

Aiken City Council Minutes

WORKSESSION

March 10, 2014

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

Absent: Councilmember Price.

Others Present: Richard Pearce, Gary Smith, Stuart Bedenbaugh, George Grinton, Kim Abney, Sara Ridout, Maayan Schechter of the Aiken Standard, and 1 citizen.

CALL TO ORDER

In the absence of Mayor Cavanaugh, Mayor Pro Tem Steve Homoki called the meeting to order at 5:30 p.m. Monday, March 10, 2014, and stated the purpose of the meeting was to review our Water and Sewer Utility operations and finances.

WATER AND SEWER

Mr. Pearce stated as part of our meeting, Finance Department Director Kim Abney and Engineering and Utilities Director George Grinton have presentations of key information important to our discussion. Ms. Abney review the revenue and expenses. Then Mr. Grinton will take the financial information and show Council what his plans are for Engineering and Utilities to do work in the Enterprise Fund which is the water and sewer account.

Mr. Pearce stated Engineering & Utilities Director George Grinton will explain the financial information presented and show Council what his plans are for Engineering & Utilities to do work in the Enterprise Fund, which is the water and sewer account.

Councilman Homoki asked if the CPST III had \$3 or \$4 million in it for the new well.

Mr. Pearce stated it only had money for water and sewer infrastructure.

Councilman Homoki stated he considered the well water and sewer infrastructure.

Councilman Reggie Ebner asked if it was talking about new wells or old wells.

Councilman Homoki stated new wells. He said the new well is being carried as an expense against the Enterprise Fund. It seems to him a Capital Project is being put in the Enterprise Fund and he does not feel that is the proper location.

Mr. Pearce stated there is not a well listed in the projects. There is \$8,095,000 listed for water and sewer system infrastructure upgrades. He stated it may be helpful to hear the presentations first so the questions can be addressed. The presentations are an overview and then there will be time for questions and discussion.

Finance Director Kim Abney stated she will speak about the water and sewer system. Some of the information should be familiar from Horizons, but it has been updated since that time. The first piece is the water and sewer system revenues. She showed a slide of the water revenue and the sewer revenue. She stated it has been updated for 8 months but if you add the additional month, for water revenue would only change the estimate by \$337. She said she is still saying we will be about 90% of the budget for the year, so that is \$6.8 million compared to the \$7,550,000 that was budgeted. It will be about \$708,000 short. She stated the sewer side will not be as short, however the additional month brought it a little bit lower in the projections so it will be \$6,032,000 in revenues compared to the \$6,150,00 that was budgeted, about 2\$ under budget.

Ms. Abney stated there was a page in Council's packet that shows the trends and where the City is for the current year compared to previous years. She stated the blue numbers are estimates, and they are based on last year. Where the City started this year is significantly below what we had last year, especially the August billing. In August of 2013, \$764,000 was billed, but August of 2014, only \$567,000 was billed. That trend continued in September and October. There was a little uptake in November but not enough to compensate for the lower months earlier in the year. She stated that in 2012, there was a rate increase of 8%. Part of that increase funded additional people for water and sewer and also to try to catch up from inflation from the previous rate increase. There was decreased consumption between 2012 and 2013, so even with the 8% rate increase, revenue only increased a very small amount, from 2012 – \$7,300,000 to 2013 – \$7,329,900. There really was not an increase. If there were to be a rate increase in effect for the April, May, and June billings of this year, approximately \$100,000 a month could be generated in income to help towards the \$708,000 revenue gap this year.

Ms. Abney directed City Council to the Summary of Costs chart in the agenda. She stated it has the current budget year, 2013-2014, and it is broken out by the different types of expenses in the water and sewer fund. It starts with a rather large number, but she subtracted the \$6.4 million because it will be paid for with loans and depreciation funds. The loans and depreciation funds have to be paid back through the line items above debt service and depreciation. She said she will talk about what must be funded with the water and sewer system revenue which comes to \$14,471,023. She said that very preliminary revenue estimates, because the budget process discussions with the City Manager have not begun yet for next fiscal year, would show about \$13,344,000. It is a shortfall of over \$1 million. That is about 8.4%. That is different from the number she spoke of earlier because earlier, she talked about just the water revenue that was billed for that one category. This is all revenue, water, sewer, impact fees, service fees, cut on fees, and interest. All is rolled into the \$13.3 million. She stated since she is using the current 2013-2014 budget, they want to talk about inflation. Because there will be additional costs built into everything that is bought next year. Inflation is a hard number to pin down and get an exact number. She stated some people say it was 1.7%. She said Councilman Ebner said the State Treasury uses 2.3%. The Census Bureau told her 2.1%. It is safe to say it is about 2%. If you add the 8.4% that the City will be short and 2% for inflation, that is about 10.5%. She said we know there is a shortfall, and we know we have to do work to maintain the system.

Ms. Abney pointed out another slide entitled Components of Water Revenue. The water bill generally includes charges for water service, sewer, and, if you live in the City, garbage and stormwater as well. The water portion is calculated based on the size of the meter, and the standard residential size is $5/8 \times 3/4$. The charge for that, if no water is used, is \$6.26 a month. Then there is the rate 0-500 cubic feet which is \$.99 per hundred cubic feet. The next rate for 501-1000 cubic feet is \$1.26 per hundred cubic foot. You then have how much water is actually used. The example is 800 cubic feet used in a month, so if you add the base rate of \$6.26, the first 500 cubic feet is \$4.95 and the next 300 cubic feet at \$1.26 is \$3.78 for a total of \$14.99 for the water portion a month. A 10% rate increase on that will be about \$1.50. There is also a sewer portion on the water bill. Sewer does not have a meter. It is not metered. It is based on the size of the water meter. The standard meter size again is $5/8 \times 3/4$ and that is \$9.75 for the sewer base charge. The per hundred cubic foot rate is \$2.04, so for the example of 800 cubic feet, it will be 2.04×8 for \$16.32 and add \$9.75 and \$16.32 to get the sewer portion of the bill and it will be \$26.07. A 10% increase of that will be about \$2.61. The winter quarter is the billed months of February, March, and April, which is generally the lowest consumption of the residential customers.

Mr. Pearce stated the combined increase for water and sewer is about \$4.11 a month if there is a 10% increase.

Councilman Homoki asked for clarification on figuring the water rate.

Ms. Abney stated the first 500 cubic feet is at a rate of \$.99 per hundred. The next 300 cf. falls into the 501 to a 1,000 cubic feet, which would be at a rate of \$1.26. She stated sometimes this is confusing for people.

Councilman Dick Dewar asked if there were many customers who pay less than the \$4.95 on the chart. He also asked how many total customers the City has.

Ms. Abney stated there are some customers that use only 300 or 400 cubic feet. She stated there are about 19,000 customers. She stated throughout the spectrum, there are people that use 300-400 cubic feet a month. These people may not be in their homes much or they may travel a lot. There are many scenarios. For the winter quarter average for residential customers, even if you consistently use 2,600, 2,700, or even 3,000 cubic feet, the sewer is capped at 2,400 cubic feet. There are many people every year that are capped at 2,400 even though throughout the year they are using more than that.

Councilman Dewar asked if there is an average rate for the City.

Ms. Abney stated the City uses 800 cubic feet as the average.

Councilman Dewar stated an average customer would be paying the \$14.99 and the \$26.07. It is around \$40.00.

Ms. Abney stated she placed a slide in the agenda regarding other options, since she heard that mentioned at the last meeting. She prepared the 10% rate increase effective April 1, 2014. If the increase is implemented April 1, that would give the City approximately \$100,000 each month it is billed, so April, May, and June would give a potential \$300,000 to help overcome the \$708,000 shortfall that is anticipated in this year's budget. There are other options listed.

Councilman Dewar stated he raised the question about options and the reason he did was he heard to get the City completely whole, there would need to be a 36% increase.

Ms. Abney stated that would be for this year to bring the City up to the budget for the next three months.

Councilman Dewar asked if the City gets the 10% effective April 1, and that would obviously stay in effect all of next year, how soon would that make the City whole and fully fund depreciation.

Councilman Homoki stated the City never catches up. The City is always behind the power curve.

Ms. Abney stated they would look at the budget and the next part of that is the expenses. When they can project revenue, then they can look at what expenses that will cover.

Councilman Dewar asked why the City will never catch up.

Councilman Ebner asked what percentage the City is behind for this year.

Mr. Pearce stated about \$708,000. He stated if it is put in effect this year, that gives \$300,000 towards the \$708,000 deficit. This was talked about at Horizons in February. They were trying to look at March, April, May, and June collections. It definitely helps next year because the projected revenue for this year is \$6.8 million, and we thought we needed \$7.5 million. If there is the increased amount, which is \$100,000 a month for a year, that gives \$1.2 million.

Councilman Dewar asked if the City will ever get to the point that the depreciation fund has the amount in it that it is supposed to have.

Mr. Pearce stated he believes it will help to hear from George Grinton, and it depends on consumption. The additional revenue of \$1.2 million is not extra money; it is make up money for the depreciation. He stated it came to light when they talked about reduced consumption because of the wet summer. Looking at the rainfall rate is something that needs to be considered as well as the projects Mr. Grinton will talk about.

Councilman Dewar asked if the 10% was needed, in and of itself, because of the lower revenue from water and sewer as a result of so much rain.

Mr. Pearce stated it is needed. There is a projected shortfall of \$708,000 this year.

Councilman Philip Merry stated it is a combination of rain causing reduced consumption, and reduced consumption after the rate increase in 2012 also. He stated when you raise the rate, the consumption will go down. That is something that needs to be projected beyond inflation and catch up money. The numbers on the chart show consumption went down despite the higher rate of return with the 8% that was being charged. The total revenues were down in 2012, except for October, compared to 2011. If rates increase 10% or more, the consumption will diminish again.

Mr. Pearce stated in 2012 they talked about the fact that there were wet summers as well, versus the drought that occurred before.

Councilman Ebner stated from 2012 to 2013 there were 7% less gallons used from fiscal year to fiscal year. He stated in the yellow book that Ms. Abney puts together, they went in with average daily consumption in gallons. Between 2011 and 2012 it was minus 1% for 2012, so it was very close. In 2013, 7% less was actually sold.

Councilman Merry stated that looking at the revenue, we were down virtually every month. He stated that with an 8% increase, the total revenue was less, like in November, 2011, it was \$715,775 and in November, 2012 it was \$683,290. It was still down in dollars, even though more is being charged per gallon.

Ms. Abney stated that is part of the reason she showed that analysis.

Councilman Merry stated there are multiple factors that will affect the ability to project the revenue.

Ms. Abney stated the rain is part of it. There are inflationary costs, additional costs that go into everything that needs to be done to fund the depreciation, pay the salaries and do the operating things that need to be done. It does not help when it rains and people do not water. That is just part of it, not the only reason.

Ms. Abney stated her next slide was the rate schedule with the 10% applied. One thing she pointed out was the business rates. While they start out high and then get lower, for the highest consumption over 100,000 cubic feet, that \$1.16 only affects the top 9 users. Not even the top 10 are at that reduced rate. That is the true industrial customers, and even the \$1.16 is greater than what the base rate is for our residential customers. The number of active meters is 19,213 of that 17,500 are the residential size meters of 5/8x3/4 though they are not all residential.

Mr. Pearce stated a good portion consume the 800 cubic feet or less per month, and the vast majority are no more than 1,000 cubic feet per month. Most of the residential people will be in one of the first two categories.

Councilman Dewar asked why businesses are charged more for water, and whether other communities do the same thing.

Ms. Abney stated she looked back at some of the previous changes and there was an engineering study that came in and that is when the changes were recommended in the early 90s. She said that other communities do increasing, decreasing, flat, more for

business, and less for business. There is no “yes, everybody does it the same way and we’re doing something different.” They are all doing it a little bit differently with whatever suits their communities or what their studies show will be best for their positions.

Ms. Abney talked about the Water/Sewer Rate Comparison chart in City Council’s materials. She stated they started using this from the State survey. They use 802 cubic feet to get it comparable to what the City uses. The main gist is if it is \$41.13 and we add 10% to that, it would be \$45.24 and that would still put us very low. There would be 4 communities that would potentially be lower than us if they also do not make a rate change this year. She stated the purple shaded areas are cities that have had a rate increase from 2012 to 2013. A good bit of them increased their rates from the survey that was done the year before.

Ms. Abney stated the last two slides were the Water Consumption History and Rainfall. She stated the consumption history was talked about at Horizons, and it is unfortunately trending down. One portion of it is the rainfall, which is a fairly significant jump when you look at where we were when we had droughts, to nearly double in the last calendar year. This is part of it but not the only part. We know we need revenue to fund the expenses that will be in the system.

Councilman Ebner asked to refer to the Summary of Costs chart. He thought chemicals and electricity were a larger part of it. He stated if you look at the list, there are a number of variables that the City does not control. The City does not control the cost of chemicals, the franchise fees are fixed, debt service we control, electricity, depreciation and other expenses we do not control, benefits and insurance, and ACPSA will be changing their rates. They do not treat the City very well and their portion of our costs is 13%. He stated probably 50% of costs we do not control. There will be an electrical increase, a chemical increase, our benefits and insurance go up. There is a big chunk of costs we do not control, and we sometimes forget that. He said we have a little control over the capital at the top of the chart, which is 31%. That is the one, that if we do not control, it will bite us in 3 or 5 years or has already. All of these will draw a certain amount of inflation. For a couple of years the actuary was 2% and now we are back up to 7% on our retirement fund. We had a big pay in for a couple of years and then we do not.

Mr. Pearce stated there was a significant loss when the market went down in 2008. We brought it back up to being 88% funded right now.

Councilman Merry asked what happens at the end of the budget year if we recoup \$300,000 of the \$708,000 as there would be a \$400,000 loss on the water and sewer fund. He asked where the \$400,000 is made up.

Mr. Pearce stated, as he has said before, during the budget process, we are set up as pay as you go. At the end of this year the utility bond will be paid off. The goal is by December to be completely debt free. We budget in the utilities every year \$1.2 million for depreciation. That is our savings account. We know we will have expenses and the bills have to be paid when they come. That allows us to have a good credit rating with the bonding company. The last couple of times we have contributed to depreciation, we did a little under \$1.1 million and this past year we did about \$560,000. If we do not get the rate increase, we do not get to put the money there and when the bills come due we do not have funds to pay them.

Councilman Merry asked even with the rate increase, will we have a \$400,000 shortfall.

Mr. Pearce stated that we very easily could this year, unless we find expenditures we can postpone until next year to make up that difference. It is a tough situation. He hates to come to Council with rate increases, but other options are tried before he comes to Council.

Councilman Merry stated checks will have to be written between now and the end of June, and there will be checks to the tune of \$400,000 more than revenue, even if there is an increase.

Mr. Pearce stated to remember there is \$1.2 million in depreciation that we are paying to ourselves. It will make it very difficult to fund it all the way. He stated last year we only funded it to the tune of \$560,000. That is not sustainable. We know we have these projects.

Councilman Ebner stated Mr. Pearce was right on target. When we do not get all the money, we push stuff down the line.

Mayor Fred Cavanaugh asked how many of the items on the Summary of Costs have been increased recently.

Mr. Pearce stated the electricity, benefits and insurance, and the salaries have increased.

Councilman Ebner stated they quickly get up to half your bill, maybe a little more. All of them will not go up, but the average will vary.

Mr. Pearce stated with the rate increase, it is tough to budget if we do not know what we have to spend. We can come up with numbers but that is why we wanted to bring this to Council in February.

Councilman Merry asked how the decrease in demand is anticipated due to the rate increase. He has not seen where that has been factored in the projections for revenue. If there is a net loss in demand with an 8% increase, and now we are talking about 10%, there will be a net loss in demand again unless there is a drought. That has to be factored in somehow.

Ms. Abney stated it is almost impossible to pull out what was due to conservation efforts, what was due to not irrigating because of the rain, and then you have the businesses that are going to use less if it is not real hot, because they do not have to cool their towers as much as when it is warmer.

Councilman Merry stated he does not believe there is any way to look backwards and come up with the right number, he thinks there has to be a number to factor in as you look forward.

Mr. Pearce stated it has been discussed many times in Council meetings that inflation is a valid point. George Grinton will talk about the other things he wants to do and that influences the expenditures and the need for the revenues to cover those expenditures.

Councilman Homoki stated once demand is reduced, even if the price is increased, there is a certain point beyond which the demand has to stay. He does not believe it will be that effective. People anticipate some type of a rate hike but will not reduce their demand that much.

Councilman Merry stated it is a 1 1/2% to 2% number, but it is still some number.

Mr. Pearce stated we can look at past experiences and extrapolate that for an expected expense.

Councilman Homoki stated if there is a 5% reduction in demand when you make your initial one, even though you increase the rates, you are not going to get another 5% or 6%. There is a certain limit. It is like diminished returns, but the opposite way, diminished demand. You will not go below a certain level.

Councilman Dewar stated if you have always gone below after you have increased rates and you do not factor in for it, then you will never be correct. You will always be off, you just do not know how much.

Mr. Pearce stated we have always tried to be very conservative. Council has been very reluctant to raise fees, but nevertheless, as Councilman Ebner was saying, when there are increases, and the system is expanded for a growing population, that involves a cost and the cost has to be covered.

Councilman Dewar stated that is an explainable cost.

Councilman Homoki asked if there were figures on how much the reduction was in demand once the rates went up.

Councilman Dewar stated there should be something. There is 2% in the rate increase for inflation, but inflation could end up at 3%.

Councilman Homoki stated we have the charge for the demand of usage. He asked that we look at it and see what percentage it is down.

Councilman Ebner stated on Page XIX of the Comprehensive Annual Financial Report, the rain did affect the numbers. The net since the peak in 2006, 2007, and 2008 has gone down as the building tapered off and people started conserving water. The last three or four years, regardless of rain, it has come down. Even when we had drought in 2010, the numbers are still lower than they were 3 or 4 years ago. He stated you need to look at the water chart because the rates were raised. If the rate increase is taken out, Kim's chart will track what is being used. There is a trend of an average of less water per user now. He does not believe an industrial customer has been lost.

Ms. Abney stated the City is about to lose Pepperidge Farms, and that is in the budget calculation.

Councilman Ebner stated the big one was the Fiberglass plant two years ago.

Ms. Abney stated they reduced theirs but then added the new facility, which kind of helped us.

Councilman Ebner stated if you take into consideration the peak years when all the houses were being built and everyone moving here, for those 3 or 4 years, and then look at the last 3 or 4 years when the rainfall happened to be up and down, we are using a little bit less water.

Councilman Merry asked if in 2011 the average was basically 8.6 million gallons and in 2012 it was 7.5 gallons, so it was down 1.1 million gallons.

Mr. Pearce stated no, that is an error in the report. It was actually 8,459,000 gallons.

Councilman Merry stated it was down very slightly, but relatively unchanged in consumption from 2011 to 2012, but from 2012 to 2013 it was down from 8.459 to 7.874.

Councilman Ebner stated that was 7%, and it was probably rain related, because there was about 15 inches of rain. There is a trend if you take the 3 or 4 year statistical average, and the last 3 or 4 years, less water has been used.

Councilman Dewar asked if that was taken into consideration now with the analysis we are using. We are assuming we will sell what we sold last year before the rate increase.

Ms. Abney stated that is her assumption for revenues at this point.

Councilman Dewar stated history says that is not a correct assumption.

Councilman Homoki stated that is still going to leave us \$300,000 short.

Mr. Pearce stated it will leave us \$700,000 short.

Councilman Dewar stated with the rate increase we will receive \$300,000.

Ms. Abney stated that is if we bill the next three months with the increase.

Mr. Pearce stated the analysis is on Page 18 of the agenda given to Council. In answer to Councilman Dewar's question, he stated they assumed the months would be approximately the same as last year. We are assuming it is going to be wet again this year, as it was last year, and that is why it was carried forward.

Councilman Dewar stated they just spent 15 minutes highlighting the fact that it will be less, probably because it is always less when we raise the rates.

Engineering and Utilities Director George Grinton stated he wanted to share how he wants to spend some of this money that will be collected in the form of projects. He stated he wanted to start with the priorities that were discussed at Horizons. We have preventative maintenance of our systems. He stated he broke it up into water production and water and sewer. He stated first is water production. When it comes down to priorities, we want to maintain our systems, comply with DHEC, and then do projects that enhance the systems. Preventative maintenance is a very important issue. Responding to DHEC reports, the Lloydtown Water Tank is an item on their report that we have been promising that we would refurbish. It is a standard refurbishment, to extend its life and keep the rust away inside and out. We know that 70% plus of our water comes from well productions. One of the goals we have is to better understand the sustainability of our water so we can ensure that we will have adequate water supply far into the future, and understand what is going on. We have had a lot of discussions about leaks. We are in the 15%-17% leak rate calculated area. A goal would be to reduce it to 10%. That would be done through discovering where the leaks are, improving the system, and replacing the service lines. That will save some money. There is more effective use of the well water, if there is proper storage located around the City. We want to study this and understand how we can optimize our well production that we already have, and the water treatment plants we already have so we do not have to spend another \$4.5 million or \$5 million on a well and water treatment plant but see how much we can get from the existing systems.

Mr. Grinton said there are only 60 or 70 houses served by the Vale water system, but it is actually treated by DHEC as if it were a separate water system. They inspect it separately and reports have to be done separately. There is an opportunity to connect it to the City system and we need to spend about \$400,000 in order to bring the water tank and well up to standards. We are a couple of years away from needing to invest in that before DHEC really comes down hard on us.

Councilman Dewar asked if \$400,000 would be the cost to connect.

Mr. Grinton stated connection would be about \$680,000. An additional \$380,000 would be spent but it would be paid back and we would probably save about \$100,000 a year in cost.

Councilman Dewar asked where the \$400,000 comes in.

Mr. Grinton stated in his presentation at Horizons, he estimated \$400,000. The tank and well have to be refurbished, and a bladder tank system has to be rented for the duration of this work to supply water to the people. That all added together for the work, plus the connection, came up to an estimate of about \$400,000. It is an incremental spending, but it will pay off in the long run. On an incremental perspective, it is probably a 4-year or less pay back.

Mr. Grinton stated water and sanitary sewer projects consist of the water replacement project. He stated they talked about the water valve maintenance program, which is a DHEC requirement. We are supposed to exercise our valves. They want us to do about 20% - 25% per year, confirming that they operate, so when there is an emergency a valve can be found and it works. This has not been done. We have exercised them as we needed to exercise them when we have had leaks. That is not the recommended methodology. It should be done on a prescribed basis.

Councilman Dewar stated he heard from a business owner that was lamenting the fact that he had to have his valve checked every year and had to pay the City a fee for doing it.

