sewer, \$160,000 for business license relief, \$20,000 for retail assistance, \$10,000 for business recruitment, and \$285,000 for the Capital Reserve pool for Council to use.

Mr. LeDuc stated he would answer any questions. He stated originally it was stated we would have first reading of an ordinance for a Hospitality Tax. After talking with a few Council members, and hearing some citizens, there were some questions as to how they would know that the money would be going for economic development. What it would be used for in economic development. He pointed out that Project Jackson in North Augusta was funded with a specific goal in mind to take a river quadrant and redevelop it. He said we, in turn, want to be able to do the same thing. We want to specifically take this money and reinvest the \$1.2 million in the downtown, other areas of the city, and to bring the capital that is needed to move the city forward. He said he proposes that at the next meeting there be first reading of an ordinance to establish the Hospitality Tax at 1% of one dollar. He said the ordinance would be written that the money would be used for economic development and outline how it would be used so Council would know and would be able to tell their constituents and others how the money would be used. It would be used for the public parking garage, infrastructure investment, business license rebate, for the recruitment of new businesses, and we would have funding set aside that Council, during the next year as the opportunities come before Council, would be able to decide if we could help this business.

Mayor Cavanaugh stated the presentation was excellent. He said the information was good. He said if anyone has a problem with this, it is hard to understand why. He said he felt we have to go ahead with this. He pointed out Council had held off because we did not want to raise taxes, and we wanted to go as long as we could. He said, however, we are there now, and we need to move forward. He felt the Hospitality Tax would certainly help us move forward.

Mr. LeDuc stated he had mentioned Woodside when the developers came to Council for development of the area, there were many people in the room who did not want to see that development move forward. He said the Village at Woodside and the Reserve area could have very easily been turned down by Council, and the vote was a split vote. Back in the 1960's Council had a very tough decision to make when some property was going to be given to the City which was historic property. There was a petition from over 300

citizens stating they did not think the City should move forward and accept the property as they did not think the City had the ability to take care of the property. On a 4 to 3 vote Council approved accepting the property. Those properties are Hopelands Gardens and Rye Patch. In 1995 SRS made an announcement that they were going to reduce the number of employees at SRS from 25,000 down to 15,000. Our timing probably was not the best, but within a week of that announcement we were making an announcement that we wanted to go forward to build a large recreational park which is now Citizens Park. This was approved on a 4 to 3 vote. That was a tough decision. The same thing happened at the airport. We looked at the terminal building there, the runway improvements, the ILS, and the traffic that came in with the Masters this week. Again it was a split vote on going ahead and improving the expansion at the airport. He said these were tough decisions. He said the Hospitality Tax is a tough decision too because no one ever wants to increase taxes or raise a fee. He said again this is another situation. He said he believes that it is the right thing to do to implement the Hospitality Tax to move our community forward. He pointed out that as the Mayor had said it has been a long time coming. We have not raised taxes for 25 years. He said the Hospitality Tax is a way that we can do some things for our community, and it would be paid for not entirely by the citizens of the city, but would be paid for by anyone who comes to our area and purchases prepared food. Mr. LeDuc stated when the law says these monies have to be used for tourism related cultural, historical, and recreational type projects, they define a tourist as anyone who lives outside the City of Aiken. He pointed out that about 45% of those who use our recreational facilities would be called tourists even though they are within our community. We also know that many of the people who stay in our accommodations and eat in our restaurants are from outside our area. He pointed out that we pay the tax when we visit other communities such as North Augusta, Augusta, Columbia, and other larger communities. He said he felt this is the time to impose the Hospitality Tax and to move forward with the projects listed.

Councilman Dewar stated Mr. LeDuc started by saying that we needed this amount of money to move forward for the city to grow. He said he agrees with that. He said we could just as easily do that by adjusting our budget. He said he had tried for the seven years he had been on Council to get zero based budgeting. He said he could not say it had been a total failure because we do have \$100,000 reduction in Public Safety this year. He said when the economy sagged, this Council did nothing except to continue to spend the same amount of money every year, year after year. Now we are in a situation where we think the only solution to a problem that needs addressing—he does not doubt that—is to raise taxes. He said he had people call him and say that they prefer we raise the Accommodations Tax which is currently 5%. He said he has had some people that have questioned the city imposing the Hospitality Tax on top of the 1% that the School Board just started. He said this is a bit much. We have already gone through our new budget, and we are increasing taxes and fees all over the place. He said he did not think there was any department that has not been affected from Public Services, Public Safety, cost of reports, etc., Engineering and Utilities. He said everyone in the city is being asked to pay more, but the city has not shown an inclination to really want to look hard at reducing expenses. He said he hoped he did not hear the statement that the new projects on Whiskey Road are in danger if the Hospitality Tax is not approved by Council. He said he thought Mr. LeDuc had assured him that was not the case.