Mr. Grinton stated that was backflow prevention. He stated these are main valves that are cutting off lines. He stated the maintenance of right of way for water and sewer is simple logic. If you cannot get to it then not only can you not get to it, but you have trees over your sewer lines, and you have no access to your manholes. He stated DHEC also wants us to do a water flushing program. We perform water flushing with a partnership with Public Safety and we will do some additional water flushing with our water production personnel. It will facilitate us meeting that regulation and it is a required project for DHEC. Fire hydrant maintenance and replacement is something that, if you look in the downtown area especially, the fire hydrants are getting quite a bit of age on them and it would be prudent, and is recommended, that we start replacing some of them. Sanitary sewer line inspection is being done more with the camera system in place, but they want to do a prescribed, regimented, inspection where they go through the entire system to identify where our problems are. He stated he had some pictures to show Council later in the presentation what they find during an inspection.

Councilman Dewar asked if the fire hydrant maintenance and replacement includes emergency replacement. He stated he has dealt with a couple of cases where an auto accident wiped out a fire hydrant.

Mr. Grinton stated this project is more of looking to see how old some of the fire hydrants are that we know are 50 years old, and cannot get parts for that need to be replaced. When it is broken and an emergency, it becomes a work order and then a crew is assigned to react to it.

Mr. Grinton stated some additional priorities that are presented are lift stations. Preventative maintenance on the lift stations is very important. Since everything is not gravity flow, when you get into sanitary sewer, you have to pump it to where it can go gravity flow and go into our three discharge points at the Public Service Authority. Providing redundancy of the lift station equipment to prevent sanitary sewer overflow (SSO) is another priority. An overflow of 500 gallons or more is required to be reported to DHEC. He said to picture that as 10 barrels of sewer. That is not that much but you do not want that much. What they do not have is redundancy if they have equipment fail. If they have power outages, we have many lift stations that will accumulate in the wet well and overflow when exceeded. He stated another issue is wherever they pump lift station affluent, as you are pumping through the line, you can go several miles on these forced mains, you have an anaerobic condition. Basically, that is there is no oxygen for the sewage and bugs start to grow and they are the type that do not need oxygen and their bi-product is hydrogen sulfide. This gas is very toxic to concrete pipe. It is dangerous, so the City has sulfide detectors for our people when they have to go into manholes. That is what happened on Southwood, where they had that failure and had to replace a section. That basically destroyed the iron pipe. What we want to do is to provide an oxygenation of the sanitary affluent prior to pumping it to the gravity flow sections. When it is oxygenated, it does not create the hydrogen sulfide so when it is discharged into the gravity flow, there is no corrosive effect. The section that was replaced was put in in the 80s. It should last much longer, but the problem was there was no protection, so that is one of the recommendations. That is for the big and small systems.

Mr. Grinton stated there is the Crosland Park sewer line replacement project (6-10) which they are anxious to get started on. It will address an area that definitely needs some replacement. Providing sufficient resources to complete all required tasks is one of the priorities that is the biggest challenge. He stated we have people that can react to everything that is requested but you pull them from something else that is important to do. We need to have enough resources so we can make sure everything is being worked on that should be worked on.

Councilman Dewar asked if Mr. Grinton was insinuating that he needs more people.

Mr. Grinton said yes.

Mayor Cavanaugh asked how many lift stations the City has.

Mr. Grinton stated there are 39 lift stations. There are 5 large lift stations that have pump arounds and emergency generators, so you have the 5 big ones that would be a real mess if something came up. The one in Southwood would have been a real mess if we had not been able to contain it. That was some real good work with the contractor.

Councilman Dewar asked if the one at Bellrieve was a big one. He stated there was a generator there.

Mr. Grinton stated that is one they call medium flow. He stated the ice storm really highlighted what the situation was. We were fortunate we had some of our power still on the northside. In the heart of the City we had power, so that kept Shaws Creek going and a couple of other lift stations. That helped tremendously for the water.

Mr. Pearce asked if anyone on Council had any complaints from any citizens that they did not have water through the storm.

No Council members received any complaints.

Mr. Grinton stated they got lucky with Shaws Creek and they had one generator that they had at Town Creek that was able to keep a well and the booster pump going. He stated before the storm they pumped everything up. The elevated storage tanks are great because once you fill them up they will gravity flow and are supplying. Where you have the wells, which are 70% of the total, we have to keep a booster pump powered so it can keep water flowing. That is the only way to keep the water going. There are smaller storage tanks and you need a well to keep pumping into for the booster pump. What he would recommend is an emergency generator for Shaws Creek, two portable generators needed for the wells at the water treatment plant, and a portable for The Vale system (if the system is connected to the City system then the generator would not be needed). He stated we were lucky with The Vale system since it is a small system. They were about to take some power equipment from elsewhere to The Vale.

Councilwoman Diggs asked if The Vale system was controlled by DHEC.

Mr. Grinton stated it is not controlled by DHEC. DHEC considers it a separate water system. It is a standalone water system.

Councilwoman Diggs asked what it would take to get a partnership and get them connected to the City system.

Mr. Grinton stated it would take about \$680,000. We would extend the line from the Vale to Banks Mill Road. The nearest connection is about 13,800 feet. That would be the only water main there, so maybe we would be able to pick up some customers if those areas were developed in the future. He stated that is speculation, but at least the City would be there.

Mayor Cavanaugh asked if this was a profitable situation with The Vale.

Mr. Grinton stated he cannot see it being profitable. It is an obligation the City took on.

Mr. Pearce stated it was to help the citizens.

Councilman Ebner stated the cost would probably be lowered by tying in the water line to the City.

Councilman Merry asked what size generators are needed for the water treatment plants and The Vale.

Mr. Grinton stated he did not have that information with him. He stated Shaws Creek would be a large one. It would be the size of the engine in the lobby of the Administration and Finance Building.

Councilman Merry asked if the generators would be used at the same site every time, why would you want portable and not permanent. He asked if they were diesel powered.

Mr. Grinton stated he would request the opportunity to investigate and they would make the best selection. He stated he is calling them portable and maybe they are not.

Mr. Pearce stated one discussion they had in the Emergency Operations Center during the peak of the storm was the fact that there may be power one place but not another place.

Mr. Grinton stated he is trying to balance between flexibility and reliability or redundancy. When it comes to the sanitary sewer, the 12 emergency pump arounds, those are kind of the next 12 of the first 5. It would always be better to have a pump around for a lift station than a generator. What that allows you to do is, if you have maintenance to do, rather than renting a pump around station, you can turn on your redundant system and do your maintenance and then cut the redundant off and put the real one back on. It is a better solution than just a generator.

Councilman Merry asked if it is a more expensive solution.

Mr. Grinton stated it is a slightly more expensive solution. It about 15% -20% more. It would be well worth it. He stated those are some of the things he needs to assess on a more detailed specific basis. Every station is going to have a different challenge to it. Some stations are harder to get to and that will affect your construction costs.

Mr. Grinton stated one of the things that was discussed was a vacuum pump tanker for smaller lift stations. That gives a lot of flexibility in that the smaller stations do not flow in as quickly so you have time to carry a portable generator to, or have a pumper tank come in, empty the wet well, carry it to a station that has a pump around, unload it and go to another one. The wet wells may not even fill up in a day.

Councilman Merry asked if that was a solution of last resort.

Mr. Grinton stated it was. He said the advantage of a pumper truck is you can also use it for other things during the 364 days a year when you do not have power outages. There would be an advantage to that. Right now when we have plugs in lines, we have a jet truck and we push it out. That goes down the line to the next manhole. What should happen is that a vacuum truck should be catching it on the other side and removing what has clogged it. Typically it is grease, and if you are pushing it down the system, you are creating a problem further down. The solution with the pumper truck was that for smaller stations it is available and you can do it on a prescribed basis. He stated to do this correctly, you need the volumes of all the stations, how quickly they fill up, and it is simple math to see how much time you have to go in between and then you know what the solution is, whether you need a pump around, a generator, or if you need to get it with a pumper truck.

Mr. Grinton stated the last item was a generator for the Kershaw Operations Center. That is where all the employees go and get their direction. There would need to be something to keep the office and computers running.

Mr. Grinton reviewed the water and sanitary sewer projects. He stated some of the projects are Silver Bluff water treatment plant; meter replacement; Crosland Park sanitary sewer replacement; and Gem Lakes sanitary sewer, manholes and anaerobic protection. This is the line up from Southwood where Woodside discharges into Gem Lakes. The problem we have with Southwood is as bad, if not worse than, the Gem Lakes gravity sanitary sewer line. He stated he had some pictures to show later in his presentation regarding the sanitary sewer line. This project has a very high priority on the list.

Councilman Dewar asked if Southwood was fixed.

Mr. Grinton said it was fixed. Mr. Grinton moved on to the next project. Laurens Street sanitary sewer lines have a lot of problems. He had pictures of this as well. He stated Hayne/Linden water main replacement is one that came up recently. There is galvanized pipe in various sections of the City and as they are found, the only way to fix them is to get rid of the galvanized pipe.

Mr. Grinton showed pictures of different projects. He stated the first picture was of the Gem Lakes sewer line. He stated it is supposed to be about a 36" diameter concrete pipe. As you can see, it has a little bit of a cathedral ceiling above it with roots hanging down in it. He stated he was not sure what was on the sides, but a little further down there is a top to it. What appears to have happened is the top of the pipe is eaten away. This is the part that goes under Silver Bluff Road, so they can imagine if there was further deterioration to this. This is a priority and he has Ted Jones designing a replacement routing around this section.

Councilman Dewar asked where this line was located on Silver Bluff Road. He also asked if this is affected by the construction that is going to take place.

Mr. Grinton stated it is by Public Safety Station #4 where the manhole discharges. It goes across the street. He stated it is beyond the construction. There is going to be some construction for the raw water line, because they have to get a line from the well at Public Safety #4 going up to the water treatment plant. He has made it very clear to Pearce Adkins that we will not be putting anything over that section. In effect, that is what happened at Southwood. When they started constructing it, the heavy equipment actually caused the collapse of the line. That will be taken into consideration.

Mayor Cavanaugh asked if there are any potential sink holes anywhere. He also asked how far down is the pipe with respect to the road.

Mr. Grinton stated all of those projects are in danger of sink holes. He stated he did not know how far down the pipe was. They are typically about 6 feet down.

Councilman Merry asked how far out Silver Bluff Road was the area being talked about.

Mr. Grinton said it is on the southside near Public Safety Station #4. That is where the manhole starts. It is just on the other side of the road and goes directly under the road and parallel to the road for a bit then cuts down into the woods.

Councilman Dewar asked the length of the line.

Mr. Grinton stated he did not know the length but he could get that information for Council.

Mr. Grinton stated the next picture was of a manhole on Laurens Street looking at some sanitary line. This is where we cannot get the camera up to even see what is happening. There are sanitary lines that go on the east and west side of Laurens Street. They have

been routinely jetting it to keep the flow going. It is already restricted flow, so there is some flow through there, if it keeps getting jetted, it will stay clear, but if it is not jetted, it will accumulate and there will be backups. On occasion, there have been backups. This is the type of thing that they find when they look at the camera.

Mr. Grinton said the next picture is at Highland Park. He stated he received a call from DHEC regarding a homeowner who complained about the sewer smell. This photograph actually occurred last week. This is a section of pipe that you can see which at some point the sanitary sewer line had been repaired and you can see down about 10 feet and up close. There are two sections that were probably repaired at some time and they were joined but now have settled and there is leakage that has to be repaired. When that happens, the camera basically tells us where it is, so then we dig and replace those lines.

Councilman Merry asked what size line it was so he would have a sense of scale.

Mr. Grinton stated it is an 8" line. He stated that is the standard.

Mayor Cavanaugh asked if it was possible to put an inner line in these problem areas.

Mr. Grinton said yes. He stated that gets into the importance of an inspection. It would answer the question of whether there is a bad spot or a bad pipeline section. If there is a bad pipeline section, it would probably be cost effective to look at liners. He stated you can pipe burst and make it a bigger flow, if that is needed in another area. It depends on the pipe. If that was the only section, it is worthwhile to dig it up and repair it. He does not know enough about that entire area yet.

Mayor Cavanaugh asked if the city has the equipment to be able to go through the entire line.

Mr. Grinton stated yes, they can go from manhole to manhole, assuming that there is no sections that block the camera. That was in this year's budget and they got it in November.

Mayor Cavanaugh asked if they cannot see from one manhole to another manhole does that mean there is a blockage.

Mr. Grinton stated yes, if there is a blockage, there will be other tools to use, but basically it will have to be rerouted and bypass it. He said we have a lot of experienced people that know how to take care of these things. For some jobs, if they are a larger magnitude, it would make sense to have a contractor come in, especially if it is a lining situation, and the city would develop a scope and put it out for bid.

Mr. Grinton pointed out the next picture. He stated the turning valves you can see are not too much of a problem. DHEC wants them to be turned so they do not rust shut, so when you need to turn them off, you can. One of the challenges the city has is knowing where the valves are located. There are about 460,000 valves to find. He stated 1,200 to 1,300 a year would need to be located and checked to be able to do it on a four year basis.

Mr. Grinton stated sewer line rights of way are the same type of thing. There are some manholes that are sanitary and those are the paths that need to be cleared. An attachment has been purchased for the mulcher and that will give the ability to do that and what they need is some resources to do it.

Mr. Grinton discussed the summary list of the projects he provided. He stated he split the projects up into four sections. The first section is the major project description. He read over some of the projects: Water Meter Replacement, the Shaw's Creek DBP Compliance, Silver Bluff Water Treatment Plant, and Sanitary Sewer Lift Station Preventive Maintenance. He stated all of the projects on the list are priorities. He stated he had not put every emergency pump around into next year's budget. He has spread it out so they can be added over several years. There is a risk to that, but it is also

recognizing that we need to be considerate of our expenses. To fully fund the replacement of equipment infrastructure, if you take the assets on the books, all the systems that developers have dedicated to the City, and all the equipment we have, and calculate what the annual depreciation is for those assets, we need \$1,456,344 in next year's budget.

Mr. Pearce stated that number is combined. It is \$1.2 million for the system depreciation and a quarter million dollars for the equipment.

Mr. Grinton stated he increased it 5% per year. He said the City will continue to receive dedications of sewer systems and water systems as developers do their work. In order for that to accumulate the funds that are needed to replace those systems and take care of them down the road, we need to start accumulating for the care of those systems. As soon as they are dedicated, we have taken on an obligation and it manifests itself in the depreciation so we will have the money when, in years down the road, money will be needed for maintenance.

The next section is Incremental Resource Description. Mr. Grinton stated this includes Water Valve Maintenance, Maintenance of Right of Way, Camera Inspection Program, and Sewer Crew. He stated this is what he is recommending to gain a more proactive basis for maintaining the system.

Councilman Dewar stated the Sewer Crew will not stay at \$94,500. It will go up every year.

Mr. Grinton stated that was true. He said all of the numbers will with salary increases. He stated he will need to change that on the chart.

Mr. Grinton stated the last item is the Capital Project Sales Tax 3 Projects that are slated. If you look at the third project, Gem Lakes Sanitary Sewer Pipe, Manholes and Anaerobic Protection, the \$826,000 is what Ted Jones estimated for budget purposes to replace the sewer sections that need to be replaced. The \$300,000 is the anaerobic protection equipment, which is the oxygenation equipment that is needed. Because it is such a large system that is an appropriate system. Chemicals can be added, but it would take about \$100,000 - \$125,000 in chemicals per year. He stated that is what is being done at the Gem Lakes going down the Southwood line. What we are trying to do with the chemicals is to oxygenate the solution. You are doing the same thing versus the oxygenation of it using oxygen. The operating costs are about \$50,000 - \$75,000 a year cheaper. He said his recommendation is to use the oxygenation system as opposed to a chemical system. However, a chemical system would be much cheaper to install, but it would not have the lower ongoing cost. It would be a higher cost going forward.

Mr. Grinton stated if there were no Capital Sales Tax, the Capital Project Sales projects would be in the top of the priority list. The Capital Sales Tax does help temper the need for more revenue to pay for infrastructure.

Mr. Pearce stated it spreads out the contributors to the payment for that as well. It is not just City residents, we have people that come and visit and put wear and tear on the system.

Councilman Dewar asked if this was of the \$8 million that we have. He asked how much we have spent already.

Mr. Grinton said \$330,000 was spent last year; \$313,677 in 2012-2013; and we have spent \$330,00 so far this year.

Councilman Dewar stated the concern he sees in the chart is that if everything is done that is listed, in fiscal year 2018-2019, the City will only have \$400,000 until we get Capital Project Sales Tax 4. He asked if we do that consciously, where we are we spending it all before the 7 year period for collecting Capital Projects 4.

Councilman Ebner stated it ends in December 31, 2019, and the last two payments take 6-8 months to get when this one closes out. Capital Project Sales Tax 3 ends in 2019 and then if you want a Capital Project Sales Tax 4, it has to be on the ballot for 2016. You will not receive money until 2021. He stated he had recently spoken with Jason Goings because our money has not been what it is supposed to be.

Mr. Pearce stated it has not been so far.

Councilman Ebner stated it does not look very promising.

Councilman Dewar stated the point he wanted to make is the City will go a couple of years with no Capital Project Sales Tax money.

Mr. Pearce stated that was a good point, and what we are trying to do is some preventative maintenance. He said we cannot plan for disaster. We keep money on hand and try to pay as we go, but it is an excellent point and that is why we are trying to be very careful with the money.

Mr. Grinton concluded his presentation. He stated he continues to do a more comprehensive, methodical camera inspection of our sanitary sewers, the real condition of the infrastructure will be seen and he will make recommendations based on what is discovered.

Councilman Dewar stated as the budget process begins, the City needs to look at the desire to do these projects and compare them to our capabilities. He stated we are talking about having people to work on water meters, and do something else, so who does the sewer inspection and so forth. We need to make sure, as we look into the budget, that we have the people to be able to do these things. He said he does not know what his manning is because he has not looked at it in a long time. He looked at it once during the zero based budgeting, but Council needs to make sure the City has the people they need to do what needs to be done. We can get the equipment, but if you cannot use it, it is no good.

Councilman Homoki asked Mr. Grinton if his estimates of what it would cost were the in-house costs or the contracting out costs.

Mr. Grinton stated it would be both. He said when you are talking larger projects, it will have to be done on the outside because we do not have the number of people. When you are looking at the infrastructure, like Highland Park, those are the ones he feels the City can accomplish. We would try to do as many as we can ourselves because we know we are just paying for materials.

Councilman Homoki stated that answered his question because his question was going to be what if something else comes up and Highland Park could not be completed, but it needed to be done. Contracting out would jack up the price.

Mr. Pearce stated it would cost more because you are paying overhead and their labor. That is why the City tries to do as many things in house as we can. We only come with a rate increase after doing our best to keep costs as low as we can.

Councilman Merry asked Ms. Abney if the idea of a 10% increase in rates still leaves us at a shortfall for 2014-2015 because of inflation and other reasons, what is the right number so we do not end up a year from now having this same conversation.

Councilman Ebner stated we need to have the discussion a year from now. Part of our problem is there is not a serious discussion every year. It was bypassed last year.

Mr. Pearce stated it was bypassed, but they were trying not to have to come with an increase. He said what Councilman Merry is saying is a legitimate concern. We think

right now we can justify a 10.5% increase. That is not only to cover the shortfall but to help us budget for that depreciation that we need to put back to do all the projects and help Mr. Grinton do the projects he needs to do. He stated the opportunity is at the Horizons meeting to have the discussion we are having today. To the extent that we know we have inflation, we can budget for that. He stated talking about the various factors that have come up, by the time of Horizons, it will be known how many of those factors are in play, for not only the rest of the year, but the year after that.

Councilman Merry stated he thinks there is far too much on the plate at Horizons to really get into the depth of some of this stuff. He would rather it be a dedicated meeting.

Mr. Pearce stated whatever Council desires so they can make the most informed decision possible will be done.

Councilman Merry stated it sounds like even with the rate increase, we cannot catch up. It sounds to him like February of next year will be too late again if we are running a shortfall again.

Mr. Pearce stated he prefers to have that six months of data so there can be a Worksession after the first of the year and before Horizons.

Councilman Dewar stated it can be talked about because it is an item on the agenda and it should be discussed there. He stated we are going into the year with a negative, so there is no way to come out with anything but a negative in February.

Mr. Pearce stated that between the two readings staff can double check and look at it again. He did not want to come in and ask for a 36% increase. He stated there is some flexibility with some of the projects and some of the purchases. The 10.5%, we feel, though conservative, is justified at this time.

Councilman Ebner stated there needs to be time value of money numbers in the numbers that were prepared by staff. He stated part of that is what the problem is now. In 2008 and 2009, none of this money was available for doing any projects. Basically, from the numbers he sees, in 2007, 2008, and 2009, there was very little maintenance to the system. We fixed stuff that was really bad. This is what his concern is going forward. We are catching up 4 years of any type of project. We fixed stuff but did not use the cameras. The camera that Mr. Grinton is using is not new technology and the City had cameras they were using before. He stated the time, value, and money really need to be looked at and put in the budget. He stated another thing he feels is not emphasized enough is this is a budget in itself. It can be tied into the red book, but that is immaterial. This is a state mandated fund that has to fund itself. The other thing that has not been talked about is paying off the loans. We have to deal with that, which is the 2009 bond we have. We used that money. He hopes to get into that in the next meeting. He stated we need to pay off what we are borrowing because we are borrowing a good chunk of money.

Mr. Pearce stated that is why he mentioned that earlier. The plan is to pay that out the end of this calendar year.

Mayor Cavanaugh adjourned the meeting at 6:56 p.m.

Aiken City Council MinutesREGULAR MEETING

March 10, 2014

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

Absent: Councilmember Price.

Others Present: Richard Pearce, Gary Smith, Stuart Bedenbaugh, George Grinton, Kim Abney, Ed Evans, Charles Barranco, Glenn Parker, Tim Coakley, Alicia Davis, Sara Ridout, Maayan Schechter of the Aiken Standard, Andrew O'Byrne of the Aiken Leader, TV Channel 12, and about 45 citizens.

CALL TO ORDER

Mayor Cavanaugh called the meeting to order at 7:05 P.M. Councilman Dewar led in prayer, which was followed by the pledge of allegiance to the flag.

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. He pointed out that citizens could only speak on the items on the agenda.

MINUTES

The minutes of the regular meeting of February 24, 2014, were considered for approval. Councilwoman Diggs moved, seconded by Councilman Merry, that Council approve the February 24, 2014, minutes as submitted. The motion was unanimously approved.

PRESENTATIONSRecognitionHunkins, AaronRobert Frick AwardPublic Safety OfficerFire Academy

Mayor Cavanaugh stated Council would like to make a special recognition.