Mr. LeDuc stated one project that probably would not move forward unless we provide some relief is for the sanitary sewer. For the other project we are looking at some alternatives, but it still does not solve the overall storm drainage problem at that location. Councilman Dewar stated he understood that the solution would solve the problem enough for those businesses to go in the area. Mr. LeDuc stated possibly. He said not the one for the sanitary sewer. He said they need sanitary sewer for the restaurant to go in that location.

Councilman Dewar stated he asked the question last week, and he thought he got a different answer. Mr. LeDuc stated for the other location by moving the building forward, it reduced the amount of storm water going to the rear. Instead of about 90% of the storm water going to the rear less than 50% will go to the rear. It will reduce the storm water, but he said he did not think it would relieve the whole problem we have there. He pointed out they have had flooding there for years. This will help the problem.

We are looking at another solution and possibly going to a drain pipe for the storm sewer and instead of a \$150,000 solution that we were given by the engineer, we feel that we can do it for \$50,000.

Councilman Dewar stated the other issue that he has is that essentially we seem to be playing some budget tricks. He said the Hospitality Tax money by law is supposed to be used for tourism related projects. What we are saying is that we are going to take that Hospitality Tax money, and we are not going to use it all for tourism, but we are going to put some of that money into the General Fund and then take the General Fund money out and use it for the economic projects as the tourism money can't be used for the economic projects. It must be used for tourism, and the six items listed in the law for which the money can be used. He said saying we are going to levy a 1% Hospitality Tax, and we are going to be able to spend it on business related, etc., we can only do that by playing "games" with the financing. He said we would not be doing what the law indicates we should be doing with the Hospitality Tax.

Councilman Merry stated he was very disturbed with the idea with it being a trick or a game. It is neither of those things. He said the money would be going into the General Fund via the Hospitality Tax. It would pay for every legal thing that it is allowed to pay for. The money that was being spent in the General Fund would now still be there, and it would be spent on economic development. He said there is no trick or game involved. Councilman Dewar stated he would disagree or he would not have said it. The law says the money must be used for tourism. Councilman Merry stated it would absolutely be used for tourism. Councilman Dewar stated the \$1.2 million that we would collect from the Hospitality Tax would not be used for tourism. He said we had just heard from Mr. LeDuc that \$600,000 would be spent for business related investment, etc. He said we would take General Fund money to do what the Hospitality Tax money is supposed to do.

Mr. LeDuc stated the \$1.2 million will be used for tourism related items. Councilman Dewar stated, yes, we will commit to spending that on tourism related items, and he understands that. Mr. LeDuc stated it has to be spent that way by law. That in turn relieves funds that can then be available for other things. Mr. LeDuc stated his understanding is that Council wanted to use those funds for economic development so we put the proposed funds into a standalone Economic Development Budget. We have a budget just like we have for the Accommodations Tax money where we receive about \$550,000. That has to show an expenditure of \$550,000. He said we get \$550,000 revenue and \$550,000 will be spent on certain line items. He said it would be the same thing for the \$1.2 million which will be coming in and \$1.2 million would be spent on hospitality or recreational, tourism, cultural, historic, landscaping improvements, etc. that are identified in the law. Of that \$1.2 million \$500,000 is for a parking garage which is allowed under the law.

Councilman Dewar stated he does not question the parking garage, as he thought that would be allowed under the law. He said he just wanted to pass those comments along. He said obviously he felt there is strong support from the Council to pass this tax, but he would just reiterate that we have done disservice to our constituents by not looking harder at coming up with a 5% reduction in our budget which would give us the money that we need to do these things.

Councilwoman Diggs asked how many parking spaces would be available in the parking garage. Mr. LeDuc responded that we intend to have about 100 spaces. A lot of that would be based on the configuration of the property. He questioned whether we would be able to do all of the garage on the existing property that the motel is on or whether we would have to acquire additional property. He said until we get the design parameters we will not know. He said we know that it will probably be a building that is three or four stories tall with parking on the second and third floors. Then the roof top floor would also have parking. We would designate a certain number of the spaces that during certain hours of the day would be reserved for the hotel. He said for example, if there were 100 spaces, then 50 spaces between 5 p.m. and 8 a.m. would be reserved for the hotel. Then during the day with the merchants and patrons of the businesses downtown, parking spaces would be available. Councilwoman Diggs asked if the \$90,000 that would be generated by hotel guests by a \$5 charge for parking would be enough to maintain the

parking garage. Mr. LeDuc stated he felt the \$90,000 would be enough. He said if we have a 60% occupancy rate at the hotel times \$5 per night times 365 days that makes \$90,000. He said that would provide a pool of money that as repairs are needed to the building funds would be available. He said especially on the front of the building, we would want it to look like a regular building with probably glass windows, etc. The fee would provide money for maintenance of the building.

Councilman Ebner stated he had some budget questions related to this. He said he did not think that anyone would disagree that we need to raise some sort of tax. He said for the current year we have \$580,000 out of the Reserve Fund and \$477,000 from the FEMA money, and another \$112,000. He said for this year's budget which ends June 30, 2015, there is about \$1.2 million of one time money in the budget. He asked how we are accounting for that money in next year's budget. He asked if we have Reserve Funds that are planned to be put in the 2015-16 budget. He pointed out that \$1.2 million will not be available for next year's budget. He said there is something we are not going to do somewhere. He wondered how that money is to be made up in next year's budget.

Mr. LeDuc stated as Councilman Dewar mentioned we had some reductions in staff, not only in Public Safety, but also in the Planning Department. In the past he said we have used an average of about \$1.4 to \$1.5 million from our Equipment Reserve Account. Next year that amount will be around \$900,000. In the past several years we have used about \$700,000 to \$800,000 from our Holding Funds. Next year it will be around \$300,000 from Holding Funds. Those funds will be used, but we will use about half as much as in the past. We have been able to look at the revenue and expenditures and part of what happened this past year is the fact that staff will tell you that a number of positions were frozen. A number of positions that they had wanted to have in the current year's budget were not filled. We did not add any new positions in this current year. In fact we have reduced them, and in next year's budget there are even a few other reductions. We have made an attempt to reduce the manpower and some of the other areas to make up that difference. We currently have a balanced budget without the FEMA money and without having to take from the reserves what we have in the current budget. Part of that is because we went ahead and took out Solid Waste and made that an enterprise fund. We have taken all of the Solid Waste out of the General Fund budget, and it is a standalone budget now with \$17 per month for solid waste service supporting that service to the citizens.

Councilman Ebner stated he understood all that Mr. LeDuc said. He said, however, we are still taking money out of the Reserve Fund. Mr. LeDuc stated we will always take some money out of the Reserve Fund. Councilman Ebner stated we don't have that many "always" left. He said the Reserve Fund is down to about \$3 million. He said we have taken \$580,000 this year, and \$300,000 next year, etc. Mr. LeDuc stated over the last 10 years our Fund Balance at the end of the year has been at \$505,000 positive. Some years it is higher than other years. It has averaged \$505,000. He said that is why he tried to keep the funding from the Reserve Fund at \$300,000 figuring that if we get \$500,000 more in we will still have a cushion and not have to take all of that money. He said we have always used some from the Reserve Fund every year. He said his practice in the past has been to try to keep that somewhere around \$300,000 to \$400,000 in the budget per year.

Councilman Ebner pointed out that prior to 2008 we did not take any money out of the Reserve Fund when the economy was booming. Mr. LeDuc stated we had always taken money out of the Reserve Fund even in 2008. Councilman Ebner asked how we put the money back in if we always take money out. Mr. LeDuc stated at the end of the year assuming we have more revenue than expenditures—we have had \$505,000 on average for the last 10 years—we put that back into our Holding Fund accounts. He said we come back to Council and say that we have X number of dollars left over at the end of the year, here is how we feel it should be allocated in our Holding Funds. That is usually in August or September when Council approves that.

Councilman Ebner pointed out that the Reserve Fund had gone down in the last few years. Mr. LeDuc stated in the last few years it had gone down by about \$200,000. Councilman Ebner stated in the future how do we make it neutral every year. He said we

could have a turn down in the economy and obviously things would go down. He said somewhere we have to get positive every year going back in the Reserve Fund rather than betting on having an excess of revenue. He said we need to have some plans to do that. Mr. LeDuc stated during the good years we have been building that fund up and when the recession hit in 2008 and 2009, we did not put as much into it. He said in the past we have had about \$3 million in the Holding Fund that was not designated. Then we have about \$11 million in the designated Holding Fund which is for the vehicles, computers, equipment and buildings. Councilman Ebner stated that is for depreciation. He said he was more interested in the cash reserve fund that we take out and we put one line item in like the \$580,000 this year and \$300,000 next year. He said the Depreciation Fund kind of sits over by itself. Mr. LeDuc stated that was at around \$3 million, but is about \$2+ million now. Councilman Ebner stated his concern is that we need to get that positive every year. He said our seven years is beginning to run out or whatever cycle you are on. Mr. LeDuc stated hopefully we have had the seven bad years, and we are now going to have seven good years. Councilman Ebner stated we are beyond the seven years now. He said he did not know if the drought will cause any more bad years.