Mr. Pearce stated we recently celebrated S.C. Fire Academy graduation by four Aiken Department of Public Safety recruits: Aaron Hunkins, Ashton Posey, Alex Musgrove and Dmitri Peleaz.

He said we have reasons to celebrate some more. Aaron Hunkins has distinguished Aiken Public Safety and himself by receiving the Robert Frick Award. He said as noted in Chief Barranco's memo, this award is given by our State Fire Academy to recognize academic excellence. Council was also provided a listing of the training progress of our remaining new recruits.

Chief Barranco stated it was a privilege to stand before Council and say that Aiken Public Safety has another Chief Robert Frick Award recipient from the South Carolina Fire Academy. He said Aaron Hunkins went with three other Public Safety Officers to the South Carolina Fire Academy Recruit School, and Aaron Hunkins distinguished himself academically and was awarded the Chief Robert Frick Award with the highest GPA during the 8 week course. Chief Barranco and Councilmembers congratulated Mr. Hunkins for his award.

Employee Work Place SurveyJudy ChunPeople Solutions

Mayor Cavanaugh stated a presentation would be made regarding Employee Workplace Engagement Surveys.

Mr. Pearce stated Judy Chun, M.B.A., J.D., and owner of People Solutions, and her business partner, James Sparks were present to present the scientific methodology and background information regarding her proposal for conducting an employee engagement survey. This survey--on a comprehensive level--will measure our employee workplace experiences as well as key attitude components in each of our City Departments. Based on our conversations with her, we believe her work will provide city management and Council with valuable information we can use to enrich our employee workplace experiences and enhance their performance levels.

As part of her work, Judy will develop anonymous surveys that can be completed in 15 minutes or less; use resources perfected by Profiles International, Inc., a service provider to Fortune 500 companies as well as governmental and academic institutions; and provide an independently tabulated, informative report. Her firm has worked with key companies and entities in the financial services, retail and consumer, travel and hospitality, technology, health care, energy and utility, business services, education, and government sectors.

Judy sees this survey laying the groundwork for the best possible and productive workplace environment.

He said after discussions and meetings about employee morale and an employee survey, the message he got from the last meeting was that Council would like to see a different approach as to how we conduct these employee engagement surveys. He said he had met with Judy Chun and she is present to talk about an approach that she has used several times working in collaboration with Profiles International. He said he had provided her resume as well as some sample customers for Council's information.

Ms. Chun provided a packet of information to Council. Ms. Chun stated she was present to tell Council about best practices in selecting employee information and employee engagement and work satisfaction information. Ms. Chun said she is a M.B.A., J.D.; she moved to Aiken from Hawaii. She had worked for some of the largest companies in Hawaii. She said her last job was CEO of a \$185 million company that administered health insurance benefits. She said she was a strategic business partner with Profiles International, which is in over 120 countries, with over 40,000 customers and millions of users. She said to be a strategic business partner with Profiles International you have to pass an assessment and score 85% or higher. It's a combination of tests along with behavioral traits and interests. You also have to be a business owner and executive. There are very tight parameters for being accepted as a strategic business partner.

Ms. Chun said she is also the leader of People Solutions, which is her own company, and a partner with Jim Sparks, a CPA. She said she was present to tell Council about their best practices. She pointed out in the packet there were some shots of Profiles International website. She said she wanted to call to Council's attention some of the differentiators between what she does and what others do. She felt that would be important to Council in terms of decision making and how to engage employees. She pointed out SOC3. She said that is a key differentiator because that means their process, site and methodology is the most secure you can have. There are no other companies in the country who have that designation. She said that is one reason she joined Profiles International because of the key differentiator. She said it is a tough achievement to get. You are constantly audited and it is an important confidentiality designation. She said Profiles International is not just an employee assessment or employee satisfaction survey company, it also does everything from helping companies hire the right people in the right position all the way up to succession planning. She said they are a multi-faceted

company. Her background has a very strong human resources emphasis. That is a perfect match for what she is doing today.

Ms. Chun said the other differentiator between Profiles International and other companies, which is important to her, is that they have a staff of Phd's that guide them through the validation process. They validate based on content, construct, criterion—the three C's and reliability. She said they meet or exceed the U.S. Department of Labor minimum standards on all of those. Profiles International has a department of psychologists and psychometricians who do research on their ongoing validation. She said they are the only company in the country that continuously validates their material. She said content validity means that everybody no matter their age, gender, ethnic background all understand the questions the same way. She gave an example of not being validated for content as saying "that a dish is really hot." She said that could mean the dish was good or hot. She said the word "hot" could mean temperature hot or spicy hot, or the dish was really good. She said they would not use the words hot dish, but use the word intended to be spicy dish. She said that is why content validation is very important. You don't want any of the questions to be misunderstood or taken out of context.

Ms. Chun pointed out that in the information there was a listing of some of their clients. They serve anywhere from the small mom and pop operations to the fortune 500 companies. She said they have a lot of experience and a lot of depth in the people that conduct this business.

Ms. Chun stated she had included some information in the handout which she felt would help understand the process. She said a workplace engagement survey is an important combination of how well employees are engaged in their position. She said when you are engaged in what you are doing, you are more productive. You are happier. You are a better team member. It comes across in all different ways. She said they determine employee satisfaction with their management which is important. She said at the Council and Mayoral level, and with Mr. Pearce, it is very hard sometimes to have your finger on the pulse. You have to go through layers, and layers, to really understand what is going on with the people that work for the city. She said it is really important to do these surveys. She said she was sure that is why one was requested and why it is important as a validated, scientific approach to getting objective findings, but they also measure their satisfaction not only with management, but with their job in general. She said they could get three components. She pointed out the Workplace Engagement Survey Quick Reference Guide which gives the nine components of the report. She also pointed out the Technical Manual.

Ms. Chun stated she wanted to show Council an example of the actual report. She pointed out the second page shows in the Introduction section a definition of what we are trying to achieve or measure. She said they would measure engagement by each of the departments and compare it to the national average. She said they suggest that the survey be voluntary, not mandatory, so you get those individuals who really want to tell you something to participate, or you could make it mandatory.

Councilman Merry stated in thinking about making the survey voluntary sometimes you might only hear from folks who have an ax to grind. He said he did not know there was an advantage or disadvantage to mandatory, but it seems if it is optional the only people you will hear from are those who might have something to complain about.

Councilwoman Diggs stated she agreed with Councilman Merry. She said she works at a health service clinic, and when they do their employee satisfaction surveys which are anonymous, it is very, very difficult to get them to fill it out in the first place. So if they have the option whether to fill it out or not, she felt they would get very little back.

Ms. Chun said the points expressed are very valid, but what they have seen through their years of doing this is that you would probably get a truer measure if you make the survey optional. She said you have to give a lot of encouragement. In answer to Councilwoman Diggs' question as to how often the survey would be conducted, Ms. Chun stated at this

point with the city she would conduct the survey as soon as possible. She said what they would provide with the survey results would be specific recommendations and timelines for how to improve satisfaction and engagement. Depending on the approval and rollout of those recommendations, she would recommend remeasuring in six months from then. She said you should be able to get to the point where you do the survey annually. She said you want to see the more immediate return on your investment by seeing where you are today, and what can be done. There are always opportunities to increase engagement, and then see where you are in the future.

Ms. Chun pointed out page 3 of the example report provided. She said this is an actual company, but the name has been removed to allow them to remain confidential. She said this particular company participation was six points below the national average. She pointed out it was voluntary. She felt that tells you something. She said the report measured the engagement. She pointed out from the pie chart and the statistics you can see that the company has a problem with disengaged employees. She said 49% of the participants were disengaged. 8% were highly disengaged. She pointed out that engaged people will be those that are happier on the job, show up on time, tendency not to call in sick, and be partners with the rest of the team that they are serving in, be supportive of the city's role, and be very positive. The disengaged and highly disengaged employees can be helped, potentially by identifying the source problem for their disengagement and doing something about it. If it is not corrected, it is like a cancer it can spread which is not what anyone wants. She pointed out page 4 gives more information about the engagement level compared to the national averages. She said they would provide specific recommendations for each of the measures. She pointed out that page 5 shows the engagement with their employment or job and their satisfaction with management. She pointed out that in this example engagement with employment which means satisfaction with their jobs at the time of the survey, extremely satisfied, and satisfied was 47%, dissatisfied and extremely dissatisfied was 41%. She pointed out there may be some concerns about the timing for the survey based on all of the hard work that employees have been doing after the storm, but her observations were that she makes it a point to thank everybody as she is driving along, and they are happy and positive and proud of the work they are doing. She said that may not be a reason to wait.

Mr. Chun stated satisfaction with management in the example was 52% satisfied or extremely satisfied, 46% dissatisfied and extremely dissatisfied. She said the results of the survey would be easy to read; easy to understand. She pointed out the next several pages in the example give you information on what to do with the information. It gives recommendations. Ms. Chun stated the information she would provide would give them the summary information and specific strategic timeline with action steps that would be easy to read.

Councilwoman Diggs asked if the report would be broken down by departments. Ms. Chun responded the report could be broken down by departments. Councilwoman Diggs asked if there would be opportunity to make a comment. Ms. Chun stated there would not be comments through this particular survey. She said they do have another tool that could be used for that. She said the proposed survey is an objective, matrix originated survey. She said on confidentiality that each individual would sign on to the headquarters website in Texas, which is where Profiles International is headquartered. They are all given their own specific password that they created that is unique to them. There is no way anyone can see their answers. It is highly confidential, and there is no way that anyone person can complete the survey more than once. She said they send electronic reminders in two and four days, depending on the timeline set by the city for completion. She said she also administers paper assessments for individuals that cannot or chooses not to get on the internet.

Councilwoman Diggs asked if all city employees had access to the internet. Mr. Pearce stated access could be provided through their supervisor's office, and Ms. Chun stated she could provide a paper survey. She said in an effort to remain confidential and objective she personally would deliver and wait and take up the surveys that are on paper. She said they don't have to mail a form. Ms. Chun stated she takes care of it; that way they guarantee the confidentiality of the survey.

Councilman Merry stated he recognizes the example is a matrix survey where you get data. He said his question is that certainly any survey that you do for any employees, you will see some that are highly engaged, some highly disengaged, some highly satisfied, and some highly unsatisfied. He said within the survey would she show a comparison with similar entities. He said if our survey showed 50% satisfied and 25% unsatisfied, he asked if there would be a comparison with other similar cities or employers. Ms. Chun said they use industry and bi-level, depending on how you want it measured. She said because the city has different departments, it would be very interesting to see each department and how they compare against another and also levels within the department. She said that is very rich information.

Ms. Chun pointed out that in the packet the recommendations would be very unique to the city. She said the cost would be \$5.50 per employee. That includes taking the assessment and measuring the results through the headquarters in Texas. They provide the results to her confidentially, and then she debriefs the city. She said they also provide recommendations and the strategic timeline to go with that.

Councilwoman Diggs asked if the results are always in graph or pie chart. She wondered how the results would be delivered. Ms. Chun stated the results would be both in paragraph and matrix form.

Mayor Cavanaugh asked Ms. Chun if the survey would be distributed by staff to the various departments or if she would do that so each employee gets a copy. Ms. Chun stated it is very important that the results are not just a flash in the pan, but that you show the employee the results and show that you care enough that you are going to do certain steps. Ms. Chun said she would coordinate that and provide recommendations to Mr. Pearce and to City Council. She said delivery is very important.

Councilman Homoki asked how many questions would be on the survey. Ms. Chun stated the survey includes 22 questions, and not 100 questions such as a lot of companies use. She said their questions are scientifically validated. You can ask 10 questions or 1 question and get the same necessary response.

Councilman Homoki stated a lot of surveys build in inconsistency indicators. They will ask the question one way, and commit the person and then ask a very similar question later on. He said the people that are just checking off will show up inconsistency and the validity is reduced. Ms. Chun stated they do that. They ask the question both in positive and negative context. If someone is just going down and answering 3's for example on every question, it will show a distortion value and that assessment result will be thrown out, and they have to retake it.

Councilman Ebner asked if the example was actual data that says City of Aiken – Example Only – Department of Public Safety. He asked if this was actual data, or just a pure example. She said the results are from another company, but she wanted Council to see what the format would look like if you were looking at your own report. It is not actual data. It is a representative example.

Mr. Pearce stated the directive he had from Council was to identify a group that could conduct this survey and bring it to Council and then proceed.

Ms. Chun said with their process she feels that it has value added. It is not a huge investment, but gets the information needed with specific strategic steps. It is confidential through the headquarters in Waco, Texas, and it is objective.

Mayor Cavanaugh asked if she had a copy of the questions in the information of if she gave those out. Ms. Chun stated she did not include a copy of the questions, and does give those out if requested. She said the questions are all validated by the scientific icon PhD department, but the questions could be provided. Mayor Cavanaugh stated he felt Council would like to know the questions just for interest. Ms. Chun said there are 22 questions with the optional 23rd question which would help to identify by location, by department, by level.

Councilman Homoki asked how long it would take to run the survey through the employees. He said if the survey is individual, how long do they have to do the survey, such as a week or two weeks, etc. to respond. Ms. Chun said the timeline would be set by the city. She said they recommend no more than two weeks. A week would be better. She said she would be happy to do the leg work in getting the paper assessments out.

Councilman Dewar asked if there was a minimum level of participation to make judgment on the validity of the survey for the entire organization. Ms. Chun stated the validity is within the assessment or survey itself. She said they really do want to encourage at least 60% participation. She said there are ways that can be done which she would share with whoever is appropriate, but you do want to see the highest level of participation.

Councilman Dewar asked if Ms. Chun would draw a conclusion if only 25% participation was received. Ms. Chun said she would not consider that valid.

Mayor Cavanaugh asked what would be the cut off. Ms. Chun stated 50% is what they say. She said to her that is a very low participation level. She said she would like to see 80% participation. She said if there is an effort from the top down from the leadership, the way it is rolled out is that the city is very interested in employee's opinions and feelings and their participation is highly desirable, etc. Ms. Chun stated people love to give their opinion if given the opportunity.

Mayor Cavanaugh stated they are more inclined to give their opinion if they know it is not going to be filtered out to everybody, etc. He said the plan looked very professional to him, and Ms. Chun has a lot of experience. Mayor Cavanaugh asked Ms. Chun how long she had had her company. Ms. Chun stated she had had her company for three years, and been a partner with Profiles International. She said as a CEO in Hawaii her mission was always to help her people succeed because if the employee succeeds, then the organization succeeds. She said she always puts people first. Mayor Cavanaugh asked Ms. Chun what she had seen over a number of companies doing surveys such as this with their employees and what the trend has been as far as improving or not improving. Ms. Chun stated it depends on if you implement the next step, the action plan. She said you can actually send the wrong signal. You take the assessment; get their opinion, but if you don't do anything with it, then it can have the wrong perspective for the employee. She said that is why what they do is reliable in terms of measuring improvement and from a criterion perspective, they do demonstrate improvement.

Councilman Homoki asked if Ms. Chun would identify corrective measures. Ms. Chun said they make recommendations.

Mr. Pearce stated this was a presentation for information based on the directive he had from City Council. He said staff is prepared to go forward. He said the questions could be presented to Council if that is what Council would desire. He said staff is ready to proceed. Under the procurement code he said this would be appropriate. He said the cost would be less than \$2,500. Councilman Homoki asked if Council could participate. Mr. Pearce stated that was up to Council as to whether they want to participate. He said he thought Council wanted an employee survey.

Mayor Cavanaugh asked what is the next step. He asked if there are others coming to make a presentation to Council.

Mr. Pearce stated he had spoken to Ms. Chun after the last Council meeting. He said he did talk with some other firms. They either had a much higher cost or did not have the service we needed. He said there were several consulting companies that pushed us towards the Survey Monkey. They would help with the interpretation of the data. He said his understanding was that while some on Council were comfortable with Survey Monkey, others were not. He said this proposal seemed to be a reasonable alternative to try to meet all of Council's concerns in conducting an employee engagement survey.

Councilman Ebner stated he felt the presentation was good information, and Council would take it under advisement as individuals.

Mr. Pearce stated that at some point he was trying to discharge the duty that Council has put upon him. He said staff is prepared to go forward when Council is prepared for us to go forward.

Council thanked Ms. Chun for the information, and felt it was very good information.

BOARDS AND COMMISSIONS

Appointments

Peggy Penland

Accommodations Tax Committee

Hank Moormann

Building Code Appeals Board

Mayor Cavanaugh stated Council needed to consider appointments to the various boards, commissions, and committees.

Mr. Pearce stated Council has 19 pending appointments to fill vacancies on different City boards, commissions, and committees. Two appointments are presented for Council's consideration and vote at this meeting.

Mayor Cavanaugh has recommended the reappointment of Peggy Penland to the Accommodations Tax Committee. If reappointed her term would expire March 25, 2016. He has also recommended the reappointment of Hank Moormann to the Building Code Board of Appeals. If reappointed his term would expire May 12, 2016.

Mr. Pearce pointed out that at the last meeting Councilwoman Diggs had mentioned Todd Lista for reappointment to the Accommodations Tax Committee. After the last meeting, when we followed up with him, he has withdrawn his name from being considered.

For Council consideration is the appointment of Peggy Penland to the Accommodations Tax Committee and Hank Moormann to the Building Code Appeals Board.

Councilman Dewar moved, seconded by Councilman Merry, that Council approve the reappointment of Peggy Penland to the Accommodations Tax Committee with the term to expire March 25, 2016, and the reappointment of Hank Moormann to the Building Code Appeals Board with the term to expire May 12, 2016. The motion was unanimously approved.

Councilwoman Diggs stated that she had two nominations for the next meeting. She said she would like to appoint Michael Gibbons, from Golden Harvest Food Bank, to the Accommodations Tax Committee and John Brecht to the Arts Commission.

Mayor Cavanaugh stated the nominations would be on the next agenda for Council's consideration.

Mr. Pearce asked if there needed to be an area of specialty for appointment by Councilwoman Diggs to the Accommodations Tax Committee. Councilwoman Diggs stated that Mr. Brecht has a background in arts and has done several one man shows at USCAiken at the Etherredge Center. Mr. Parker responded that Councilwoman Diggs' appointment according to the list should be in the education category.

WATER AND SEWER RATES – ORDINANCE

Water Rates

Sewer Rates

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration to adjust the water and sewer rates.

Mr. Pearce read the title of the ordinance.

AN ORDINANCE ESTABLISHING NEW CHARGES FOR WATER AND SEWER SERVICE.

Mr. Pearce stated as part of our annual budgeting process we consider our Water and Sewer Enterprise Fund. That fund is a separate budget that is supposed to support itself. Under state law an enterprise fund has its own revenue and its own expenditures. Those funds are kept distinct and separate from the rest of the budget. He said Council had had a worksession at 5:30 p.m. to discuss water and sewer rates.

Mr. Pearce stated the Water and Sewer Fund is realizing about a 10.5% shortfall in revenue for the system for fiscal year 2013-14.

Mr. Pearce stated at the meeting on February 10, we included an agenda item for first reading of an ordinance to adjust our water and sewer system billing rates. At that meeting, Council raised a number of concerns. George Grinton, Engineering and Utilities Department Director, and Kim Abney made presentations at the 5:30 p.m. workshop and are present at this meeting to talk about Council's concerns, review our necessary system improvements, go over bills we expect to become due and payable this, and next budget year, and also share their experiences of the impact inflation rates are having on our ability to provide these utility services.

Mr. Pearce pointed out page 19 of the Work Session agenda packet which showed a chart of a Summary of Costs. He pointed out the capital expenses were reviewed in detail by Mr. Grinton. The salaries, payment that has to be made to the Aiken County Public Service Sewer Treatment Facility--Horse Creek for sewer treatment, benefits and insurance, other operating expenses, depreciation, electricity, debt service, franchise, administration fee and contingency fees, and chemicals. He said the debt service, which is \$1,089,730, reflects the last payment we have to make on our Utilities System bond. The bond was refinanced in 2009 to save interests costs. That will be paid out the end of 2014. At the time of that scheduled payment the City of Aiken will be completely debt free. There will be no General Obligation bond. There would be no utility bond that would be payable. With that in mind, knowing that payment would not have to be made after December would mean in our fiscal year 2015-16 we would not be scheduling any bond service payments, and that money becomes available to help us pay for capital projects and other expenses for the utility. In addition to that money we do collect depreciation every year. That is scheduled for \$1,200,000. That is not money we just sit on; that is money that we collect because we know the water and sewer system has to be updated. Many sections of the system are as old as 50 to 60 years old and in need of replacement.

Furthermore, as the Mayor has pointed out many times, the City of Aiken has experienced population growth for many years. Our population numbers have never gone down with the decennial census. That means we need to be upgrading our system and expanding our system to handle the growing population that comes to Aiken. As part of those expenses we do have the Silver Bluff Water Treatment Plant and deep water wells that we are working on and in the process of constructing. Council has seen that construction on Silver Bluff Road, and there have been newspaper articles about it as well. That is over a \$4 million project. An additional project we have is \$1,400,000 for the installation of filtration equipment at our historic Shiloh Springs Water Treatment Facility. One million dollars of that expense is covered by a state authority forgivable loan, but we still have to pay the additional \$400,000 for the filtration installation. Another significant expense to the system, which falls under the depreciation because depreciation helps us buy replacements for aging equipment, would be our water meter replacement program. That is budgeted at \$600,000 for this year with three additional years at \$1 million each, while we replace 19,000 water meters. Currently our meters have a wireless sending unit and that battery recharges and over time the battery will not recharge any more and the unit has to be replaced. Another issue we have with the existing water meter metal base is that it has mechanical moving parts, a brass impeller

that spins. Over time, just as the tires on our car wear out, these impellers wear out as well. Mr. Pearce said George Grinton and Kim Abney have spent a lot of time with Badger Meter. We have looked at some prototype units and tried some sample units in the field. We discovered some issues, and met again with Badger and addressed those issues. We believe we have a good unit to replace our existing units. Of course, that comes at an expense. He said we feel it is very important to have a scheduled replacement of these meters because we want to charge the customers what they owe and not one dime more. He said accurate metering is essential for that.