Councilman Ebner stated it is shown that \$700,000 will be transferred to the General Fund. Mr. LeDuc stated \$700,000 will be transferred from the General Fund to the Economic Fund. Mr. LeDuc stated \$700,000 will be transferred from the Hospitality Tax to the General Fund to reduce various line items, primarily in Buildings and Grounds for the parkways, Hopelands Gardens, the flower beds, the irrigation in the parkways, and Parks, Recreation and Tourism items. All that made up a reduction of \$700,000. Councilman Ebner pointed out that helps us \$700,000 in the budget. Mr. LeDuc pointed out in return that \$700,000 had been transferred to the Economic Development budget. Councilman Ebner stated then basically it is a net zero to the budget. He said when we balance our budget the Hospitality Tax technically does not help balance the budget from what Mr. LeDuc just said. He said Mr. LeDuc stated he put \$700,000 in the General Fund budget and took \$700,000 out of the General Fund. Mr. LeDuc stated Council could do that in the future if they wanted to, but the proposed budget does not add any funds. It is neutral.

Councilman Merry stated he was right about the problem and the problem he outlined really speaks to the need for it. He said in an ideal world which Aiken has almost enjoyed for a couple of decades, growth itself will pay for increases in cost of providing services of government. He said that is what enabled us to not have to raise taxes for 25 years. He said we are now in a period of zero growth, and that, as much as anything else, is the reason that we now find ourselves with a budget problem which has been described. He said this is an investment in trying to invigorate the growth. He said it is planning for the future. It is trying to ward off those future problems or at least make them not as bad. If it is successful, it will ultimately take care of the growth piece which will take care of the budgetary items. He said there are a lot of other things that Mr. LeDuc talked to Council about in the work session as far as the legacy cost of the things that we are doing with the Capital Projects Sales Tax money. There are a lot of other things that will be a challenge to our budget so we have more work to do. He said some of the things Councilmembers Dewar and Ebner were asking about are things that need to be dealt with when we are dealing with the budget itself. He felt this is separate from that.

Councilman Ebner stated he felt Councilman Merry was saying the right words. He said the public needs to understand that this is dealing with a separate issue than balancing the budget. He pointed out that inflation is marching on. He said we see some things around that we used to fix sooner than we do now. Councilman Merry stated if it is successful, it can help balance the budget through the growth.

Councilwoman Price stated this is a new penny that we are talking about coming in. She said there are some communities that are threatened by growth. She said she personally does not feel threatened by what has been presented by Mr. LeDuc to Council as the Hospitality Tax. If you look at the number of cities shown in the listing, many of us travel through these cities several times in a year, and we are buying something in those cities. When we do we are paying the 1% or 2% and not even thinking anything about it. However, when it comes to an economic contribution to our town, we are reluctant to

invest in it. She said we are investing for the future. She said the 1% that we are trying to achieve will help us to implement that at a much more rapid pace than where we are now. She said she goes on record saying she supports the 1% Hospitality Tax.

Councilman Ebner stated we still have to balance the budget. He said in next year's budget we will pick up from \$300,000 to \$600,000 of additional Capital Projects Sales Tax investments that we have to fund to operate. He said he just wanted to be sure that we can do that.

Councilman Merry stated that Councilman Dewar's point is a good one, and he does not disagree with that part of his point about taking a hard long look at the budget, and we will have to do that again next year. Councilman Ebner stated that is what we have to do for sure. He said we have to do something, and there is no question about that. He said, however, we still have to be careful. He said this Hospitality Tax will take several years to implement. He said maybe the next seven year plague won't hit us, and we can go ahead and seven years from this takes off. He said we still have to deal with the intermediate years. The intermediate years are real. He said this will not bring in \$1 million in the next budget year. He said we know that. It is a slow term investment. He said when we get into the budget session coming up in June, 2015, we really need to look at the budget itself. He said this is a net zero to help in the budget for the next couple of years. He said we should not forget that.

Councilwoman Price pointed out again these are new items that we are talking about that we are bringing on line that we want the new funds to support.

Councilman Dewar stated we also have a new item that is coming on board if we believe the Clemson folks at about \$500,000 to take care of the recreation projects that are being built on the northside. He said he wanted to talk about growth. He said he felt the city has been taking some unnecessary hits on the word growth. He said the USCA study referred to population growth. He said we refer to the percentage of 0.61% of average annual growth from 2007 to 2012 approaching zero growth for the previous decade that was 1.54%. He said it was the worst between South Carolina, Aiken County and North Augusta. He said between 2000 and 2010 we were better than everybody except North Augusta. He said we are talking about between 2010 and 2012 losing 360 people in the City of Aiken. He said that is a pittance. He said when you look at what's happened in the city, we have added a Cracker Barrel, building Panera, several hotels and motels. He said we have not added any industrial businesses. We tried and were not successful with one industry. Hopefully, if the Hospitality Tax passes maybe we can try for more than one industry. He said there are a lot of businesses that do not want to come in to the city because of our business license tax. He said as a matter of fact we have lost a lot of businesses that have moved out. He said we still have retail businesses that love Aiken and want to come to Aiken, and they come where the money is. He said we heard that in the Chamber presentation last week. He said all is not gloom and doom for the city. He said he still does not know the numbers, but he thought he heard Mr. LeDuc say we have not balanced our budget in years. We have had to take money out of the Reserve Fund. He said what he does not understand is that Council has voted how to use the end of the year funds in August of every year. Some of that money was used for employee compensation, and one year for the Pawnee-Neilson issue. He said he is not sure he remembers approving putting money in the Reserve Fund in August at the close of the fiscal year. He said all he is saying is that we could have the money that we need to do these things if we had the courage to really take a good hard look at the budget. He said it is hard to believe that given the economy, and we probably have more people now than we had in 2008, that we have not cut our budget. He said businesses have had to cut. He said he did not know what the County had done. He said Council had approved every request given to Council for hiring. He said he did not think Council had disapproved any of the requests. He said Council has approved all the requests. The only reason that was required was to get a handle on it because Council felt they had lost control of it. He said there was a lot of movement. He said in looking at the Human Resource monthly report turnover in the City has been way too high. He said that is something that we need to work on. He said he would not say that Aiken is in great shape, but he would say that it is in good shape in some cases in the retail. He said he understands there are some businesses that will be leaving soon, but he just wanted to discuss the growth issue. He

said that study reflects more on population. He said the items in that report that relate to concern when you talk about the average per capita income going down, are in his opinion related primarily to SRS.

Councilman Merry stated it is, but it still went down. He said it is not blaming anybody in Aiken for doing anything wrong, but the average per capital income went from \$58,000 to \$46,000 from 1989 to 2013. In the same period of time most other places that did not depend on the Savannah River Site did not suffer that kind of job loss and saw their per capita income go up. He said Aiken's went down 25%, but most other places went up 2.5% per year. That difference as he explained in the work session, if the Savannah River Site had not happened in terms of gross domestic product in the City of Aiken, would make a \$300 million a year difference in the gross domestic product in the City of Aiken. That alone is a gargantuan number. He stated City Council did not do anything wrong for us to be in this situation, but we are in this situation. The growth rate of 1 ½% per year for a decade is below what any industry expert will tell you is the sustainable rate you would want to have anyway. Councilman Dewar stated it is not ideal, but since then we have added 1,000 lots from Woodside. There is still building, and all during this period the business license revenue increased. It did not increase significantly, but it did increase. In 2008 it was \$2.2 million and in 2014 it was \$2.3 million. Councilman Merry stated some classifications and some rates were changed. Councilman Dewar stated to be careful when you say bad things about Aiken. He stated the City of Aiken is not a zero anything City. We lost 360 people between 2010 and 2012 out of 30,000. He stated the CAFR shows what has happened financially in Aiken in the last ten years and there is more good than bad. Councilman Merry stated that provides the government picture, but not the private sector picture as much. He stated good points have been made for the need to scrub the budget.

Mr. LeDuc stated about 20% of the budget is wrapped up in three items – health insurance, pension, and regular insurance such as liability, workers' compensation, etc. He stated the one area with the liability insurance is that we are in the process of having a risk manager look at those areas for the Workers' Compensation and the liability. The other two areas are the pension and the health insurance. He said he has talked to the new City Manager John Klimm about those being the two areas that he will be concentrating on a lot. He stated we are already working on a plan for the health insurance to make some fairly radical changes to it that will be rolling out in May with the employees. He stated those will be the two areas he will be sitting down with Mr. Klimm to help with the budget. He stated it will not help with this year's budget, but it could certainly help with future years' budgets. Councilman Dewar stated we saw recently how many employees are in the \$100 deductible medical plan. There are not many people in that shape.

Councilwoman Price asked if the Hospitality Tax would be on the next agenda. Mr. LeDuc stated it would be on the next agenda for first reading.

EMPLOYEE POSITIONS

Unfreeze Public Services

Mayor Cavanaugh stated Council needed to consider approval to unfreeze some employee positions,

Mr. LeDuc stated when Council approved the 2014-15 budget one of the conditions was the freezing of all existing and proposed positions. To unfreeze these positions department heads could request Council to open up these positions on a case by case basis. We have three open positions for Council to consider unfreezing. This would allow the department to fill these positions through the normal hiring process.