Mr. Pearce stated those are three major projects that are not covered by Capital Projects Sales Tax expenses because that was specifically balloted in 2010 to cover water and sewer infrastructure replacement, that is, aging systems that had to be replaced and for our operations issues that we have struggled with in the water utility and sewer utility for the last 20 years. If you look back through the minutes back in 1994, we were talking about issues like aging infrastructure, not wanting to adversely impact folks on fixed income, but to have a system that would operate. We have raised rates over the years. The most recent rate increase was in 2012 which was an 8% increase. Those funds were specifically adopted by Council for the city to hire three two-staff member crews to work on water line replacements. At the time we were suffering a lot of water leaks. We were losing revenue. These crews have worked to use PEX-a pipe to replace the old black plastic pipe. Councilmembers will recall that we had extensive presentations about that. In addition to the 6% funds to hire these crews, which have been hired and kept them staffed, we have provided them with salary and benefits, and also with tools and equipment and heavy machinery to do this work with a 2% inflation factor. He said that was in 2012. Since that time we have experienced between 1.4% and 1.8% inflation, but we have not increased the rates. As has been discussed in this room and recently in the work session, that is just not sustainable. The money that we have is worth less because it is impacted by inflation.

In meeting with Mr. Grinton and discussions with Ms. Abney, Mr. Grinton came on board as Director of Engineering and Utilities in May, 2012, and has done a tremendous job working to identify those areas that are in need of immediate replacement or maintenance work, establishing a maintenance program and identifying needs that will keep us in compliance with DHEC requirements. The capital that is projected that is needed is to work on the system to replace its aging equipment. We have seen a downward trend in the revenues. Fortunately we had depreciation in place to help cover expenses, but we can't continue to rely on that or we will be having conversations again as we had 20 years ago about the utility system coming up short for money. It just is not sustainable. We believe with a 10% increase, as contained in the materials in the agenda packet on page 19 that the City would be able to recoup some of the shortfall this year in anticipation of a rate increase going into effect in April. He said he felt we would be in a better position next year to fund the depreciation we need to not only pay for ongoing projects, but also to undertake these additional projects that he had described.

Mr. Pearce stated we can take this opportunity to put in place a review system where we make sure once we have six months in revenue that in January we can have a work session and discuss the utility system revenues because that helps staff with budgeting. He said based on the discussion with Council, the work session, and the discussion we have had at the staff level, we anticipate that being very helpful to know what Council's thoughts are. Nobody wants to increase rates. We have been through a terrible, terrible economic time, but the harsh reality is that despite our best efforts to economize, to make sure we spend wisely, to make sure we put resources where resources are needed, with inflation and the tremendous rainfall we have had and the sheer fact that we are experiencing a reduction in revenue while our costs remain constant and several increased, whether we are talking about electrical rates, chemical rates, that is something beyond our control. When we look at our ability to absorb those costs and not raise customer rates, we are just at the end of the rope. He said it is with great reluctance that staff comes to Council, but with an eye towards the future and with an eye towards making sure we have a system that is funded so we can do the work that Mr. Grinton has identified, not just to comply with SCDHEC requirements, but just because we are aware of situations and they need to be addressed. They can't be postponed any more. He said staff strongly feels this approach is the approach that we need to do at this time to make

sure we can do the work that Council and the citizens would want us to do. He said otherwise we would just be shirking our responsibility.

Mayor Cavanaugh pointed out that Mr. Pearce had said we have tried to work without having to do this for a number of years, other than in 2012. He said we compare ourselves with about 30 other cities and have been doing that for years. Even with the proposed rate increase Aiken's rates will still be third or fourth from the bottom of the list. All the others are higher than Aiken's rates. He said not that this might make anybody happier about paying a tax, but it does give a perspective of what other cities are doing and have done and the charges they have.

Mr. Pearce said it is significant when we look at that list. They have similarly sized cities or utility systems. That is why we look at them. Since 2012 at least a dozen have raised their rates. He said it is just an unfortunate fact of life. He also pointed out that in the agenda packet on page 59 there is a good recap showing the expenses we are going to have, how we are going to construct the water plant on Silver Bluff Road and pay that debt back to ourselves rather than go out and incur the expense of having to get another utility bond. While we won't be totally debt free, we will be paying back money we borrowed from ourselves. Another thing to point out is that typically the state would look at average consumption of 802 cubic feet per month. He said Aiken's experience is about 800 cubic feet per month would be an average for the customers in our system. For that average customer, that would increase the bill about \$4 per month, or approximately \$1 a week. He said if everybody could spend one more dollar per week with our water system, we feel we will make great gains toward doing the work we need to do to keep it functioning properly and within DHEC guidelines.

Mr. Pearce said for Council consideration on first reading is an adjustment to the water and sewer rates.

Councilman Ebner moved that Council suspend the rules and allow discussion before making a motion. The motion was seconded by Councilman Dewar and unanimously approved.

Councilman Ebner stated one thing we need to look at is page 54 of the agenda packet. He said one of his concerns is how the ordinance is written. It refers to Exhibit A, and Exhibit A shows the rate increases. He said he felt there were other things that need to be documented. Councilman Ebner pointed out the seven items referred to by Mr. Pearce and listed in his memo to Council regarding the proposed rate increase. He said when Council raised the rates in 2012, Council specifically said that the increase would be sufficient to fund one-third of the meters at the time. He pointed out Item 2 in Mr. Pearce's memo which states—Fund water meter replacements over a three-year period. He said his concern is, and possibly the City Attorney could help him, do we need to list these specific things in the ordinance so we remember next year or two years from now what we voted to do. He said Council voted already to replace the meters in 2012.

Mr. Pearce stated if we look at the minutes the discussion on the 8% increase was three-two man crews to replace water lines, not water meters. Councilman Ebner stated it was to fund the replacement of water meters in three years. He said that was very specific from Mr. Morris' memo, and he also addressed the filter project. He said that is water under the bridge. Maybe not a good analogy, but it is done. He said he felt that next year unless we have a very dry year, we will be sitting here talking about the same thing again. He said he was not so sure if we should not be more specific what we talk about and have them in the ordinance so there is no question what we said. He said Mr. Pearce has one opinion about what we did, and he has another. Councilman Ebner stated he felt that is where we are. He said we might need to be more specific, and Council has to agree with that. He said there are a number of things on the list that are all long term. He said he did not want to have to sit here next year or two years from now and say oh we are funding the water meter replacement over a three year period because the three year period has already started. He said that means there has to be about 4,000 meters replaced per year. He said it needs to be done, and he is not debating that. What he is debating is that we put more detail in the ordinance because there are a lot of things on

the list that are important. If we don't fund them, and a year from now we are discussing this, we say hey, we said we were going to do this but the funds were not available. He felt that gives a very good point of discussion in the future to say, hey, we did not have enough money to fund what we needed to do. He said right now, in his opinion, we funded it two years ago, and we have started, but we have not got far. He said what he is asking for is some detail in the ordinance so next year he could say wait a minute Council voted on that last year, and now we are saying three more years to do the meters. There may be a good reason for that next year.

Mr. Smith, City Attorney, stated it is simple enough to cut and paste the seven items that are in Mr. Pearce's memo and make them a Section 2 in the ordinance if that is what Council desires to do.

Councilman Ebner stated that is why he is putting it up. He said he can guarantee you that next year we are going to have this same conversation. If it is a real dry year, we probably won't have it. If it is a year like we have been having, we are going to have this discussion again. He said as Mr. Pearce said in the beginning, this is really a separate budget item. It has nothing to do with the 300 page monster. He said when we deal with this, if the money is not here, Ms. Abney and Mr. Grinton can't do the work. He said that is the bottom line.

Councilman Merry said that was his question. He said he kind of agrees with Councilman Ebner that we want to be specific. He said if we put these seven specific things in the ordinance and revenues are still way off next year and we can't do these seven things, then we would be in violation of our own ordinance. He asked if that would cause a problem.

Mr. Smith stated he felt it was generic enough that Council could use it as a guideline for purposes of evaluating progress. He said he felt that is what Councilman Ebner wanted to do.

Councilman Ebner stated he wanted something to judge ourselves, if you will. He said that is why he asked Mr. Smith. He said maybe they should be guidelines and guideline is a better word than the "law of the land" so to speak. He said as you get to the bottom of the list they are pretty general. He said items 1, 2, and 3 are pretty specific, but if we use them as guidelines to say we did not replace one-third of the meters when we look back a year. He said the question is why we did not replace one-third of the meters. He said, well we did not have enough money to do it.

Councilman Dewar stated it is beyond that. It is easy to say we did not have enough money to replace the meters. Whatever money we had, we used for something else. He said he did not know how you tie anybody's hands on this stuff. He said we have been fighting with water meters almost since he has been on Council. We have been talking about the water plant since he has been on Council. It keeps getting delayed. He said he did not know that putting the seven items in an ordinance is going to bind the city into doing this. He said he was not sure you can do that.

Mr. Pearce stated the water meter installation is certainly underway. The water plant construction is certainly underway. He said he did not think staff has any problem with the seven items being listed in the ordinance, if it helps Council. He said in the memo he was trying to capture why we are here asking for this money at this time. He said obviously we are late in the budget year, but we are looking not only at this budget year, but the next budget year as well to make sure we have the money we need. Councilman Ebner said this is next budget year. It gives us a couple hundred grand in the 13-14 budget, but really this is a full year increase for the year 14-15 budget. Mr. Pearce stated we are hoping for \$300,000 this year.

Councilman Dewar asked if we had replacement of water meters in the current budget and last year's budget. Mr. Pearce responded that there is \$600,000 in the 13-14 budget, which is one year. Then there is \$1 million each for the next three years. Councilman Dewar pointed out that we have four months left in this budget year. Mr. Pearce stated

we are replacing water meters. Councilman Dewar asked if we will spend \$600,000 in the next four months. Mr. Pearce stated he doubted it. Councilman Dewar stated that is his point. Mr. Pearce stated to address Councilman Dewar's concerns, there is a very valid reason why not. He said when we tried the prototype meters, we had problems with them cancelling out when folks watered their yards, which happens very often in the summer time. What we ran into with the technology is that when the water irrigation system would come on and the meter would overload, it took a manual reset. He said we have a lot of people who irrigate their yards, and we don't have sufficient staff to go manually reset meters in the summer time. We worked with Badger and developed technology so we would not have that problem. He said once that was solved, we began installing the meters. Councilman Dewar asked when it was solved. Mr. Pearce stated it was just very recently. We just had a visit with them two or three weeks ago.

Councilman Dewar stated his frustration is that we can say we are going to do these things. He said as he had mentioned we have had the Silver Bluff Plant construction in the budget. He said there is no question that there have been valid reasons why we did not do it, but he did not think you can bind the city simply by putting the listing in the ordinance. Mr. Pearce pointed out that when we did the last rate increase we specified what it was for. We certainly had a discussion about the needs for the entire system. He said he did not disagree with Councilman Ebner, but his recollection is that we actually tied the increase to a specific thing which was additional staff and water line replacement. He said that was his recollection.

Councilman Ebner stated there were six items that the increase was tied to. That was one of them, and the water meters, beginning to pay for the Silver Bluff plant, the Shiloh Springs filtration and radium treatment, and also the water issues at Shaws Creek were other items. Mr. Pearce pointed out those projects are underway, and we do know that we are going to have those future expenses.

Councilman Ebner stated he likes to account for the money a little better than that. He asked what are we going to do a year from now when we don't have a third of the meters changed. He asked what are we going to say then. He said he was not blue skying this. He said this will be a real question 12 months from now. Mr. Pearce stated as part of the budget process, if we have this rate increase in hand, we can budget accordingly. There is a great opportunity after the first six months of the operating 14-15 budget for us to look at where we are on revenues and on project completion and have a work session after the first of the year that would be in January, 2015, and assess our progress at that time.

Councilman Ebner pointed out page 59 of the Council packet. Mr. Pearce pointed out that was the payout for the Water Plant construction. Councilman Ebner stated he had a question for Ms. Abney. He said his question is that in 2014 we pay off a \$1.5 million or just about \$1.5 million for the Crosland Park loan. He asked if that was reflected in the chart on page 59 of the agenda packet. He said he did not see it on the chart. It is a designated item.

Mr. Pearce stated it is \$1,460,000. He said he thought we do reflect that on the Special Holding sheet. He said he had emailed that to Council today. Councilman Ebner asked if it should be on the chart on page 59 as it affects the payout by \$1.5 million. Right now we pay out to 2022. He said he was coming to that in a minute. He asked if it should not be on the chart on page 59.

Ms. Abney stated it is not on that iteration, but there is another iteration that was done in late February when we discussed this. If you add that payment back, that reduces the amount of loan that would have to be borrowed for the project and it would reduce what is shown on the chart as \$5.5 million to just over \$4.40 million. Councilman Ebner asked if it should be reflected on this chart because it changes the payout period. He asked if she were going to just reduce the amount of payout. Ms. Abney stated we could reduce the time and the payment. Mr. Pearce stated we could have that done in time for second reading. Councilman Ebner pointed out we show paying off the current loans by 2021. He said between now and 2021 there will be other major things that we are going to have

to do. He said if we don't do something to pay this loan off a little sooner and go ahead and use the \$1,030,000 that comes off the 2009 Revenue Bond we won't have funds for any other projects. Mr. Pearce said we have to pay that. Councilman Ebner stated he knew that, but what he was saying is that we have not put any room in there for any other major projects until 2020. Mr. Pearce said that is under the current structure, but we could make those revisions in time for the second reading. Councilman Ebner pointed out even if Ms. Abney puts \$1.5 million in there it becomes 2020. If we do any other major projects, it will have to come out of an increase in water and sewer rates. He said he just wanted everybody to understand that. He pointed out we have to pay off the past, and we have to be careful how much we borrow, because it jacks the rates up. He said 10% is a nice rate, but we sure don't want 15% and 20% a year. Mr. Pearce stated he thought it actually potentially moves us back to 2019, but we will run the calculation for the second reading for sure. He said we do have these needs, we do have to pay for them, and what we have done historically is pay as we go. He said a project like the Water Plant which is over \$4 million, we don't have the money to pay for that all at once, and that is why we have the schedule repayment plan just so we all know that rather than paying off a bond, we are actually paying money back to ourselves so you can turn that.

Councilman Ebner stated his point is that in the next four or five years without raising the water rates, we can't do any major projects. We have to get along with the \$1.2 million we are saying we are going to raise every year. He said that is the message we need to be sure we get across. He said he hopes everybody understands what he is saying.

Councilman Ebner stated the other part of this is on June 30, 2014, this year we will be able to reevaluate how much the loan is because we have a Water and Sewer Depreciation account balance. He asked Ms. Abney if that was right. Mr. Pearce answered that is what he emailed to Council this afternoon. He said the amount is \$1,542,000. Councilman Ebner stated in this particular year 2013-14 which ends June 30, 2014, we will have enough expended on the water plant that the Water and Sewer Depreciation account balance should go to zero.

Ms. Abney stated by June 30, 2014, we would know how much we need to borrow to that point based on how much of the water plant has been constructed by June 30, 2014. Councilman Ebner asked if we would use up the \$1.5 million first. Mr. Pearce stated the amount is about \$1.5 million, but some of that is committed in the budget for expenditures this year. It would be whatever the net figure would be. Councilman Ebner stated he was trying to differentiate between the two because the balance will actually be less. Mr. Pearce stated it would be because we have items in the budget to pay for.

Councilman Ebner stated the reason he was saying this to Council is that we have to be careful. Every year we have been kind of moving this stuff down. This year, what we are voting on now, we really need to be sure we understand what the future holds. If we have another real rainy year, next year may be another 8% to 10% increase in water rates to pay for what we have to do. He said we can't keep postponing the payment of these either. That is not good for the citizens of the city. Mr. Pearce stated staff certainly agrees that would be a disservice just to kick a can down the road. We want to pay as we go.

Councilman Dewar stated based on what we know now and what we have heard, don't we know for a fact that we are going to have to increase water rates again next year. Mr. Pearce stated he thought we have to look at the revenue experience we have from now to December before that question can be answered. He said that is why January is a great time to reassess. Councilman Dewar stated he understands. He said we know we have inflation. Mr. Pearce stated that is a good point. He said Councilman Dewar is absolutely right. We know we have an inflation factor that we need to be budgeting every year. Then as far as the projects that we want to complete within a year, as well as the payments we want to make every year on the major projects that we are doing, we know those figures.

Councilman Dewar stated he was not at all happy to even be asked for approving a 10% increase, even though he understands why. He said that is a lot of money. He said based

on what he is seeing he does not get a warm fuzzy that we will not be in the same situation next year. He said we are talking about a lot of major projects. He said we have new interfund loans of \$5 million. He said he was not sure how to read the chart. He asked where we are borrowing the \$5 million in 2014-15 from. He said it is an interfund, which fund are we borrowing it from. Mr. Pearce stated typically it would be from the General Fund. Councilman Dewar asked if we could borrow from the General Fund to go into an Enterprise Fund. Mr. Pearce stated we have done that in the past. He said Mr. Smith could speak to that. Mr. Pearce stated we typically do that through a loan document so we keep everything above board and documented for the auditors. Councilman Dewar asked if we had actually done the loan. He asked if we had done a loan document for Crosland Park. Councilman Ebner stated a document had been done for Crosland Park. He said we did a loan for the \$4.5 million for the water treatment plant. Ms. Abney stated the \$4.5 million for the water treatment plant is part of the \$5 million. Councilman Ebner stated he thought that was designated out of the General Fund. Ms. Abney responded yes. Councilman Ebner stated we have done that and that is the proper way to do it.

Mr. Gary Smith, City Attorney, stated the ordinance specifies which fund you are borrowing from.

Mr. Pearce stated if it will help Councilman Dewar, he could give him copies of those documents. He said to remember that for Crosland Park the money went from the Utility Fund to the Crosland Park Fund. Now it will repay no later than by the end of this year. Councilman Ebner stated that is the one that is a little bit shaky. It is supposed to be Water and Sewer related so we won't do that anymore. Mr. Pearce stated that pre-dates him, and we are not doing that any more. Mr. Pearce stated the point is a good one, Councilman Ebner, certainly to the extent that we have cash on hand to put towards the project. He said we do need to keep in mind that the auditors look in our budget for three to six months of operating expenses on hand in order for us to get a clean financial report from them. He said that is total and does look at all the budgets, not just the utility budget. Councilman Ebner pointed out the water and sewer fund is a month to month fund. It is independent. He said Councilman Dewar's question is very valid. He said he did not think Council can sit here and say that we won't have an increase in February of next year. He said that is to be determined, but for us to say 10% may get us what we need for the year 2014-15, but next year we are going to sit here and have this same discussion. Mr. Pearce said because Council will be looking at 15-16. Then looking at 16-17. Councilman Ebner stated we don't need to raise the money for 2015-16 this year. This is 2014-15, next year's budget we are talking about.

Councilman Dewar asked whether the 10% increase will fully fund the depreciation of \$1.2 million a year. Mr. Pearce stated that is the goal. Councilman Dewar stated goal is a bad term. He said we are asking for hard cash from the citizens. He asked if we will have enough money to fully fund depreciation. Ms. Abney stated that in March, 2014, she could not tell how we are going to end in June, 2015. She said there are too many variables. Mr. Pearce stated we are projecting a deficit at this point. He said we are trying to look down the road not just this year, although we are trying to recover some of that to fund as much as we possibly can. He said if Councilman Dewar's question is about the 2014-15 budget the goal is to get back to fully funded depreciation. Councilman Dewar stated we are projecting a deficit in fully funding depreciation for the 2014-15 year. Mr. Pearce stated if we were to fully fund depreciation this year, then we would need to recover more than the 10%. This budget is down about \$700,000. If we put this increase in effect and Council passes the ordinance tonight and passes the ordinance on March 24, then the April 1, 2014, billing would include the 10% increase. The billings for April, May, and June would include the 10% increase. Of the \$700,000 shortfall for 2013-14, we estimate that about \$300,000 would be covered by the increase in rates this year.

Councilman Dewar stated then we will be going into next year with a \$400,000 shortfall, and we can't say for sure that we will collect enough to fully fund depreciation. He asked if it is likely, based on a 10% increase effective April 1, 2014, that we will collect enough to fully fund depreciation. Ms. Abney responded that is our goal. Mr. Pearce stated he knows Councilman Dewar doesn't like the word "goal", but that is what we want to do.

That is the calculation we have done. We are hopeful we will be able to do that, but let's assess it this year to see if we are on track. Councilman Dewar stated he felt they could clearly convey the fact that based on what we know now that we are at least going to ask for an increase next February for inflation. Mr. Pearce responded yes. Councilman Dewar stated and maybe more. Councilman Ebner stated the answer to that is yes too. Councilman Ebner stated we want to be straight up with the citizens. Councilman Dewar stated we have to work to avoid a 10% increase. He said we have to do whatever we can. He said people don't like any increase, but a 3%, 4% or 5% you can live with, but 10% is a lot. He said he knew that it is only \$4 per month. Mr. Pearce stated what a \$1 a week will do for us, is if we have a major ice storm, we won't be like other utility systems. When you turn the faucet clean water will come out. He said that is what Mr. Grinton works on every day.

Councilman Ebner stated now are we ready or not ready to make a motion for a 10% rate increase in water and sewer rates on first reading.

Mr. Smith stated if a motion is made do they want to include language from the memo or how do they want to handle that.

Councilman Ebner stated he would make a motion but wanted to be sure Councilwoman Diggs is okay with where we are going. Councilwoman Diggs stated nobody wants to increase the rates because they know there are already many people who are struggling. However, there are situations associated with this that is beyond their control. She said we have talked about it. We all know it. We all hate it, but we all know we have to do what we have to do.

Councilman Ebner stated Council has talked about the matter for an hour and a half.

Councilman Ebner moved, seconded by Councilman Merry, that Council pass on first reading an ordinance to increase the water and sewer rates by 10% effective with the April 1, 2014, billing and that the City Attorney be authorized to amend the ordinance to include the seven items listed in the City Manager's memo dated March 10, 2014, regarding the rate increase as guidelines in the ordinance and also that the Projected Capital Expense and Debt Service chart included in the agenda on page 59 of the agenda packet be updated to reflect the Crosland Park payoff loan and that second reading and public hearing be set for the next meeting of Council. The motion was unanimously approved.

Mr. Pearce stated to be sure he understands Council's expectation with the addition, is that the payout be adjusted accordingly. Councilman Ebner stated adjust the payout accordingly, but he would like the sheet updated so next year when we sit here we can say whether we are in trouble on paying the loans or not. Councilman Dewar asked if Councilman Ebner wanted the chart updated for the second reading. Councilman Ebner responded yes.

The listing to be included in the amended ordinance is:

1. Pay for the Silver Bluff Water Plant construction.
2. Fund water meter replacements over a three-year period.
3. Fund our share of the Shiloh Springs Filter installation project--mandated by a consent order.
4. Fund our System Depreciation Account to have funds we know we need to replace aging system infrastructure equipment.
5. Fund a multi-year comprehensive installation of generators at our Shaws Creek Water Treatment Plant and our sewer lift station sites to ensure they will continue to operate when power outages occur.