The following positions are requested to be unfrozen:

PUBLIC SERVICES

Vehicle Operator - 3 vacancies. Full-time positions. Employees needed to drive trucks in Solid Waste Division.

For Council consideration is to unfreeze three full-time positions in the Public Services Department.

Councilman Dewar moved, seconded by Councilwoman Price that Council approve unfreezing three full-time positions in the Public Services Department. The motion was unanimously approved.

BICYCLE LANES

Councilman Ebner stated he had asked Mr. LeDuc to put information in the agenda regarding the bicycle lanes. He stated that all through the discussions for the last couple of years, nothing was ever mentioned about parking, traffic flow, or anything for the cars. That is one thing that bothered him as that never came up in the last couple of years until some citizens brought it up and said they cannot park in front of their house and there were some businesses where we eliminated the street parking. He stated basically there is a sub-committee in the city or we are using county information, but it specifically states that City Council has approved all of this. He asked, if on a path forward should some of this information and what we are doing with bicycles lanes and shared lanes be going through the Planning Commission, BZA, or something. He stated we send every other entity through a board or commission for changes on their land, yet we go and eliminate some parking places or add lanes, and it comes from a county group but it is not coming through one of our City commissions. He stated he is concerned about why Planning or BZA are not looking at this because it will make a permanent change to the City. He stated right now it just comes through a subcommittee of the County. That is his impression of it. He thinks it should have some more flushing out before it gets to Council.

Mayor Cavanaugh asked if the County was doing things that the City doesn't know they are doing in the City. Councilman Ebner stated he was saying that everything is based off of what came down from the federal, state, and county, and Council has embraced that in one way or another. He thinks that the Planning Commission or BZA should look at this from their perspective before we add bicycle lanes or something in front of businesses. He thinks we are changing the streets. It should be looked at instead of just coming to Council for the first time. Mayor Cavanaugh stated he did not disagree with that at all, but he was trying to understand how these things get changed. Councilman Ebner asked what part of the city or commission does the changes to the bicycle lanes go through before they get to Council. Mayor Cavanaugh stated he doesn't know what they have gone through.

Councilwoman Price stated she had this conversation with Mr. LeDuc a couple of weeks ago. She stated she knows we do not need another committee, but just as we established the Equine Committee for special projects and special concerns, when you look at what is being discussed about all modes of transportation, especially bicycles, we need some committee that is an arm of the City to connect with the County and to keep Council apprised of what is going on. Councilman Ebner stated we are not doing that, and we get this information that comes in from the County. He stated he called the County committee, and we are part of that. He asked if that is a decision logic. He stated he looks at that great logic, but yet the only thing it says is there is only one public comment period. If no one in the public comes and complains then it just goes on through the system. Planning, BZA, or Public Safety hasn't looked at it. He believes it should go through our current commissions to make these kinds of changes in the City.

Mayor Cavanaugh asked for an example of what Councilman Ebner was talking about. Councilman Ebner stated that on Hayne Avenue, the City put in the bicycle lanes and eliminated parking places. Nobody ever mentioned that in the meetings, and even when he asked about it two or three meetings later, after three hours of listening to it, nobody ever wants to talk about parking places. We gave up parking places. He stated if they

had said at the first meeting in November, 2012 that there would be parking places eliminated in front of one of the major business on Hayne Avenue, it would not have passed. Council would have questioned that. He stated he had no idea when he voted for it that they were voting to eliminate parking places in front of houses and businesses.

Councilwoman Price stated she thought they voted on a shared lane. Councilman Dewar stated the original vote was on a resolution and Council was not provided copies of the plan. Councilman Ebner stated it was wide open, and the June 18 letter said that Council approved bicycle lanes. He stated his concern is that this is marching down the road, and Council is not really looking at the plan. He stated if you look at the next ten streets that get done, they are the major right of ways through the City. The State is going to say yes. He thinks we should have our internal commissions that are already there looking at these and saying if this is the right thing to do for the future of the City. Councilwoman Price stated that Councilman Ebner's question was if there was a commission that was an arm of the city to review this process jointly with the County. Councilman Ebner stated we use the Planning Commission for doing development in the City or we use the BZA if someone wants to change something in a business, but Council voted to eliminate parking places. Councilman Merry stated he believes it is a good idea to have the information go to the Planning Commission before it comes to City Council. Councilman Ebner asked how we impose that. He asked if that needs to be on the next agenda for Council to vote. He stated they are going to do Hampton Avenue next. Mayor Cavanaugh stated it was an excellent point that Councilman Ebner raised. Councilman Ebner asked if Council was okay with doing Hampton Avenue with bike lanes or shared lanes all the way down Hampton Avenue. He said he felt the Planning Commission should review the information regarding the bicycle lanes.

Mr. LeDuc stated that about two months ago Council had two projects that came before Council. One was a request by the City to put sidewalks in Crosland Park. It was about \$101,000 using a Transportation Alternative Program (TAP) grant. At the same time, Council approved to split the money and go half with the bikes and half with the sidewalks. He stated we are in the process of finalizing that grant request, and there is \$101,000 that will be spent in the next 12 to 18 months on some sort of bicycle improvements. He stated number one is Hampton Avenue, then Richland Avenue and Park Avenue. He stated staff will be working with the State and ARTS on getting the engineering done to be able to come back to Council or the Planning Commission to decide how to get the lanes on Hampton Avenue. He stated in the past transportation projects have gone through Council. He stated he looks at this as a transportation project. He stated if Council would like to have a transportation project like this, then he thinks the correct avenue to go with is through the Planning Commission. The Planning Commission could go ahead and look at it and see how it will affect the neighborhoods and make their recommendation to City Council. He stated it is very critical because right now that grant is proceeding, and it is not a matter of if, but a matter of when the projects will be coming back to Council.

Councilman Ebner stated right now that project does not have to come back to Council. The grant has been approved, and they are going down the road to do it. Mr. LeDuc stated the plans always have to come back to Council for final approval. Councilman Ebner stated they haven't in the past. Mr. LeDuc stated he realizes that. Councilman Ebner stated that the Planning Commission is not leading the charge to get this done. Mr. LeDuc stated the grant has already been approved by Council and in February ARTS, approved it, so it is moving forward. He stated when you work with a TAP grant, SCDOT administers it. They do all the engineering. Once they do the preliminary engineering, and they have some conceptual plans, those should come back to the City for final approval. He stated next Tuesday Council will be talking about wooden bridges. He stated some plans are coming back, and now it is in Council's hands of where to go next. It will be the same with the bike paths.

Councilman Dewar stated to keep in mind that Tom Lex gave Council a flow chart that he developed that clearly shows that the City will be involved in anything affecting parking. Mr. LeDuc stated any change on that street will have to come back to City Council. Councilman Dewar stated parking will be a consideration, and that has not been the case up until now. Councilman Ebner stated it comes to Council, but it has not been

to any commission. Mr. LeDuc stated it has not. Councilman Ebner stated that is his concern. He said we do not have a citizens' group. Mr. LeDuc stated we could have the Planning Commission vet that process. Through their Comprehensive Plan that is part of their purview to look at transportation. That is the best group to meet the charge. It is not the Design Review Board nor the Board of Zoning Appeals.

Councilman Ebner stated he is trying to be as positive as he can about his complaint. His basic complaint is that the citizens groups that should be looking at this have not been doing it. He said he felt Council should vote on that at the next meeting to have the Planning Commission review. They should be leading it because that is a transportation plan. Mr. LeDuc stated he did not think Council needed to vote on it. Councilman Merry stated the process will be that the bicycle lanes will go through the Planning Commission before it comes to Council. Councilwoman Price asked Mr. LeDuc if the Planning Commission would get citizens' input. Mr. LeDuc stated every time an item goes before the Planning Commission, the Planning Commission always has a public hearing. He stated their general process is they have a work session to talk about an item, and once they get that information back and forth it goes the next month to a full hearing. Councilman Merry stated it is posted before that public hearing. Mr. LeDuc stated every time any major roadway improvement is proposed, there are public meetings and hearings. Going through the Planning Commission would be an ideal way of doing it.

Councilman Ebner stated the one that is coming through now has already been signed, sealed, and delivered. Mr. LeDuc stated only to get the grant. Nothing has been done on the grant, and this would be the ideal time to have the engineers take their conceptual plans to the Planning Commission and depending on what they hear it can come back to City Council. He stated there should be a process for all of this. That is what we have been trying to follow for the last number of months, and he believes it has worked well. He stated it will have to be emphasized with the new City Manager as to how Council wants the process to proceed.

Councilman Ebner stated from two or three meetings ago on page 124, the decision logic goes from the BPAC Committee, then the City employees coordinate with SCDOT. He stated it has been by passed. Mr. LeDuc stated he would take care of that.