6. Establish a rate that is more consistent with the costs expected to operate our water and sewer systems, including staffing levels for water and sewer system work and maintenance crews.
7. Keep rates adjusted to cover inflationary impacts upon labor and material costs.

CROSLAND PARK SEWER – ORDINANCE 03102014

Capital Projects Sales Tax III

Advancement of Funds

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing on an ordinance to advance funds from CPST III for the Crosland Park Sewer Upgrade Project.

Mr. Pearce read the title of the ordinance.

AN ORDINANCE AUTHORIZING BORROWING FROM THE CITY OF AIKEN
GENERAL FUND RESERVE ACCOUNTS AS OUTLINED IN THE ORDINANCE
FOR THE PURPOSE OF FUNDING SEWER SYSTEM UPGRADE IN CROSLAND
PARK.

Mr. Pearce stated as part of ongoing work in Crosland Park, Engineering and Utilities Director George Grinton received an acceptable bid for Phases 6 through 10 of much-needed sewer infrastructure upgrades in the Crosland Park neighborhood. A winning bid of \$1,608,319.50 has been obtained for this work. Once completed, we will then be able to proceed with paving the Aldrich Street entrance into Crosland Park beginning at the Burger King location. In tandem with our Safe Routes to Schools work in this neighborhood, we believe upgrading this infrastructure will visibly show our continued commitment to improving the quality of life for residents in this key Northside neighborhood.

Our Round III, Capital Projects Sales Tax, has \$8,000,000 committed to water and sewer system upgrades. We propose borrowing the bid amount to make these improvements. We believe sufficient CPST III funds will have been collected by April, 2015 to cover these advanced funds in full.

At the February 24, 2014 meeting, Council discussed Capital Projects Sales Tax projects that were approved on October 14, 2013 by City Council. It was pointed out that no ordinance for the formal approval of these projects had been approved by Council. It was suggested that this ordinance could be amended to include those projects approved on October 14, 2013.

Mr. Pearce pointed out the revised ordinance reflects a loan of \$1,608,319.50. He said when the ordinance was before Council on February 24, 2014, it was thought that we needed to add \$194,214.30 for sewer and manhole rehabilitation in Southwood and \$35,893.80 for Boardman Road water line project to the ordinance. He said when Council looked at those funds being needed on October 14, 2013, Council directed that we repay those funds out of the initial check we received for Capital Projects Sales Tax III payment, which we did. Those funds have already been repaid.

For Council consideration on second reading is the advance of \$1,608,319.50 for sewer lines in Crosland Park.

Councilman Ebner moved, seconded by Councilwoman Diggs, that Council approve on second and final reading the ordinance to authorize the advancement of \$1,608,319.50 for sewer lines in Crosland Park with the funds being borrowed from General Fund Reserve accounts. The motion was unanimously approved.

Councilman Dewar stated he wanted to point out again that there is \$8 million for infrastructure. He said we will spend \$7 million by 2017 or 2018 so we are running close to maxing that out. He said we will go a couple of years with no capital projects money.

He said there are only two other places we get money for capital projects. One is a loan and the other is one Council does not want to talk about.

Councilman Ebner stated there had been two payments from Capital Projects Sales Tax III. He said he had talked to the County Treasurer today. He pointed out the payments are almost 30% or 40% low. He said it was something he wanted to have on the agenda next time to talk about Capital Projects tax overall. He said we got roughly a million in February, and we were expecting \$1.3 million. He said the State has not answered the County Treasurer as to whether they made a mistake on projects or what happened. He said it is way off by about 20% to 30% for the first payments of the Capital Projects Sales Tax. He said County Treasurer Jason Goings is hoping the State made a mistake. He said if this trend is continued we will have to look at the end of the list. He said we have \$44 million projected. If you project from what we are getting now, it will be about \$30 to \$31 million. He said that is really a kick in the shin, so we really need to watch that. He said he did not know how to solve that. Mr. Goings is supposed to send Council an email on that when he finds out if there was a mistake made or what happened.

Councilman Dewar asked when the next payment is to be received. Councilman Ebner responded three months from February. Mr. Pearce responded probably some time in early summer. Councilman Ebner stated when that one comes in if it is \$300,000 to \$400,000 low, that is not a very good indication. Mr. Pearce stated you hate to blame it on the weather, but the national trends show that retail sales are down through the polar vortex and the terrible weather that we have had. Councilman Ebner stated he was just raising the alarm flag.

Councilman Dewar stated we might want to have that on the agenda when the May number comes in. Councilman Ebner stated he would wait for the May number. Mr. Pearce stated we will be happy to do that. He said he understood that Councilman Ebner would like an agenda item just to review Capital Projects Sales Tax II and III. Councilman Ebner stated he felt we need to review Capital Projects Sales Tax II and III because some are tied together. He said he would send an email. He said the reason he brings this up is that some of the things that we are thinking of doing, we would skip some of the projects, but we should not skip too far down the list because we may have five or six or some of the projects that won't make it in Capital III. Mr. Pearce stated that would be a real shame because those are very, very valuable projects.

Councilman Homoki asked if Council can reallocate CPST III monies, like drop a project and get some money from that and put it on a project. Mr. Pearce stated Mr. Smith had researched that extensively.

Mr. Smith asked if Councilman Homoki was asked about taking money from Capital Projects III and adding it to Capital Projects II. Councilman Homoki stated no, just changing the item where the money is targeted.

Mr. Smith stated Council has to follow the ballot question. He said whatever was on the ballot was actually approved by the voters and Council has to approve what was approved by the voters.

Councilman Ebner stated the projects should be done in the order of the ballot. Mr. Smith stated he would disagree with that. Councilman Homoki pointed out that we are not doing the projects in the order.

Mr. Pearce stated there had been a lot of discussion about that and that was why he wanted Mr. Smith to speak first. In the ballot question it was projected for \$44,600,000. It does say for the projects within the City of Aiken which projects shall be completed in the order determined by the Aiken City Council. He said there has been some difference of opinion about whether Council by a subsequent ordinance could reorder the projects. Then there is some sentiment too that if it is listed a certain way, then that is how you do the projects. You do one and then do the next, and then the next.

Councilman Dewar stated that is what the Attorney General and Director of Revenue for South Carolina say.

Councilman Homoki said what he is saying if Council determines the order in which the money is spent, if we have a real low priority in Council's opinion, then Council could put it on the end of the list and if we run out of money what happens then. Councilman Ebner stated we don't do the projects. Councilman Dewar stated what we submitted to the voters for approval was a priority list of projects. The number one was police computers. He said Council had prioritized them when Council sent them to Aiken County to be put on the ballot. He said that is what the voters approved. He said there is a disagreement on the matter.

Mr. Pearce stated he felt it is a valid point. He said Council did that by ordinance. He said he felt the discussion from the City Attorney is can Council by a subsequent ordinance then reorder the projects. What you have had in the meantime is the voters' approved projects, but the ballot question that you had specifically says the projects shall be completed in the order determined by City Council, not the ballot. He said that is where the difference comes in.

Councilman Dewar stated that is the question where you differ with the Attorney General and differ with the South Carolina Department of Revenue. He said he understands.

Mr. Smith stated City Council has the right to tell the City Manager that the City is only going to do the projects in the order that they appear on the ballot. Councilman Dewar stated the Capital Projects Sales Tax law says that Council has the obligation to send a priority list of projects to be done to the voters for approval. It does not say that it can be changed by Council. The law says to submit it. Mr. Smith pointed out that the ballot that the voters approved says Council can modify the list. Councilman Dewar stated he understands that, but the law does not say that Council can do that.

NATURAL RESOURCES ELEMENT – ORDINANCE

Comprehensive Land Use Plan

Open Space

Green Space

Mayor Cavanaugh stated an ordinance had been prepared for Council's consideration on first reading to amend the Comprehensive Land Use Plan to include a Natural Resources Element.

Mr. Pearce read the title of the ordinance.

AN ORDINANCE AMENDING THE CITY OF AIKEN COMPREHENSIVE LAND USE AND TRANSPORTATION PLAN TO INCORPORATE THE NATURAL RESOURCES ELEMENT FOR THE COMPREHENSIVE PLAN.

Mr. Pearce stated the Planning Commission has worked since 2009 on possible recommended amendments to the Comprehensive Land Use Plan to more comprehensively cover open space and green space preservation opportunities. Over the course of these lengthy discussions and multiple meetings, they have unanimously adopted a recommended plan with revisions to add a Natural Resources Element. Such an element is recommended by South Carolina state laws.

A copy of the draft Natural Resources Element was provided to Council for review. It includes elements covering:

1. Natural Lands.
2. Agricultural Lands.
3. Equestrian Lands.
4. Parks and Civic Spaces.

It does not include any separate entity for determining which spaces need to be preserved. The report proposes that the Planning Commission will call upon recognized experts when needed to assist with:

1. Prioritizing rural and urban lands which need natural resources protected.
2. Identifying specific properties to be purchased at the same time respecting private property rights.
3. Conservation easement development.
4. Habitat management.
5. Shaws Creek Watershed protection.

The Planning Commission voted unanimously (5-0) to recommend City Council adoption of this element to be added to the Comprehensive Land Use Plan. He pointed out that a memo from Liz Stewart, Chair of the Planning Commission was included for Council's information.

Mr. Pearce pointed out that since the Agenda was sent out emails had been received from Elizabeth Darden and Dacre Stoker. They had asked that Council be given copies of their emails and they be included in the minutes.

Ms. Elizabeth Darden's email stated: "I understand that contrary to previous administrations, a committee to focus on Open Space has been eliminated from the current thinking and they have instead decided to "authorize Planning Commission to consult with individuals who possess the necessary expertise on an as-needed basis." This is simply not enough. There are millions of dollars currently set aside for Open Space acquisitions. We need a process to ensure that City Council has direct access to consistent, complete and unbiased information from an objective committee-- knowledgeable in conservation easements, as well as available grants and matching funds for acquiring and protecting additional open space. Please add my comments to the meeting tonight."

Mr. Dacre Stoker's email stated: "I am very much in favor of the City Council creating a standing Open Space committee, and not simply calling upon experts as needed to provide input to the Planning Committee. As we all know a proper functioning committee can follow rules and practices which are standardized with other City of Aiken committees. Furthermore, an Open Space Committee made up of a variety of experts can be constantly updated with new land conservation techniques. They would also be able to develop some continuity and consistency when applying objective criteria to assessing specific parcels of land. Aiken has many open spaces, valuable for a wide variety of reasons, let's do everything we can to make their preservation a priority, not an afterthought."

Mr. Pearce stated in his memo to Council regarding the Natural Resources Element, he had pointed out that the element does not include a separate entity for determining which spaces need to be preserved. He said he wanted to explain for the record there has been some question about that. He said we certainly don't want any confusion. He said the point he was trying to make in his memo is that in the recommended document of the Planning Commission, it specifically says under "Implementation II.

Establish Initial Implementation Tasks.

Authorize the Planning Commission to consult with individuals who possess the necessary expertise on an as-needed basis. Initial tasks to implement the Natural Resource Element may include but are not limited to:

1. a method for prioritizing rural lands and a method for prioritizing urban lands for protection of natural resources;
2. short and-long-term action plans on preservation and/or acquiring natural resources, including identifying areas to be acquired and funding strategies for acquisition while respecting private property rights;
3. methods of protection and selection including (but not limited to) conservation easements, mitigation banking, transfer of development right, donation, and purchase;

4. plans for habitat management of publicly owned protected natural resources; and
5. research parcels, ownership, habitat/watershed value, etc. for Shaws Creek watershed.

Mr. Pearce stated what has been recommended to Council from the Planning Commission authorizes the Planning Commission to consult. It does not set up a separate body to perform these tasks, but it does allow the Planning Commission to consult with individuals who possess the necessary expertise in these areas as the Planning Commission document says on an as needed basis. It does not say who determines the as needed basis. Mr. Pearce stated another thing to keep in mind as Council discusses this item is that the document is an amendment to the Comprehensive Land Use and Transportation Plan so it does take an ordinance to adopt the element.

Mr. Pearce stated in the present posture the Planning Commission is a recommending body only. Council determines if they want to amend the Comprehensive Land Use and Transportation Plan or if they want to amend the plan with modification of the recommendations of the Planning Commission or if Council just chooses not to accept the recommendation at all.

Mr. Pearce stated that was the scope of review. He said he did not want his memo to confuse anyone about what Council's business would be.

For Council consideration on first reading is an ordinance for the adoption of a Natural Resources Element for inclusion in our Comprehensive Land Use and Transportation Plan.

Mayor Cavanaugh asked if there were a motion for approval. There being no motion, Mayor Cavanaugh asked if Council wanted to get the recommendation to the point for discussion.

Mayor Cavanaugh stated he would move to approve the ordinance on first reading with the understanding to get it to the level to discuss the matter. He said otherwise the document is a dead issue.

Councilman Ebner asked if we wanted to suspend the rules so it can be discussed by the citizens who are present. He said he felt we should hear from the citizens who are present.

Councilman Dewar moved that Council suspend the rules and allow discussion on the proposed Natural Resources Element. The motion was seconded by Councilman Ebner. The motion was unanimously approved.

Mayor Cavanaugh asked if any citizens present would like to speak.

Mr. Mike Stake stated he wanted to come back to a meeting held last summer. He said what we had talked about was identifying things that stop us from being self determining. He said as far as the Natural Resources Element it says establish a method for prioritizing rural and urban lands which need natural resources protected, identifying specific properties that need to be purchased, conservation easement development, habitat management, and Shaws Creek watershed protection. He pointed out the Planning Commission voted unanimously to recommend that City Council adopt this element to be added to the Comprehensive Land Use Plan. He said he was suggesting and urging that Council not adopt the document. He said he believes this is just a continuation whether Council knows it or not, of the United Nations agenda before the 21st Century or Agenda 21. He said Agenda 21 short for United Nations Agenda for the 21st Century is a road map of guidelines and procedures dictated from the United Nations and implemented by the member states. In the case of the United States the plans are implemented at the state and local level when federal support is not adequate to meet the demand set forth by the United Nations and its affiliate NGOs as democrats against Agenda 21 state on the website. In a nutshell the plan calls for governments to take control of all land use and not leave any of the decision making in the hands of private property owners. It is

assumed that people are not good stewards of their land and the government will do a better job if they are in control. Individual rights in general are to give way to the needs of communities as determined by the governing body. Moreover, people should be rounded up off the land and packed into human settlements, or islands of human habitation, close to employment centers and transportation. Another program, called the Wildlands Project spells out how most of the land is to be set aside for non-humans.

Mr. Stake said he had talked about this earlier at a Council meeting. He said he found the map they reference. He said Council would really be shocked on this idea that we continue to manage and move and nudge. He said private property for the United States is unlike anywhere in the world. He said we as citizens have the right to own private property. He said he did not believe as a 10th Amendment individual that government should control any of our lands. He said he saw this map and printed it. He said it says Simulated Reserve and Corridor System to Protect Biodiversity as Mandated by the Convention on Biological Diversity, the Wildlands Project, UN and US Man and Biosphere Programs and Various UN US Heritage Programs and NAFTA. He said the mapping for the area east of the Mississippi and south of the Ohio River is at various stages of completion. He said he has to caution Council that the map has not been updated in a while. He said the grid is entirely for core reserves which is what they are talking about. He said Council is talking about carving out sections for land use, management, and that type of thing. He said the red on the map is core reserves and corridors for little to no human use. He said the areas shown in yellow are buffer zones highly regulated use. The areas in blue are normal use zones of cooperation. He said what is really telling or shocking is you have to pay attention to the red and yellow on the map. The red and yellow are areas for little to no human use or highly regulated use. He said that is what we are talking about with adopting the Natural Resources Element for the Land use. He said we are talking about highly regulated use. He said the definition seems to fit the resolution. In 2012 the South Carolina state congress titled a thing called Commercial Center Retrofit Act or H3604. He said it is almost a direct translation of the mission of Agenda 21. It was introduced in the 2011-12 session. It died in committee in April 2012 to his best research. It also bears noting that the South Carolina Council of Governments is an unelected body made of regional, local governments. Each subcouncil within the larger Council is made up of a grouping of local governments belonging to a specific region of the state. This body is not accountable to the people of South Carolina, yet they are involved in making very important decisions.

Mr. Stake said he goes on to Upstate South Carolina. Taxation without representation. He said imagine a large organization funded by our tax dollars though not by your permission. He said imagine that same organization creates a vast slew of onerous rules and regulations it seeks to impose upon you. It consists of unelected, unaccountable bureaucrats. He said imagine how local citizens would react if they became aware that their Mayor and local Council were imposing those regulations on taxpayers. How should we react at the UN blueprints being put into action under our very noses by local and national politicians who are supposed to be servants of the people acting as if they serve masters thousands of miles away.

Mr. Stake stated his suggestion is don't vote for this. He said it continues to put more control in the hands of government. He said where he came from in Colorado, Wyoming, Utah and Nevada, through the Federal Government, they have locked up millions upon millions of acres of land that he as an individual could have purchased and taken to mine the natural resources whether it is silver, gold, copper, oil, or natural gas and he could have turned it into a very nice livelihood, but millions and millions of acres are locked up through the Federal program and also through state programs just like this one. He said that is his concern. It continues to take away the property rights of South Carolinians. Specifically in this case, takes away the property rights of Aikenites. He said he would urge Council to err on the side of caution and do nothing.

Mayor Cavanaugh asked where it says that Council or the government is going to take away these property rights if this is approved.

Mr. Stake said it is not specific. He said as he was listening to all the discussion on the budget about water, it is not specific. He said that is what bothers him because it can be

tweaked or adjusted so that we don't have a say anymore because you voted on it and imposed it upon the citizens.

Mayor Cavanaugh stated he thought it was specific in the document. He said we have been talking about this for months and probably a couple of years that it should be specific. He said the homeowner has to agree to this. We are not talking about something that folks are going out there and take. The person who owns the land and he or she has the right to say what they want to do with their land. He said Mr. Stake is talking about rights. He said a person owns the land and the person has the right to determine whether they are going to say whether they want to put the land in a conservation easement or whatever. He asked what is wrong with that.

Mr. Stake said nothing was wrong with that. He said he was going to tell two quick true stories. He said he had done things like that in a private way. He said he had lived in Denver, Colorado, and had been part of a personal land deal with Jack Vickers, who owns the International Club in Colorado. He said CBS was having such an issue. They wanted to put maximum density along the fairway. He said when you bring Tiger Woods and everybody else down that fairway you don't want to see houses, you want to see sweeping vistas of trees and mountains. He said Jack Vickers had an issue. Instead of having a body or governing body in that county say we are going to cordon this off, the land developer came to us and asked how we can make this right. He said they bought all the land from him. They deeded back what he needed on the fairways to keep his deal with CBS, but the deal was that we also had the opportunity within that deal to develop the rest of that land. He said they did that as private citizens. He said they did not need a county or state to let them do that.

Mr. Stake said his second example is that in Colorado when they were building the Colorado Rocky Stadium it was in a warehouse blighted area. They tore down all the buildings because they were blighted and ugly. He said the Colorado Rockies came in and wanted to build a stadium. The man who owned homeplate said he did not want to sell. They said to him that he will sell. The man said he did not want to. Mr. Stake said everything else had been purchased around everything, but homeplate. The man said he was not selling. He said they did eminent domain and they took it from him. He said those are two stories. One is positive because private people can make things happen. The other is a negative story of what can be done to you with your private property—eminent domain.

Mr. Stake passed the map around that he had referred to earlier in his talk. He said the red and yellow on the map is of little or no human use. The yellow is highly regulated. The blue which is very sparse is cooperation zones. He said cooperation zones basically mean that as long as you deal with the rules you can cooperate with us. There is no sovereignty in this idea. He said he was for an individual sovereignty.

Mr. Pearce stated since Mr. Stake was referring to the document he asked if it could be left with the Clerk for the record.

Mr. Jimmy Brinkley said if what Mayor Cavanaugh was saying is fine then why even have the document. Why even vote for it if the document does not do anything. He said the spirit of the document is to encourage voluntary preservation and protection of natural resources while maintaining integrity of private property ownership, then what is the document. He said all of this we are already doing. He said he would say again what he said at the Planning Commission meeting. This is a great town and a great town because of the people in Aiken. He said when you talk about things that have been preserved such as Whitney Field, Hopelands Gardens, etc. the people decided they wanted it done. There was no government entity that decided it. It was the people of Aiken that decided it. In the end we decide. This is what we have had. We have a great town, and we don't need rules and government people to tell us it is a great town. We have already done it. We know how it works. Another thing, for the purpose of this element Natural Resource was changed from Open Space. He said he was a country boy. He said open space is where he can throw a rock and not hit a tree. He said again that is what was voted on by the people. There were three elements they voted on—parks, walking track, and open space. Open space was an undefinable term. He asked how you define something that is

undefinable. How do you buy something that is not defined. He said if you say you have money to buy a dog, you can buy a dog, but you can't buy something that is not defined. He said the language was changed from Open Space to Natural Resource Element. That is not what it started off as. He said it has taken 10 years to get this far. He said that must tell you about something that stinks. He asked Council not to vote on it as it is not needed. He said it is taken care of. He said we don't need another committee to go sit in front of and waste our time. He said to do something in Aiken now sometimes will take you one year. Small people cannot wait. He said people decided they didn't want Sam's on the southside. He said was it the government or entity that said it was not going to go. No, the people said we don't want it. So it is not there. The hotel going on Whiskey Road had to do everything, and it finally went through. He said if the people don't want it, Council does not need a committee of people to oversee what the land is to be used for. He said he finally found out what the term open space was when he went to Montmorenci and saw how they had cleared a lot of land for horses. He said he encourages Council not to vote for the Natural Resources Element. He said he did not go as far as what Mr. Stake is referring to, but he had learned government is like a rat. If he can get his nose in there, he is in. He felt the Natural Resources Element would open this up for another committee later on. He asked that Council not vote for the Natural Resources Element. He said we don't need another committee.

Mr. Pearce stated he had failed to mention that Ms. Jenne Stoker had also sent an email regarding the Natural Resources Element and a copy had been given to City Council.

Ms. Jenne Stoker, Kershaw Street, stated she had been blown away by the previous two speakers and was a little confused herself about what we are doing. She said she thought she knows, and thought Council knows as they have read the document enough to know that the gentlemen's concerns have nothing to do with the document before Council. She pointed out Council is the government they are speaking so badly about. She hoped Council did not get their feelings hurt. She pointed out a lot of people had done a lot of good stuff over 10 years to come up with the document. She said she believes we do need an Open Space or a Natural Resources Element. There are a couple of things she would like to speak about in the document.

Ms. Stoker stated she was going to make the assumption that we do need the Natural Resources Element and ask Council to vote for some form of this document, moving forward. She said her main concern which she had expressed in her email is the fact that the Planning Commission's recommendation is that there not be a standing committee, but that there just be people that they might ask questions about issues that come up. She felt that people who voted years ago to designate funds for open space counted on the fact that there was going to be a process that they would know how the money was going to be spent, and what it would be spent for. She felt an Advisory Board is a key component of that. She said she did not want to come every time Council meets and see who is advising Council to do what with the money. She said she would like to know who the people are, what their expertise is, and then she would not have to worry about it anymore.

Ms. Stoker stated she felt we do need to protect additional open space to keep up with the growth in the city. She felt that most of Council from previous comments agree with that. She said there is a specific thing on page 12 of the document that she brought up at the Planning Commission meeting regarding Equestrian Lands. She pointed out it was Dacre Stoker who was unable to attend the Planning Commission who asked her to mention the matter to the Planning Commission and to Council, as he could not be present tonight. She pointed out under 4. Equestrian Lands. 4.2 Vision in the second paragraph it says in part that "The Horse/Hitchcock Woods Planning District's polo fields, event sites, and tracks are protected and economically successful, breeding and training farms and commercial stables." She said one of the original concerns was that not all of those spaces are protected, but need to be protected. She said that is one of the uses of the Open Space fund and this document to help preserve and protect those spaces that we want to be protected. She pointed out the wording may have been discussed after the Planning Commission meeting. She said there may be a reason it is left like that, but if it is an oversight perhaps we should look at that. She said she does not think the wording is correct. Ms. Stoker said she pointed out in her email that she would

recommend that Council go back to the implementation page 21 from an earlier version. In an earlier version they asked for a Natural Resources Committee to be established. She said she would recommend that a Natural Resources Committee be established. She felt a Natural Resources Committee would be more appropriately recommending to City Council instead of the Planning Commission. She felt the eight items that are listed would be appropriate items for them to include. She pointed out the document she was referring to was from November 6, 2013. She suggested that wording be reinserted and whatever else needs to be changed to reflect the fact that it has been reinserted and have the committee recommend to City Council rather than the Planning Commission. She felt that would be better.

Mayor Cavanaugh stated if the Natural Resources Element is approved, and there is a committee what would be wrong with having that committee report to the Planning Commission. He said the Planning Commission then reports to City Council. He said City Council has the last word anyway. He said the city has a Planning Commission and to him this is planning.

Ms. Stoker stated her feeling about that is so many times things that go to the Planning Commission get watered down and filtered to the point that Council does not really receive the information that she feels Council should receive.

Mayor Cavanaugh asked Ms. Stoker if she felt that the folks that she is talking about—very talented, educated people who know all the ins and outs, will not say something if that were to happen.

Ms. Stoker stated in looking over the room, she felt that most of them over time have gotten exhausted by this process and said they are not going to the meeting again as they had said it before and nobody is listening to them. She asked why they would come and tell Council one more time.

Mayor Cavanaugh stated some things take longer than others if it is a good thing. He said speaking for himself if Council did not want to listen, then we would not be talking about the plan. He said we have been working a long time, and that is another way of looking at it. He said you can say that it is taking too long, and you are not going to be involved any more. He said if a person really wants to get to the point and make a change and do what you think is the right thing, you keep churning and keep going and others too. He said he did not think that any of the folks that would be a part of that committee, would hesitate to go to the Planning Commission with a suggestion and if the Planning Commission gives something else to Council, then everybody will know about it.

Ms. Stoker stated all those people who we are all thinking of who have been on the Task Force and would like to be asked to be on the proposed Committee, are the ones who have said they think the committee should be under City Council and not the Planning Commission for the reasons that she has stated. She said if one goes through the minutes they would see many of the reasons that they have stated why the Committee should be under Council and not the Planning Commission.

Mayor Cavanaugh stated he brought this up because he could see how people could see both sides. He said he did not think it was that important himself because he felt the people would do a great job. He said he could not see the Planning Commission saying no they are not going to do this, but we are going to do something else. He said we have the citizens who go to the Planning Commission and many of them are involved in these issues when they come up. He said that was another view.

Ms. Stoker stated she had been to many of the Planning Commission meetings when they have discussed this. She said there is a learning curve for them to understand these eight issues. She said they are not conservationists. She said Council is not conservationists, but Council is the final say on this. She said what she has seen in the Planning Commission is there is a learning curve for them to figure out all the conservation techniques and best ways to do these things and a lot will get lost in the transition.

Mayor Cavanaugh stated he did not think that was part of the Planning Commission's task to get that involved in the detail, but that was why we would have the special group or committee.

Ms. Stoker stated if the committee is going to work with the Planning Commission, then she felt the Planning Commission would need to understand as they would be discussing possible lands and designations for open space.

Mayor Cavanaugh stated certainly they would have to have some knowledge, and he felt most of them would dig into it and they would have some knowledge. They would not have an expert knowledge like some of the people who we could name who should be on the committee. He said it is another approach. The same people would be on the committee. They would just report to the Planning Commission so to speak rather than the City developing another standing committee under Council.

Ms. Stoker stated that was the reason why they need the Committee and which is why she felt the Committee should report to Council.

Councilman Dewar stated originally he was in favor of an Open Space Committee until he had to decide who he would appoint to it. He said this is a specialized thing. He pointed out that all of us come from the community. Some of us decide to run for office. Some of us decide to accept appointments to the Planning Commission or whatever boards we have. It has caused dissention whether that is right or not. There are people in the private sector who fear this document and fear what it will do to the property that they own. He said that is a fact. He said you can agree that they should or should not, but they do. He said since he had been on Council, he recalls two cases where we dealt with open space—one which Council rejected and one which Council approved. Council rejected the suggestion that the city buy a lot on Pine Log Road using Open Space money. Council did not do that. The second one was that the city recently purchased a piece of land from the Green Boundary Club. We immediately put that land into a system where nothing can ever happen to it. It is what it is and can never change. He said he was not sure whether we used open space money for Peggy's Pond or how we did that.

Councilman Dewar stated that at the last meeting of the Planning Commission Dr. Shealy explained that he would be one of several people, and he felt most people would agree, that could qualify as an expert land planner and that what we should do is let the Committee function as the Equine Committee. He said he did not know of anybody on Council that owns horses. He said he did not, and he did not think the other Councilmembers did. He said if we have an issue in the equine industry, we have an Equine Committee. The Equine Committee can meet, and they can inform Council. Council will put great creditability in what they say. He said the same would be for open space. He said Ms. Stoker may be one of the experts for land management that Council could use to help guide us through that process. He said in the two or three cases where Council had to deal with open space, they did not need any guidance. He said the city purchased the land from the Green Boundary which was a little contentious with some people agreeing and some who did not, but it seemed to meet the criteria. He said what he can't come to terms with is the fear in the private sector within the City of Aiken that landowners are concerned that this document will enable the government to designate land that they own for another purpose so if they tried to sell it or develop it that they would be inhibited from doing so. He said if we could absolutely include protections to them that would be satisfactory to them, then we could probably pass it.

Ms. Stoker pointed out the same people don't want any government. They don't want to pay taxes. They don't want this and that. She asked if that means Council is going to cease to function. She said no. She said just because they are afraid of the document does not mean that what they are afraid of is in this document. She said we all know that, so to her you can't use that for a valid reason not to have an open space plan.

Councilman Dewar stated at the same time, it does not mean that we don't respect open space if we don't have a document. Ms. Stoker responded he does, but she felt what we

are all looking for is assurance going forward that the Comprehensive Plan is going to help us.

Councilman Dewar stated he hoped we all do because unlike the Planning Commission, Council is held to a level of performance. If Council does not do what they say they are going to do, then they may have to find a new job. He said he has said he wished more people would run for Council.

Ms. Stoker stated as far as the land which the city has purchased so far with the open space fund she felt that has worked out well and she would agree with the property which had been bought. However, if Council took the time to have a committee to recommend, which they actually have already done, there is a process by which property would be valued a certain way because of its characteristics, its value of natural resources, its beauty, etc. Then the voters who have voted for Council and voted for setting aside the open space money would know that is how the money will be spent and that each property or each easement or each use of the funds will be dealt with a consistent way across the board. It would not just be this property looks great; let's buy this. She said that is not to say that is what Council has done. She said if somebody is worried about government acting with no control, she felt they would appreciate knowing how you are going to consider each piece of property and each way you are going to spend the money. The only way that is going to happen is with a committee. She felt Councilman Dewar's idea of the level of the Committee is right. It does not need to be a Commission, which she said might have been the original vision. She said she felt we all have come to realize that is not necessary.

Councilman Homoki asked if we don't have enough protections already. He pointed out we have the Horse District that has some restrictions on what people can do with the property.

Ms. Stoker stated every neighborhood has restrictions on what they can and can't do, but to say that the Horse District properties are protected she felt that was not a valid statement.

Councilman Homoki stated he felt it is. He pointed out about a year or two years ago there was a case where somebody tried to divide some of the property to make it more marketable and that was not approved. Ms. Stoker pointed out that was a zoning issue, and zoning can be changed. She pointed out there are some large tracts in the Horse District that could be divided into several smaller tracts. If the property owner chose to change that voluntarily, she felt that is something that would be a value to the city. She said if you say we don't need this as the district is protected, she felt that is a mistake.

Mayor Cavanaugh pointed out that the executive summary says "The spirit of this document is to encourage voluntary preservation and protection of natural resources while maintaining the integrity of private property ownership." He said that is then repeated in the Introduction. He said it is not like saying the opposite or not saying anything.

Ms. Stoker stated she felt people don't understand the document. She said the fact that they don't understand the document is not a reason for it not to exist. She said if we had an open space or natural resources committee, hopefully, they would do a better job than she is doing in trying to explain it so people would not be afraid of it. She said no one wants to take their land.

Councilman Dewar stated the protection these people have now comes from this body. He said apparently that is acceptable, otherwise they would be taking action against Council. He said in a way you could almost say Council is the open space committee for the City of Aiken. He said he did not know of any attempt on anybody's part to come and present Council with a piece of land that the city should buy with open space money. He said it is not to say that it is not in somebody's mind.

Ms. Stoker said if someone came to Council and asked about buying their piece of land someone else might say he is doing that because his friend is on City Council and he

wants to sell his land. She said if there were objective criteria set up for what is important to spend the money on, it would take away any question from anyone who may have questions about the motives on a particular piece of land.

Councilman Homoki asked if Ms. Stoker was saying that the people on the committee would not have any friends.

Ms. Stoker stated she was sorry that people are so confused by this that they think people want to take their rights away. Councilman Dewar stated he did not think it was an element of confusion. He said you can't appreciate the concerns of a business owner until you own a business. You can't appreciate the concerns of a landowner until you own land. He felt that is an awesome responsibility that they have. He said if they are concerned, he is concerned. He said that does not mean he has no regard for open space.

Ms. Stoker asked if Councilman Dewar could explain this to them so they would no longer fear it. Councilman Dewar stated they have been with her every step along the way. He said he could remember a member of this body telling Council it is a great plan if you make these many changes at one point in time. He said there have been concerns about the document from day one by various members of Aiken. There have been pro and con. He said Council does the best they can. The citizens might not always agree. He said a concern of his is that if we had the Open Space Committee he does not know who he would find to appoint to the committee. He said it is a challenge. He said he would rather trust Council to handle it properly.

Mayor Cavanaugh stated we don't always agree on these things. He said you have to trust something that is in writing and make it as legal as possible, but still some people will never trust that either. Some people always believe there is some way around whatever the matter is. He said we can talk about it and talk about it, but finally you come to a vote or you don't vote. He said his hang up is what he mentioned earlier; that is, is the group that we would have report directly to Council or to the Planning Commission.

Ms. Stoker suggested why not work with both Council and the Planning Commission. She said as issues come up why not have them available to Council and the Planning Commission. Mayor Cavanaugh stated we would end up doing that because the Planning Commission has their rules and policies, and then we would be talking to the special committee about other things. He said that is why he suggests that the committee go through the Planning Commission. He felt we could get to the same point. He said that was his personal opinion.

Ms. Stoker stated the committee reporting to the Planning Commission is one little piece. She said she would like to know from Mr. Evans about the word "protected."

Mr. Evans, Planning Director, stated the only way to answer is, that is the wording that the Planning Commission adopted and recommended. He said in Section 4.2 Vision they used the wording "protected and economically successful" for the Horse/Hitchcock Woods planning district. He said if they disagree with that determination, the wording could be changed.

Councilman Homoki pointed out the plan had been worked on for ten years. He asked how in fact the last ten years would have changed if this had been adopted ten years ago. He asked what would have been different from what it is today.

Ms. Stoker stated if there had been criteria developed, we would know how Council is going to spend the Open Space money. She felt that would be helpful. She said originally it was envisioned that the committee or commission would be involved in programs that would educate people on the value of open space and ways to conserve open space. She felt that might help with some of the fears that people have. She felt perhaps an Open Space Committee could help explain the document better than she can. She felt also you may have a person who has a piece of land they want to conserve, and they want to work with the city's open space fund to do so, but they are not aware of the mechanisms that are available as Council is not aware of what mechanisms are available for conservation or matching funds, etc. If there was a group or committee, they could

act as mediator and help the city and the landowners get to a win win situation for preserving their land. As it is there is the Land Trust, but they are not the only way to conserve land. There are many other bodies that we are not aware of. She stated Council knows how she feels. She said she would be very disappointed if this is dropped after ten years of work by many, many people.

Mr. Ed Giobbe, 541 Grace Avenue SE, stated he had not seen any blue helmet United Nations troops on Laurens Street recently. He said after what was said he fully expects that at the next Planning Commission meeting that a bunch of Russians will probably come and arrest everybody on the Planning Commission and take them to Fort Jackson. He said that is utterly complete nonsense. He said the discussion should not be framed by some sort of extremist ideological political decision. He said let's use some common sense and good judgment which this town has done over and over again year end year out. He said let's use common sense. He said if the document is so offensive to so many people throw it away. He said he served on the Planning Commission, and they did a great deal of work and were very thoughtful. He said he felt the element could be an instrument to achieve what a lot of people would like to achieve which is to construct a plan as part of the planning process where people can come to the Planning Commission and ask for specific projects or plans for whatever. Let the Planning Commission act and make their recommendations to Council who makes the final decision. He said he was on the Planning Commission for some time. He said the Mayor had already said there is nothing forcing a person to sell your property. It is a process between a willing buyer and a willing seller. He said the United Nations is not going to come and take your house. He said they should get that out of their head. He said if they believe that, then they should be in Columbia asking the Governor to nationalize the National Guard to come down and put a ring around their house. He said let's put those thoughts to the side and stop that nonsense. He said if we listen to these guys we would not have the Redwood National Park because that man from Colorado wanted to develop every inch of the property and he would chop down every redwood out there and use it to build patio furniture. He said he was personally disgusted by the level of this discussion and he wanted Council to know that. He felt most sensible people would be outraged to listen to this nonsense. He said he was asking Council to use good judgment and common sense. He said if this is not an appropriate document and they cannot approve it, he would suggest that Council go to the Planning Commission and let the Planning Commission do their work and instruct them to carry out that mission which is planning. He said if we want to get rid of zoning and get rid of historic designations, that sounds like government intrusion to him. He said if you are in the historic district, you can't change the exterior of your house without permission. He asked if that had been a good thing. He said he lives in the Historic District, and he welcomes it and he felt everybody who lives there welcomes it. He said he was asking Council if the document is not acceptable, then forget about it. Then work with the Planning Commission and ask them to carry on their mission. He said ask people who have a concern about open space to come before the Planning Commission to make recommendations. Let the Planning Commission act. Let them make their recommendations to Council, and Council make the final decision.

Mayor Cavanaugh asked Mr. Giobbe who he felt the group of knowledgeable people on open space should report to. He said he was talking about the group of experts that we hope to get on the committee. Mr. Giobbe stated there seems to be tremendous opposition to even having a committee. He asked what is wrong with the Planning Commission asking for advice.

Mayor Cavanaugh stated he does not understand people not wanting a committee. He said most anyone who thinks about this wants the most experts they can get to help in the matter of choosing and recommending areas for open space. He said the question we are having is not whether we would have experts, but who would they report to. He said there are two ways to go. They can report to the Planning Commission or they could report to City Council as another committee. He said Mr. Giobbe was on the Planning Commission. He said he was just asking Mr. Giobbe's thoughts on who the committee should report to. He said it had been agreed that there needs to be a group of experts if we have the Natural Resources Element. He said the Planning Commission would not make the decisions, but the group would work with the Planning Commission. The

Planning Commission would recommend to Council as they always have as opposed to setting up an entirely new seven member committee that reports to Council.

Mr. Giobbe stated he thought that a committee of so called interested people, experts or informed people, should report to the Planning Commission. He said he agreed with the Mayor. He felt that creating another committee reporting directly to Council apparently is not what a lot of people want. He said perhaps an advisory committee to the Planning Commission might be a better alternative. He said he felt all we need to do is have some significant, intelligent reasonable input. He pointed out the people in California are suffering from a huge water drop. Because people in southern California have taken steps over the years to provide water, they are 85% sufficient in water. Northern California did not do what was necessary, and they are now suffering a tremendous water shortage. He pointed out Council had just had a lengthy discussion on water rates and other things about water. He said we need to do things to protect the future of the City of Aiken, which means protecting our water resources and protecting some of our other resources. He said if the objection is to creating a committee, that somehow and somehow people think is going to force people to do things, then let's not create another committee, but have an advisory committee.

Councilman Homoki asked Mr. Giobbe what would have been different for the last ten years if this committee was in existence ten years ago. He asked where did Council go wrong. He asked if Council made bad decisions predicated on not having a committee making a recommendation.

Mr. Giobbe stated all he could say was his experience on the Planning Commission. He said he was on the Planning Commission for a long time. He said the Planning Commission had many discussions on the various aspects related directly or indirectly to open space or keeping areas that they thought were important. He said it was part of the natural planning process. He said they then made recommendations to City Council and Council chose the final decision. He said the question was what significant difference that would have made if there had been a committee. He said the significance perhaps would have been that it would have been a more formalized process and they might have identified perhaps more individual areas or pieces of property. He said they had many, many discussions with much of it centering on the Historic District and the importance of areas in the Historic District which related perhaps to what is being discussed at this meeting. He said it worked quite well. He said there is no reason this can't work. He said we need to come together as a community and put aside the arguments concerning people being forced to give up land. He said there is nothing in the document concerning eminent domain. He felt it is clearly stated in the document that any designations should be voluntary. He said if Council does not like the document, get rid of it. Then go back to the Planning Commission and ask them to keep on doing the good work they are doing and talk about things that need to be done such as open space planning, the watershed conservation, etc. He said if you need advice and help from people who you think are qualified and informed, then bring them in. Let them give some advice. Then the Planning Commission can act on it and make recommendations to Council. He said we need to get off the ideological confrontation as that will get us nowhere. He said we need to get together and do what is best for the City of Aiken.

Mr. Bill Tucker, Pin Oak Drive, thanked Council for their energy and passion for the city, as he could not do this every month. He said he came to talk about a specific tweaking and did not have the global perspective of the first two speakers. He said he had the concern that somewhere along the time since 2009 the standing committee is currently not in the draft of the Natural Resources Element. He said the Mayor was talking as if it is there, but he understands it is currently not in the draft that has been presented to Council. It is now just an ad hoc with Planning Commission consulting with whoever they wish to consult as they need it. It would not be a regular committee. Mr. Tucker stated he would submit to Council that is a dangerous thing to do. Mayor Cavanaugh stated he did not agree with that either. Mr. Tucker stated having an ad hoc group for the Planning Commission to consult as needed lacks transparency. It lacks accountability. Who know who it would be as it would vary. He said he felt it needs to be a standing group identified and accountable who would be able to provide input. He said to answer the Mayor's question and Councilman Homoki's questions, he said he would just as soon

see the committee come directly to Council. He said the fact of the matter is that Council is the one who approves the money and controls the purse strings. He said it seemed to him that it makes more sense to have that group answer directly to Council and not be filtered through the Planning Commission. He said he shares some of Ms. Stoker's concerns that Council has not always gotten the straight scoop from what has gone on at the Planning Commission meeting. He said he had been involved in a few things where he felt like it did get filtered and distilled and was not always presented to Council in quite the same way as it was when present at the Planning Commission meeting. He felt the Planning Commission does a great job, but they are a quasi judicial body. They do have to rule on zoning issues and serve not only to assign but to alter a zoning designation from time to time. He felt it makes a lot more sense and is cleaner organizationally to have the body answer to Council directly. He said he would ask that the draft be tweaked to reinstate some sort of standing body that would be an advisory body. He said he did not know how many members there should be, but there could be members representing certain constituencies such as the Land Conservancy. He felt those kind of things could be worked out. He said it does not need to be an unwieldy group, but it does need to have expertise as you identify and develop creative ways to acquire and conserve open spaces. He said he was not present on behalf of any organization that he is a member of. He is just before Council as a private citizen. He said he would ask that Council consider modifying the draft. He said somewhere between 2009 and now that has changed.

Councilman Homoki stated Council had had some discussions with Mr. Tucker's group about some of the property at the polo field, etc. He asked how acceptance or incorporation of this plan would have helped the discussion. He asked if it would have brought it along sooner or would have hindered the discussions. Mr. Tucker responded that he did not know that it would have any particular impact. He said he felt the timing is more driven by the fact that you now have some designated monies that you would like to use to encourage the conservation of open space. He felt it was more driven by that than it is any other factor. He said he could not think of it being any major difference between what it would be now and 10 years ago.

Mr. Pearce pointed out the Equestrian goals that may or not be met by the negotiation. He pointed out that on page 86 of the agenda packet the draft element does talk about work with the Whitney Trust to create a long term strategy for the protection of the Whitney Polo Field and Powderhouse Polo Field. He said that is a mentioned item in the plan. Councilman Homoki pointed out that without the incorporation, it is already an issue. He pointed out the conversations started prior to the incorporation of this. He said basically the natural order of things in the city has worked where we are actually discussing something.