CITY MANAGER

Staff

Thanks

Mr. LeDuc stated this is his last semi-official Council meeting. Mr. LeDuc stated he will be at the next meeting and preside over the meeting because Mr. Klimm will literally be stepping in on that day, so he wanted to say a few things. He stated he wanted to thank Council. He stated they had to go through a lot of trying situations and difficult areas, and he knows it has not always been easy. They have not always agreed 100% with each other, but he believes they are in a much better situation today than they were a few months ago. We have done a number of projects through CPST that are moving forward rapidly. He stated the Senior/Youth Center is starting. We have the architect. We have The Alley moving forward with the engineering. We have the Northside Regional Recreation Center going forward. We are waiting to hear any day now on the Publix one. He stated we have the SIB agreements approved. He stated there are a number of large projects that have gone forward and received Council's approval, but we have also gotten some things straightened out as far as structuring with Council. That could not have been done without Council's help, but most importantly he wants to talk about the staff. He stated Council has an excellent number of Department Heads. He stated every one of them have given their heart and soul to the City. Without them none of this could be achieved, and he cannot say enough. He stated Kim Coleman and Tommy Paradise have stepped in as interims for the last ten months. He stated it is not an easy position. Not only did they step in as the interim directors, but they have done all the things they were doing before. He stated he does not know what their futures will be with those departments, but they have done a tremendous job. He told them thank you.

Mr. LeDuc stated he could tell City Council the struggles that he and Tim Coakley have gone through in getting solid waste as an enterprise fund and the recycling with Norman

Dunagan. He stated Charles Barranco and he have looked at Public Safety and made some major changes as far as some of the positions and Animal Control. They were able to address early on the salary increases for Public Safety. He said we are getting ready to hire a number of people. He said he would be meeting with them next week to go through the final process. He stated that George Grinton will wear you down if you're not careful. He has so many things going on. It seems like every day they were in conversation and looking at things and trying to determine where best to go. He stated Council has a great new director there.

Mr. LeDuc stated Kim Abney has her pulse on being director. He stated he and Ms. Abney do not always agree on everything, but they have had some great conversations as to the financing and how best to do it. She has some great knowledge. He stated Alicia Davis has been tremendous and has keyed into a number of different areas and has approached things differently with staff and how things should change in the future. He said we are looking at how to go ahead and get the merit increase and she has done everything he has asked of her in the past number of months. He stated Stuart Bedenbaugh is not only the right hand man for the manager, but the left hand and would be a third hand too if he had one. Anything he has asked of Mr. Bedenbaugh, he has done it and done it in a tremendous manner. He knows that each of Council has turned to Mr. Bedenbaugh for a number of things. He knows he will serve Mr. Klimm well and his future is very bright. He stated Council has tremendous staff not only through the department heads, but throughout the whole City. He stated we should be encouraged, not discouraged, with some of these things. The City does have a bright future, and it is because of each and every one of the employees and department heads who lead them day in and day out.

Council thanked Mr. LeDuc for his service. Mayor Cavanaugh stated Mr. LeDuc has been a Godsend to the City with his knowledge and expertise.

Councilman Dewar asked at what point in the next meeting will Mr. Klimm be sworn in. Mr. LeDuc stated at the very beginning of the meeting he will be sworn in and will take a seat. He stated he and Mr. Klimm had spoken every other day, and he is being sent a lot of emails. Councilman Dewar asked if Mr. LeDuc had considered gathering about 30 minutes early so Council can meet with Mr. Klimm. Mr. LeDuc stated there will be a reception in Room 204. He stated Mr. Klimm will probably be arriving either April 24th or April 25th. He knows on the Saturday before the Council meeting he and Mr. Klimm are going on about a four or five hour journey throughout the city. He will spend all day Monday with staff. He has a top 20 list of people for him to meet in the first couple of weeks. He stated if there is someone they feel should be on that list to let him know.

Councilwoman Price stated she wouldn't be surprised if he was watching the Council meeting.

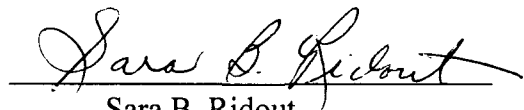
MEMORIAL DAY PARADE

Councilwoman Diggs stated she had a special request. She stated she is part of a committee that is resurrecting the Memorial Day Parade. It is scheduled for May 23 in downtown Aiken. The Jaycees are working with them. There are several restrictions. You cannot sell anything, or hand out anything, but the DAR has offered to buy and donate 1,000 flags to them, and they would like to give them out to everyone attending the parade. She wanted to see if Council could make this exception and allow them to distribute the flags.

Councilman Ebner stated they have done that every year at the parade. Mr. LeDuc stated that should not be a problem at all. Councilwoman Diggs stated if anyone is interested in participating in the parade this year, there is no fee this year. If you want to ride and represent Council or your business, let her know by Wednesday.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:58 P.M.

A handwritten signature in cursive script, reading "Sara B. Ridout", written over a horizontal line.

Sara B. Ridout
City Clerk