Mr. Tad Barber, 334 Walker Avenue, stated he agreed with the earlier speakers regarding the document being voluntary. He said if it is voluntary, then why do we need a document like this. He said we already have some of this as part of the Comprehensive Plan now. He said he would not say the plan is an extreme, but he felt it was a little over done in a modification to an existing document. He said there are already some protections in place. He pointed out there are overlay districts, zoning, development standards, and deed restrictions for someone who wants to protect their own property to keep somebody else from using it for some other use. He said there are conservation easements which are voluntary. He said if someone so chooses they can put a conservation easement on their property. He said the city and government don't need to be in place to be telling people that is what they need to do. If they want to do it, there are avenues that have been in place for years for them to be able to do that. He said he has an issue with the city, in particular, buying up properties for conserving property, especially if it gets deeded in the city's name as that would be taking property off the tax rolls. He pointed out we are already having issues with revenue coming into the city and some other entities that depend on tax revenue from properties. He felt the city is looking at a diminishing tax base in the long run which is something we need to look at. He said private groups should be the ones that are actually going out buying properties, not the government. The more property the government owns, we felt we do get into an issue about whose controlling the properties and what happens to private property rights. He said his recommendation is that rather than have a separate committee and add a layer to

the process is to actually tighten up the Planning Commission and have qualified people on the Planning Commission. He said the Planning Commission is probably one of the more important Commissions that the city has, and it has zero requirements for anyone to serve on the Planning Commission. He said there are aviation experts on the Aviation Commission. There are other experts serving on other commissions. He asked why not have real estate people, conservationist, botanist, etc. and make those requirements for the Planning Commission so you can have more of an expertise within the Planning Commission. If the Planning Commission wants to add more expertise that is fine, they can recommend people come to speak to them and get more advice. He felt the biggest issue is that we don't have qualified people who know a lot about development, land planning, and standards of development, making decisions that will affect the community as a whole. He said without going through a whole process of redoing an ordinance and creating another layer of government approval process, he felt we could make the Planning Commission more responsive and more of an expert in the items that they cover every month.

There were no more citizens to speak to the matter. Mayor Cavanaugh stated the issue is back to Council for discussion or approval on first reading. He asked if there was a motion to approve the ordinance on first reading to adopt a Natural Resources Element amendment to the Comprehensive Land Use Plan.

Councilwoman Diggs moved that Council continue consideration of the ordinance to adopt a Natural Resources Element amendment to the Comprehensive Land Use Plan. She said it seemed that no one is ready to vote on the plan. Mayor Cavanaugh stated he would second the motion to continue the ordinance. He said perhaps there are some different ideas or thoughts we need to look into a little more before considering adoption of the ordinance. Councilwoman Diggs stated she knew everybody is exhausted and have been here many times before. She said Council needs to make sure they are making the right decision. She said she did not know that any of Council is ready to make a decision at this time. Mayor Cavanaugh called for a vote on the motion to continue consideration of the Natural Resources Element. Those in favor of the motion were Mayor Cavanaugh and Councilwoman Diggs. Opposed to the motion were Councilmembers Dewar, Ebner, Homoki and Merry. The motion was defeated. Mayor Cavanaugh stated the Natural Resources Element is a dead issue.

Mr. Pearce asked Mr. Smith since the motion failed if the item just dies for lack of action upon presentation. Mr. Smith stated that is correct.

RECOGNITION

Mr. Pearce stated before we go to the next item there are several heroes in the audience. He said before everybody leaves there is an opportunity for us to express appreciation to them. He pointed out Philip Burnett, Ryan Butler, Roscoe Epps, Johnnie Sprouse, Darrin Parry, Spencer Rossow and Charles Means are present. He pointed out these are the folks that are picking up the debris.

Mayor Cavanaugh thanked the employees. He asked if any of the employees would like to say anything. He thanked the employees for their efforts to keep the city clean. Councilwoman Diggs stated we realize that it will take a while to get everything clear and that we need to be patient.

Mr. Pearce showed Council a map with the areas marked that have been collected so far on first pass three weeks after the storm. He said the percentage collected is about 30% of the city.

Mayor Cavanaugh stated he also wanted to thank staff for the work they have done after the storm in working together to get the city back into order. He said he understands with all the debris and conditions there have been no major injuries so far.

Councilman Merry asked if the schedule for future clean up is on the website. Mr. Pearce stated it is. He said they made a huge mistake. He said they got too specific with streets and days and unfortunately until they get to the piles they don't know how long a pile

will take. He said we have changed the website to show subdivisions where we will be working. He said we will try to talk about areas within the subdivision. He said he had had some Councilmembers to call about specific safety concerns, and we have tried to address those. He said unfortunately one of the piles of debris was set fire on Lundy Street. He said that is not on the schedule, but we did go and put the fire out and take care of that and clean it up since it was a safety issue. He said on the list is the plan of where we want to work in the coming week. He said that will be updated several times a week.

Councilman Dewar asked if we will be talking about subdivisions as opposed to locations. Mr. Pearce stated locations did not work. He said we would like to get a street done, but until we are on the street it is hard to know how long it is going to take for the street. He said some streets go very quickly while others take days. He pointed out when we got in Woodside we spent an entire week on one street and got most of the street done. Some streets are very slow, while others are very quick. He pointed out the crews are still on the first pass so it will be the largest piles of debris.

Councilman Dewar stated if we are into three weeks with 30%, extrapolating of that is that we are talking about another seven weeks to cover the city on the first round.

Mr. Pearce responded that is probably correct. He said we had talked about a two to three month time span. At one point Mr. Coakley hoped it would be a month. At another point we had hoped we would have at least the first pass done before Masters Week. He pointed out we have had some great help from outside cities. We have had some unfortunate sewer issues that we had to take care of and had to pull some crews off. Other departments have stepped up. He said we are getting better. The average is about 10% per week. At that rate we are looking at 10 weeks just for the first pass.

Councilman Dewar stated he would suggest that we make safety a primary focus of where we pick up. He pointed out there are many streets throughout the city that really are not streets. You have to zig zag from one pile to another. He said a great concern that some people have expressed is how could an ambulance or fire truck get through the street. He said we need to focus on the areas that pose a traffic and safety hazard to the neighborhoods. He said some neighborhoods are more congested than others. He pointed out he had given a street of concern to the City Manager today which was Troon Way. He also noted that Evans Road had been a concern and the problem there is that part of it is in the city and part in the county. Mr. Pearce stated Evans Road had been addressed.

Councilman Dewar stated the County seems to be doing a good job. He said he had heard good comments about their work in Gem Lakes and Cedar Creek. He asked how many crews we have picking up debris.

Mayor Cavanaugh asked that we get back to the agenda and talk about this matter later in the agenda.

ACCOMMODATIONS TAX RECOMMENDATIONS

Accommodations Tax Committee

Mayor Cavanaugh stated Council needed to consider the Accommodations Tax Committee recommendations for Accommodations Tax funds.

Mr. Pearce stated each year, our Accommodations Tax Committee meets to review requests for funding from local groups who use A-Tax funds to promote tourism in our area. He said we are in a continuing conversation with folks who represent the South Carolina Department of Revenue and our Accommodations Tax payments. The Finance Department carefully reviewed the funds that we have on hand pursuant to the State statute, and the figure is \$130,000. He said unfortunately sixteen groups made total requests of \$259,067.71, with the Committee only having \$130,000 to distribute. He said Council will recall that we took a good hard look at the application process and an opportunity for the Committee to engage in ranking of requests in an effort to make the distributions as fair as possible. This year, the Committee for the first time utilized a new

and improved application form and a revised system for their review of applications and ranking the requests they have received.

Mr. Pearce pointed out the listing of requests from various organizations in Committee Chair Peggy Penland's memo and in his memo to Council showing the Amount Requested and the Amount Recommended. The Committee allocated the available funds as follows:

PROJECT	AMOUNT REQUESTED	AMOUNT RECOMMENDED
Aiken's Makin	\$12,000.00	\$ 6,000.00
Aiken Fall Steeplechase	\$26,800.00	\$12,000.00
Hitchcock Woods Promotion	\$ 9,714.33	\$ 8,000.00
Exhibition & Arts Center Marketing	\$15,000.00	\$ 4,500.00
Antiques in the Heart of Aiken	\$20,700.00	\$18,000.00
Aiken Trials	\$36,425.00	\$23,500.00
Citizens Park Bid Fees	\$14,000.00	\$10,000.00
Juneteenth	\$ 7,383.39	\$ 4,000.00
Marketing for Concert Series (APAG)	\$ 7,650.00	\$ 3,000.00
Juilliard in Aiken	\$16,150.00	\$ 8,000.00
Battle of Aiken	\$23,636.00	\$ 5,000.00
Aiken Polo Club Promotions	\$30,700.00	\$12,000.00
Aiken Spring Classic	\$11,156.99	\$11,000.00
Promotion of Downtown Aiken (ADDA)	\$15,909.00	\$ 5,000.00
Downtown Beach Blast	\$ 6,703.00	\$ 00
Oktoberfest	\$ 5,129.00	\$ 00
TOTAL	\$259,067.71	\$130,000.00

For Council consideration is approval of the recommended A-Tax Committee funds distribution as set forth above.

Mr. Pearce stated Ms. Penland is present to answer any questions. He pointed out on behalf of Ms. Penland there are complete minutes of the committee meetings discussing the funds.

Ms. Penland stated the Committee knows that not everyone is happy. She pointed out the Committee had about 50% of the funding requested to distribute. She pointed out the Committee has a new program to determine the allocations, and the Committee is spending a lot more time in the review. She said they had been very, very specific about the surveys that each body needs to provide. She said there were some members of the Committee who were very stringent about this and that is why Council sees the results presented. She said they go by the results of the surveys as to the number of "heads on beds." There were certain groups including the Aiken Polo Club, the Aiken Trails, and the Fall Steeplechase who took the Committee's recommendations and did a great job. They were rewarded for their efforts.

Councilwoman Diggs asked what could Juneteenth do to increase their allocation. Ms. Penland responded Juneteenth is a new event. They do not have the heads on beds they need, but because of the fact that they changed their event to a two day event and a Jazz Festival, they were awarded a high percentage. She said the money they awarded per prospective hotel stay is a very high percentage. The Juneteenth event is in its infancy, and that is why the Accommodations Tax Committee continued to support them. It is felt

that it is a great thing that they changed their event to a two-day event. The best thing they can do is continue with the surveys.

Councilman Dewar stated that is exactly what we said about that event last year. He said this is about the third or fourth year. He said they asked for a heads on beds last year. Ms. Penland stated she thought this was at least three years. Councilman Dewar stated we need heads on beds for all the projects because that is what the whole thing is supposed to be focused on.

Ms. Penland stated she knows it is difficult to do the surveys, especially for a one day event. She pointed out there are some events not on the list because they received no funding. Ms. Penland stated there were two street festivals in downtown Aiken, and neither received any funding. She said Juneteenth received funding because they are in infancy and they changed the event to a two-day event. The funding they received on a per person basis had a high ratio.

Mayor Cavanaugh asked if there were sponsors of some events who were really upset because they received no funding or reduced funding. Ms. Penland responded there are some groups upset. She said they hope more funding will come in. She said as she understands it, they are basically working on an estimate. She said the Battle of Aiken sponsors were very disappointed. Last year they got \$25,000, and this year they only got \$5,000. She said that is a big cut, and they are unhappy. Councilwoman Diggs asked why the difference.

Ms. Penland stated because of the new program for allocating funds, they are really focusing on overnight stays. Many of the people in the Battle of Aiken come to Aiken and camp. They do a great job with surveys. She pointed out the Battle of Aiken is an established event and they have a track record, unlike Juneteenth. She said the members of the Accommodations Tax Committee are hoping that more funding will come in. She said the difficulty is, for example, the Aiken Chamber of Commerce. She said some groups ask for \$30,000 in hopes that they get \$10,000 or \$15,000. The Chamber of Commerce is one who does not ask for more than they need. She said the Chamber got \$6,000 this year for Aiken's Makin. She said her fear is that more money may come in, but it may be too late for them. Ms. Penland encouraged Mr. Pearce to keep up with the Department of Revenue.

Mr. Pearce stated staff is in constant conversation with them. He said the City of Aiken brought something to their attention, and he felt they may be penalizing all of us. He said in the past we have had additional funds to come in. He said there is no guarantee of that. He said the Committee had done a great job, when additional funds have become available, to distribute those equitably.

Ms. Penland stated when additional funds become available, the Committee has a special meeting. Councilman Dewar pointed out that several years ago we received additional money, and all the events got funded 100%.

Councilman Homoki asked if additional money is received, does it come back to Council to distribute. Ms. Penland stated the Accommodations Tax Committee makes a recommendation to City Council for any funds received, and Council is the approving body.

Councilman Ebner moved, seconded by Councilwoman Diggs, that Council approve the distribution of the Accommodations Tax Funds as recommended by the Accommodations Tax Committee. The motion was unanimously approved.

SMOKE ALARM PROGRAM - BANNERS

Kennedy Kolony

Pilot Program

Fire Safety

Signs

Banners

Sandwich Boards

Mayor Cavanaugh stated Council needed to consider allowing fire safety banners for the Kennedy Kolony smoke detector project.

Mr. Pearce stated as described in the memo from Public Safety Director Charles Barranco, Aiken has been recognized by the State Fire Marshall's Office with quite an honor. They want to start a pilot project for making sure folks have a working smoke detector in their homes. He said he was not aware until meeting with the State Fire Marshall if you have a smoke detector in your home, and it is more than 10 years old, it is no good. The sensor has a 10 year shelf life so the smoke detector needs to be updated. He said Aiken has been selected as the first city in South Carolina to start a pilot project promoting fire safety through a free smoke alarm installation pilot project. Kennedy Kolony is this first neighborhood in Aiken identified for this pilot project.

In order to best promote availability of these alarms and their installation for free, Aiken Public Safety Department staff would like to place temporary banners 2 feet by 8 feet and 27 inch by 22 inch sandwich boards in this neighborhood and the public right of way adjacent to the subdivision. He said this is a safety issue and feel that it is a very worthwhile project that promotes the safety of our citizens.

For Council consideration is approval for the placement of temporary signs in the public right of way in Kennedy Kolony to promote the free smoke detector project.

Councilman Ebner asked if there should be a sunset date for the placement of the signs. He said the reason he asked is whether there is an end date from the state. Mr. Pearce stated he understood the signs would just be up for the event on Saturday, March 15. Councilman Ebner asked if there is a finish date for the program from the state. He asked if they give us a certain amount for six months. Mr. Pearce stated they are giving us smoke detectors, and we are going to install them in the houses. Captain Brazier stated the signs would be up on Saturday and the signs would come down by sundown on Saturday. The request is just for one day.

Councilman Ebner moved, seconded by Councilwoman Diggs, that Council grant permission for the placement of temporary signs in the public right of way in Kennedy Kolony to promote the free smoke detector project. The motion was unanimously approved.

STORM DRAINAGE

George's Pond

Whiskey Road

Mayor Cavanaugh stated Councilman Ebner had asked for an update on work related to George's Pond and Whiskey Road storm drainage.

Mr. Pearce stated Councilman Ebner had asked that staff provide a time line for sending data for state approval and a brief description of necessary work for storm drainage for George's Pond and Whiskey Road. He said Councilmember Ebner had asked for an update on George's Pond and Whiskey Road storm drainage. He said Mr. Grinton is present, and we have some information in the agenda packet.

Mr. Pearce stated Tilden Hilderbrand, of Hass & Hilderbrand, is in the final stages of completing the stormwater calculations for combining the George's and Lowe's detention ponds to address the SCDOT concerns with stormwater pipe pressurization on Whiskey Road for the Whiskey Road Improvements project. The project approach involves

relocating Athol Road and revising the size/depth of the George's and Lowe's ponds. Final calculations require a survey of the area behind the Lowe's pond and around Athol Road, which Mr. Hilderbrand is currently scheduling. Mr. Hilderbrand is also completing a special detailed drawing requested by SCDOT to include in the package to be sent to SCDOT. He is projecting completion of all tasks so that we should be able to submit to SCDOT in April.

Councilman Ebner stated the information is sufficient. He said his motive and reason for asking is that when this comes back to Council, it has to go to the State and the State has to approve it. Then Mr. Grinton has to come back to Council and go through the motions to say we need to get an estimate for this, etc. He said this issue is widespread. He said he thought it was all the way from George's Pond down to Powderhouse Road at Whiskey Road. He said this affects a big area. He said there is no drainage for this. It stops at Powderhouse and floods over. He said he knows that Mr. Grinton and Tilden Hilderbrand have been working on this. He said he just wanted to let them know that when this comes back to Council, we probably will have neighbors from out in the County at the Council meeting. He said he thought Mr. Grinton and Mr. Hilderbrand had done a good job in trying to answer their questions as they come up. He said when it gets to Council just be prepared for discussion and some other interfaces with a number of County residents.

Mayor Cavanaugh asked if some would be safety concerns or flooding concerns and what kind of rain, a big rain or a little rain. Councilman Ebner stated there are concerns about flooding of yards. He said it has to be a 25 year flood. Mr. Grinton stated probably more like a 10 year flood. He said the properties flood currently, but we don't want to worsen it with the detention ponds and other work.

Councilman Ebner stated when it comes to Council, he was just preparing them as there are some things we have to be sure that we don't accent that are way downstream a couple of miles.

Mayor Cavanaugh stated then don't make it worse. Councilman Ebner stated it is a stormwater issue. He said that was his reason for asking for it to be on the agenda. He said when it comes before Council, he was sure we are going to have some comments from citizens.

Councilman Homoki asked if we hook up the George's Pond and Lowe's detention pond, if they would not have enough capacity to handle it. Councilman Ebner stated wait until he comes to Council. He said that is why he was bringing it up now. You need to put it on your radar screen because we are talking several million dollars to fix the problem. He said it is a Capital Projects project, but he was preparing Council ahead of time for considerable discussion on this and what we need to do to be sure we comply with the stormwater issues.

RIDGE AT CHUKKER CREEK

Infrastructure Work

Equestrian Trail

Detention Pond

Drainage

Ron Monahan

Mayor Cavanaugh stated Councilman Ebner had requested an update on infrastructure work in the Ridge at Chukker Creek Subdivision.

Councilman Ebner had noted that the combined bond for the Ridge at Chukker Creek is due in July, 2014. He said he had not observed any work to restore the equestrian trail or relocate the detention pond and drainage structure off of the 25 foot natural barrier as required by the approved concept plan. He said the request was made three years ago. He asked what is the path forward and time line for the developer to complete this work per the approved concept plan.

Mr. Pearce stated he had checked with the Planning Department regarding work in the Ridge at Chukker Creek Subdivision. He said as far as the plantings go, the developer is in compliance with the plantings that were required under the Concept Plan. As far as the infrastructure, we do have a list from Mr. Grinton. He said he would provide the final list to Council when Mr. Grinton completes the list this week. He said this concerns the infrastructure items that the developer needs to complete. He said a Letter of Credit is due in June. He said a letter to Mr. Monahan regarding items to be completed will go to the developer this week. He said Council will get a copy of the letter.

Mr. Pearce stated Council may recall that we had about three meetings on this matter and had the developer at a Council meeting. He said he thought it was the northern boundary that was supposed to have an equestrian trail. DHEC intervened on storm water runoff issues and large rip rap was installed instead. He said he and Councilman Ebner talked about it. Then the question became whether there were other areas in the subdivision, particularly the areas adjoining Woodside, for a potential equestrian trail. That is why he included the information about the Concept Plan in the agenda packet. That information says "the development will provide a 50 foot wide equestrian and vegetative buffer along the east, north and west perimeters of the site to protect existing trees and vegetation, and, where deemed necessary by the Planning Director, to add trees and vegetation to the buffer area." Mr. Pearce stated since there isn't an equestrian trail designation, in the letter that we are sending to the developer we are confirming whether there will be an equestrian trail along that western border.

Councilman Ebner stated it is a deeper issue than that. There was supposed to be a trail along the northern border and that got turned into a ditch. When it became a ditch, even practically you can't install a trail there because there are some hillsides in the way now. You would have to take up people's yards. Councilman Ebner stated he complimented Mr. Monahan. It was supposed to be an equestrian community. With the economy he changed it a regular housing community without stalls and barns, etc. He said he thought that was a good thing. However, in that process we wound up with a deep ditch for about 1,500 feet that has big rocks in it—12 to 18 inches in diameter. He said he felt we need to accommodate the citizens and ask if that is okay with those citizens to have the ditch with the big rocks in it. He said that is one question. He said in talking with several of the neighbors, they don't have too big an issue with it. He said he brought up the safety matter that if there was a young family with kids, and they roll down in the ditch which is 12 to 15 feet deep at the exit end. He said he thought that was one thing that is a community issue. If the community says that is okay, he felt the money that would have gone into fixing this area, we could then look at using it at other areas for the equestrian trail as is designated in the Concept Plan. He felt it is a discussion item with the neighborhood. It could possibly be held at their pavilion and get the air cleared as to what they want as owners. He said he thought all the lots but one on the backup of the ditch are occupied now. They seem to be happy with what they have. The detention pond needs some work, a couple loads of dirt, and get some rocks out of the way so the buffer is clear there. He felt a tour out there with Mr. Pearce and staff from Planning and Engineering would be wise to refresh this. Then have a community meeting with the neighborhood out there. He said there are probably 40 to 50 homes in the subdivision now. He felt there are enough people there who could say that is okay or no they don't like the big rocks for young kids. He said it is really to close out the bond, which is about \$350,000. A big part of the bond was some other issues which were brought up by the staff, not him. He said he would like to organize a visit to the Ridge at Chukker Creek and walk the area and determine from there what the path forward should be. Councilman Ebner stated getting the neighborhood involved is important. So once we close it out we don't want one or two coming back and saying you did this or did that. He said he felt Council needs to act on it at some time to say everybody has agreed to it.

Mayor Cavanaugh stated he thought that was an excellent idea.

BUDGET

Process

Mayor Cavanaugh stated Councilman Dewar had made a request for proposed changes to the city budget process.

Councilman Dewar stated he had asked that an item be put on the agenda having to do with a change in the budget process. He said in September, 2013, the City Manager gave Council a memo outlining the budget process. He said although his request is not applicable for this year, he still would like to make a permanent change to the budget process so that in the February timeframe before the departments submit their budgets to the City Manager that Council have a one on one with the Department Heads and be afforded the opportunity to discuss issues with them as we have done in the past. He said he felt it was important that it be done earlier so Council can influence some of the budget items that would come to their attention. He said it is too late to do it this year because he is asking that the meetings be held in February.

Councilman Dewar stated he would like to move that Council change the budget process to permit a meeting in February with Department Heads prior to their submitting their budget to the City Manager. The motion was seconded by Councilman Merry.

Mr. Gary Smith, City Attorney, stated he would point out for discussion purposes, that he was not sure you could actually pass anything that would change your rules tonight as that would need to be done by ordinance.

Councilman Dewar stated he was asking that something be changed that was in a memo that Mr. Pearce gave to Council. Mr. Smith stated he did not think Council could do that by resolution. He said Councilman Dewar was asking the City to change its process on how it passes a budget. He felt that would have to be done by ordinance if Council desires to go forward with the motion. Councilman Dewar stated that is what he is asking.

Mr. Pearce stated the proposal would represent a major adjustment to the budget process. He said he thought he and Councilman Dewar had talked about some adjustments this year. He said one would be looking at the Utilities Budget completely separately and assessing the revenue. He said staff takes the month of February, when we don't have ice storms, and assesses our revenues and revenue projections for the following budget year based on our collections to date through a half year. He said we want to make sure we make the best use of everybody's time. He said if Council is ready to do another zero based budgeting, we can schedule that and accommodate that. He said frankly February is very early in the process. He said staff really needs to know what the revenues are going to be before we can plan expenditures. He said this has worked very well for us in the past. With the budgets that we have presented to Council and the adjustments that we have done in August, we have had modest budget under runs and have designated that money for appropriate places. He said what he was proposing and what he and Councilman Dewar had discussed, would be a series of workshops in April which would be prior to the first reading of the budget in May. Rather than have just a budget worksession, we would have workshops with the four largest budgets that you review which would be Public Safety, Engineering and Utilities, Public Services and Parks, Recreation and Tourism. Based on Council's availability some dates have been identified in April that would work as far as a preliminary presentation by the Department Directors. We would try to have a meeting a week so we don't get too tired with the budgets and meet ourselves to death. He said we were looking at Thursday, April 3; Tuesday, April 8; Thursday, April 17; Thursday, April 24. That would be a good opportunity based on our revenue review. It would give ample time to the Department Directors for discussion with them about the priorities they see in their budget, depending on the revenue forecast.

Mr. Pearce stated in a Council-Manager form of government, the ordinance you have in place that Mr. Smith is talking about is that the City Manager would present Council a budget. In past years we have used the Horizons meeting to establish goals, determine

revenues, and then with the goals that Council has adopted we identify our spending priorities. With an opportunity to have specifically focused workshops on different department's budgets, there is still plenty of time to make any adjustments if Council has concerns about the priorities that staff would be recommending before we would come to a first reading on May 12. Then Council would not take up the budget again if Council votes not to meet on Memorial Day, until June 9, 2014. That gives almost a month between the first and second readings of the budget. Staff's perspective would be that this provide ample opportunity not only for staff to get ready for Council questions, but also for Council to then look at the draft budget that we are considering submitting and then discuss it in detail at workshops so Council can have first reading with a month between first and second reading to give Council ample time to look at the budget priorities that were discussed and the budget that was submitted.

Councilman Dewar stated he would be willing to withdraw his motion and give the suggestion of Mr. Pearce a shot. He said he felt it was an opportunity for Council to meet with the Department Heads which is the primary focus. He said while he would like to have done it earlier so Council could influence what they might be asking for, he was willing to do what Mr. Pearce suggested. He said he certainly was willing to take the City Manager's offer to do zero based budgeting again, but he would suggest that we do it one department at a time on a quarterly basis. He said we can talk about that later. He said he would be perfectly willing to withdraw his motion and give this a shot.

Councilman Ebner stated Council had just gone through a discussion on the water and sewer rates, and obviously there is a lot of interest there because that is a direct effect to all 30,000 people. All of this other is also a direct effect. He felt some discussions from each of the directors to point out their top ten items may be helpful. They may have 100 projects in PRT, but they may have a top 10 that they will promote and the ones they are going to do. If they run out of money, project number 53 does not get done. He said it is that type thing. He felt that is probably something we put as part of the City Manager's write up or when we approve the budget we can say we reviewed these departments and these are our top 10 or 15 jobs. He said he was sure that through the Committees and PRT, and others, they all have their little projects that they want to do. He felt that would mirror what Council did on the water and sewer rates. This way when people come in with water and sewer questions, we can say here is all the data we did, and this is what we are going to do. He said this gives him ammunition personally to rebut people that say you did not do this and this. He said that is what he is looking at. He said he thought Councilman Dewar is in the same mode.

Mr. Pearce stated that is great. He said consistently what he has tried to share with Council is anything that helps Council in those conversations with citizens we are happy to do. That is why we produce reams and reams of documents and copies, tables, charts—anything that helps Council.

Councilman Ebner stated let's try it and see. He said staff is listing what contracts are awarded and other information. He said that information gets distributed, and you would be surprised how many contractors look at that. He felt that has been a help to say I should have been on that bidders list. He said he does not get the comments from them anymore that they don't know what is going on.

Councilman Merry asked if this needs to be drafted as an ordinance and brought back to Council. Councilmembers Ebner and Dewar stated this does not. Councilman Merry stated he was only asking because of what Mr. Smith said. He asked when this would start 2014 or 2015. Mr. Pearce stated he was going to have the meeting this year in April.

Councilman Ebner stated this would be a public meeting, but if all the Councilmembers don't show up, we can sit there and discuss it anyway. It is a public meeting, but it is for whoever shows up.

Mr. Pearce asked if there was a problem starting the workshops at 4 p.m. Councilwoman Diggs asked if one date was picked. Mr. Pearce responded that Council would meet all four dates because each date will be a different department.

Councilman Dewar asked if one could be April 1 instead of April 3 as he was not available on April 3. Councilwoman Diggs stated she was not available on April 3 either. Mr. Pearce asked if Tuesday, April 1, would suit Council then.

Mr. Pearce stated the dates for the workshops would be April 1, April 8, April 17, and April 24. He said he would email the information to Council.

Councilman Dewar stated since he withdrew his motion, the person who seconded should withdraw their second. Councilman Merry stated he would withdraw his second. Councilman Dewar pointed out the importance of discussion on the budget.

Councilman Homoki stated the worksession Council had today on the water and sewer rates shows that Council needs more digging down and drilling down into what can be done.

ICE STORM PAX

Wages

Overtime Work

Winter Storm PAX

Mayor Cavanaugh stated Councilman Dewar had made a request to pay premium wages to city workers who reported to duty during the winter storm PAX.

Councilman Dewar stated he received a call from a City of Aiken employee, whom he won't identify, expressing concern because the employee felt that there was a promise of overtime pay for them working the three days of the storm when the city offices were closed. He said he subsequently received a copy of an email, which he thought was on everybody's desk, which as he reads sort of reflected that. It stated-- weather event worked 150%, use if you worked during the weather event in combination with RG. He said he did discuss the matter with the City Manager earlier today. He pointed out these folks did a heck of a job for us, and he assumed they came from Public Works, Public Services and Parks & Recreation. He said he saw Parks & Recreation employees in his neighborhood. He said his sense is if we promised them overtime, then we should pay them overtime. He said if that is an administrative challenge, then we need to make them whole.

Mr. Pearce stated as he and Councilman Dewar had discussed, the email that went out on February 17, was a code issue. We needed to keep up with folks who worked during the storm. We had coded the prior snow storm with EW 150% because we awarded comp time to the workers during the snow storm. He said he had had an opportunity to talk with representatives from North Augusta and Aiken County, and they normally would not give premium pay. However, to the extent that folks worked, and it depends on the type worker—there is the regular worker, there is a law enforcement worker, and there is a firefighter—all that is treated differently under the FLSA. He said that is why he provided a follow up email that Ms. Abney sent out on February 26, 2014. It is very clear that when we issued the payroll checks, that to the extent that folks worked the required hours under FLSA for an award of overtime, we paid overtime. To date we have paid out over \$34,000 to a total of 132 employees who did work overtime. There is no question that the gentlemen in the room that he introduced earlier had done a heck of a good job. He said he had had the opportunity to look them in the eye, shake their hand, and tell them that. He said he thought several Councilmembers attended the barbecue lunch we had a couple of weeks ago for the ice storm workers.

Mr. Pearce stated the situation now having paid the overtime, if we go back and try to pay some sort of premium pay, it creates a logistics nightmare because to the extent you put premium pay on those regular hours they worked, we then have to go through and do a recalculation on the overtime hours. It is a manual calculation of this blended rate. He said what would be a lot cleaner, and a better opportunity for us to the extent these folks have worked so hard, and our budget permits, and we will look at this very carefully to make sure we can make this happen, is for Council to consider the award of a bonus

through a supplemental appropriation or designation of funds in the budget. We would identify funds to pay these workers. We know it is 132 of our over 400 employees who work for us. We would make sure that we properly recognize them for hard work above and beyond the call. That would be staff's recommendation, and we could look at this and see if we can identify funds sufficient to pay them a bonus that would be appropriate based on the hard work that they have done and continue to do for us. It is an amazing job. He said he had shared with the group that he has had many compliments from our citizens about the hard work that the employees are out there doing every day with a smile on their face.

Councilman Homoki asked if this would get calculated if there is an emergency declared as far as reverse compensation. He asked how we account for comp time, and if it is figured at the regular salary rate.

Mr. Pearce said we award comp time based on the event that was worked. He said that is something we did as a good will gesture. With the FEMA advance team that staff talked with, they will only reimburse overtime. When FEMA looks at our pay schedule, they will look at FLSA. That is all they want to look at. They will not pay for regular time, but they will pay for overtime. He said we are looking at a new pilot program which depends on our response in the first 72 hours, the first 30 days, the first 90 days, the first 120 days. He said there would be a presentation to Council on this when the time comes. He said if Council desires for us to participate in the pilot program, there may be funds available in addition to the overtime money. He said that is something that FEMA determines. Staff just submits the documentation. Typically they only pay for overtime. For premium pay, FEMA would not be interested in reimbursing the city.

Councilwoman Diggs asked if Mr. Pearce was saying a bonus in addition to money from the pilot program. Mr. Pearce stated no. He said he was saying we have paid overtime, and we will identify another source of funds to pay a bonus for discussion with Council and an amount that Council would determine. Councilman Dewar asked how a bonus would make people whole because you are talking he assumed about 132 employees, and he would assume you have a wide spectrum of wages. He said obviously somebody who makes \$10 an hour, we are talking about \$5 an hour for the hours they worked versus somebody who makes \$25.00 per hour and you are talking about \$12.50 an hour. He asked if the bonus would be tailored to the level. Mr. Pearce stated that is what staff would be looking at. He said staff would want to look at something that would be fair given the hard work that has been done. He said as far as discussing the details with Council, he was not prepared to do that now, but staff would look at that.

Councilman Dewar stated he felt all would agree that the folks have done a good job. Frankly if they were led to believe that they were going to be on premium pay, whether that was right or not and we are talking premium and overtime, time and one-half, if they worked the three days during the storm to him that is an obligation that the city has to pay that or the equivalent. He said he was sure they would all be happy to get the check as long as it represents what they did not get as they feel they were promised.

Mr. Pearce stated staff will look at that. He pointed out again that no other entity that staff has talked to does that. By nature of the jobs that people have they are subject to call out. We pay for the hours worked. When the hours worked exceed a certain amount in a certain time period, in compliance with the Fair Labor Standards Act, the city pays over time. He said the city had done that in this case. He said that all being said, he was very much in favor of coming to Council with a presentation for a bonus for these hard workers. He felt they have earned it, and we just have to identify a source of funds to pay it. Councilman Dewar asked if Mr. Pearce was talking about a bonus just for those 132 employees. He asked when that would happen. He asked Mr. Pearce when he would plan to come back to Council. Mr. Pearce stated that would be discussed at the Department Directors meeting on Tuesday, March 11, 2014, and he could give Council a timeline.

Councilman Dewar stated he was the only one talking. He wondered how the rest of Council feels. He said these employees worked and others that did not work got paid the

same amount as the people that worked. Mr. Pearce stated not for 132 of our workers, as we paid them overtime. Councilman Dewar stated we paid them only for the FLSA overtime. Mr. Pearce stated that was correct, and that is what everybody else is doing. Councilman Dewar stated he understands, but he was not sure that everybody else promised them time and a half if they came out to work during the storm, as the memo seems to imply.

Mayor Cavanaugh stated it seems that the memo which Councilman Dewar received is the key thing now—and were they promised the overtime. Mr. Pearce stated staff could look at the legality of it. He said he was trying to approach it from a fairness standard. He said the folks were out in very adverse conditions and worked very hard. Mayor Cavanaugh stated he was not saying not to do it. Mayor Cavanaugh stated Councilman Dewar brought this up mainly because of one request. Councilman Dewar stated he had a complaint from an employee. Mayor Cavanaugh stated he was saying 132 went out there. He asked if the others got a promise. He asked if this was a wholesale promise. Mr. Pearce stated it was not. He said we were just talking in the emails about how to code the time sheets, in particular since this was an adverse weather event that was going to potentially be reimbursable by FEMA. He said that is why we were identifying the time sheets with ice. He said that is in the email that he gave Council a copy of.

Mayor Cavanaugh asked if there were any promises from FEMA yet about being reimbursed for any expenses. Mr. Pearce stated we do not have any promises from FEMA. Staff has had a preliminary meeting with FEMA representatives. They gave a cursory review of the documents that staff was putting together. They had some good suggestions for us about how to account and document our expenses related to the storm. He said that is what we are doing. He said until the President makes a formal declaration, FEMA will not assign a caseworker. We anticipate that declaration, and then an assignment of a caseworker so we can have a better detailed discussion with them.

Councilman Dewar stated he would point out that the memo came out well after the paychecks had caused a lot of dissention. He asked when our employees get paid—every other Friday like Council does. Mr. Pearce responded Council's pay schedule is the same as all employees. Mr. Pearce stated we would get paid on Friday, March 14, 2014. He said we want to treat our employees fairly. The folks have done a good hard job. He said he had told them that personally. He said he would follow up with a recommendation for an appropriate bonus.

Councilman Dewar stated he hoped Council could see that soon. He said he and Mr. Pearce had talked, and he thought he had agreed that we were not going to be asking them to take comp time when they were doing this work for the debris pickup from the ice storm. He asked if they did agree on that. Mr. Pearce responded that the city is not doing comp time. We are paying overtime. He said he had said that several times. The employees are getting paid overtime for the debris pickup from the storm.

Councilman Dewar stated the memo talks about doing comp time for the first snow storm. He said apparently comp time was used for reimbursement. Mr. Pearce said that is what he said in his initial remarks. Councilman Dewar stated he knew we had discussed it at Council that we won't be doing comp time for the debris removal issue. Mr. Pearce said no, the city is paying overtime.

Councilwoman Diggs asked then can the employees who worked look to get a bonus later. Mr. Pearce said that is not what he is saying. He said he was saying staff would develop a bonus recommendation to come to Council for approval because that will be a supplemental budget expenditure which Council will have to approve by an ordinance. Councilman Dewar stated we would hope that will be at the next meeting. Mr. Pearce asked if he could do the best he can. He said he has a lot on his plate. Councilman Dewar stated he understands, but this affects pay checks. Mr. Pearce stated it is very important, and we want to make sure what is paid is fairly done.

Councilman Homoki asked if the bonus would be reimbursable by FEMA. Mr. Pearce stated no, the bonus would not be FEMA reimbursable. The only thing FEMA has said

so far that they will pay is overtime if approved by the President. He said there is a pilot project which he had mentioned and possibly, depending on the immediate 72 hour response, we may get more than just overtime. We have to get details on that.

DEBRIS PICKUP

Councilman Dewar stated he wanted to continue the discussion on the debris pickup. He asked how many trucks we have, and how many people we have solely dedicated to this.

Mr. Pearce stated Mr. Coakley, Public Services Director, would be glad to give Council a report.

Councilman Merry stated he understood that the State of Georgia had already got Presidential approval of Federal Disaster Aid. He asked why South Carolina had not been approved yet.

Mr. Pearce stated the Governor had just made her request a week ago.

Mr. Coakley stated the number of trucks and people changes every day. He pointed out that today five employees called in sick. He said equipment also goes up and down. Ideally we have six of the grapple arm trucks that load. Then we also have two 18 wheelers with big construction dump bed, two rolloff trucks, a tandem axle dump truck, three old sleigh cars which pull the shuttle truck. We have found the best configuration is when two of the loaders work together with a bunch of the shuttle trucks. If we spread them out too far sometimes, the trucks will be delayed away dumping and the loader won't have anything to do. We keep two together. Today we had two in Gem Lakes, two in Houndslake, one in Crosland Park and one that was totally dedicated to safety issues. He said they met with Captain Brazier and had him go out and look at some areas to make sure we could get fire trucks through. He triaged some stuff. Some warranted immediate pickup. Some did not. He said he has one crew dedicated to safety issues.

Councilman Dewar asked if all the people show up for work on Tuesday, how many would that be. Mr. Coakley responded that he had not counted them. He said he had many helping from other departments. He has a lot of staff from Engineering and Utilities helping. They have the backhoe operators. They can take the two loaders and push to them which saves on mobilization time—picking up and moving and setting back down.

Councilman Dewar asked if we still have anyone from Greenwood, Lexington, or Greenville. Mr. Coakley stated Greenville has 14 people in Aiken. They have two loading vehicles and 12 shuttle trucks, dump trucks, etc. They are making a dent. They are working in Woodside Plantation at this time.

Councilman Dewar stated he monitors Facebook and Twitter, and noted that we are picking up on Richland Avenue. He said to his way of thinking that is a state street. He said he was asking the question why the city is doing it. Mr. Pearce stated Mr. Coakley would love to pick up all the city of course with FEMA reimbursement. He pointed out the concerns that he and Councilmember Dewar discussed are concerns that he and Mr. Coakley and other staff have discussed. He said we have some beautiful plants. We have irrigation systems and a lot of considerations in the city. He said the County and DOT have both hired their own contractor who has then in turned hired a series of subcontractors. We have had issues with them where certain contract workers are being paid by the weight, not by the volume. So they are cherry picking piles and picking up all the big stuff and leaving the little stuff behind. He said we still have a mess. He said we are trying to get the first cut through and pickup a majority of the mess. He said he would brag on the workers in the Council room, they do a far better job than the contractors do.

Councilman Dewar stated no question about the quality of our workers. He said he guesses his comment would be why don't we go back to DOT and deal with them with their problems. He said our guys should be doing the city streets and not the state streets.

Mr. Pearce stated the majority of the streets are in the street right of way. He said as he and Councilman Dewar discussed when they talked on the phone, about this issue the City is on the hook for the condition of the parks even though they are SCDOT right of way. We have an agreement with them for maintaining the parkways which goes back decades. It is just something we have always done, and we budget for it. Again, the citizens have come to expect those parkways to look in a certain condition. He said we felt we do better in house than the contractors do. Those folks are from out of state and have other contractors from different states. They are just here to move stuff and go on to the next storm.

Councilman Dewar stated that is a decision that is going to take the city to May to get the first pass done. Mr. Pearce stated it probably will take us at least a couple more months to make the first pass.

Councilman Ebner asked for all the state streets, and there is a bunch beside parkways, does the city get reimbursement for that from the state. Mr. Pearce stated not reimbursement from the State, but from FEMA. He said we pick up debris from the City of Aiken's right of way. We have had that researched by our legal team. Since we are on the hook, we showed FEMA those materials, and they said if you have the legal responsibility for that debris, they will reimburse for its removal. He said the city did it entirely for the storm in 2004, and FEMA reimbursed the city entirely for it. Even with the changes that FEMA has put in place with the disasters that have happened over the last ten years with the pilot program, our legal team is comfortable that we are on the hook for the removal of that debris as a hazard to our citizens.

Councilman Dewar asked if DOT had offered to do any work in the city. Mr. Pearce responded that DOT has talked with us. He pointed out he had included the mutual aid agreement in the last agenda packet. The legal team looked at it and has a lot of problems with the wording contained in the agreement. We submitted some proposed revisions for the agreement. He said he had not heard back from DOT yet. Councilman Dewar asked if the city's legal team had problems with the agreement. Mr. Pearce responded they did. Councilman Dewar asked if it was in DOT's ballpark now to resolve the problems. Mr. Pearce responded yes.

Councilman Merry stated on a related, but different question, he had had folks in his neighborhood ask him if on regular yard debris that is bagged or just leaves, if the city is not picking that up as the crews are busy picking up the big debris. He asked if they could take bag debris or other stuff to the storm debris locations.

Mr. Coakley responded that any resident of the City of Aiken can take any of their debris to the resident pile. He said they prefer that the debris not be in plastic bags. He said they have segregated the bags from the other debris and made a separate pile for the black bags. He said we don't know what the end use of the product will be. He said the black bags may interfere with the end result. Mr. Pearce stated black bags are a plague to us. It is better to put a tarp over the leaves and dump them at the site. Mr. Coakley stated the garbage crews are coming back to pick up the black bags at the street on Fridays and Saturdays. He said in some cases they have picked up the limbs, but they left the black bags. He said they are coming back to get those.

Councilman Merry stated his neighborhood was told a couple of years ago because of the overhanging oaks and power lines, etc. the grapple truck has trouble in the neighborhood, and they prefer the citizens to put things in black bags so it would be easier for them to pick up by hand.

Mr. Coakley stated under normal operations, that is fine because it will be put in the landfill. He said it will be a little bit cleaner for the neighborhood. He said there are supervisors who will come and help you find a location that does not interfere with tree limbs, power lines, etc. He said there is a solution.

Councilman Dewar stated he would appreciate it if the City Manager would continue sending Council emails to keep them up on the status of the debris pick up. He said he

gets several calls a day from people wondering when the crews will be coming to their neighborhood to pick up debris. He said sometimes the citizens claim it is a safety issue.

Councilwoman Diggs stated she had received calls from some residents on the northside that heard the city was picking up Woodside first and they were wondering why the city was saving the northside until last.

Mr. Coakley stated that is not true. He stated we started the pickup with one loader in each Council district. He said but they learned the efficiency when they got the two loaders paired together. He said they had all six loaders working Hampton Avenue prior to an event on the northside. He said presently there is one working in Crosland Park. Councilwoman Diggs stated she did not say that it was true, but that she had received some calls about it.

Councilman Dewar asked for an updated version of the map showing where the crews have picked up debris. Mr. Pearce stated he would send that out to Council.

EXECUTIVE SESSION

Employee Survey

Councilman Dewar stated on his item regarding having a Councilmembers only Executive Session to discuss a contract matter regarding an employee survey, he was withdrawing it for this meeting. He said he would prefer doing it with a full Council so he would ask the City Manager to put that on the agenda for the next meeting.

Mr. Gary Smith, City Attorney, stated it would help him in evaluating whether it is an appropriate action for an executive session, if he understood what he was asking about. Councilman Dewar stated he would call Mr. Smith.

EXIT INTERVIEW

Councilman Ebner pointed out page 145 of the Council packet. He stated Council had talked about this at the last meeting, and Mr. Pearce had provided Council with the rewritten exit interview procedure and how it is set up for assistance from the City Manager's Office, if requested. He pointed out that the wording refers to Resignations. He asked if that includes dismissals and retirements so everybody gets an exit interview.

Mr. Pearce stated retirements would be a resignation so an exit interview would be done. He said a dismissal would not be considered a resignation. He said staff was not planning to do an exit interview in a dismissal circumstance. He said we never have.

Councilman Dewar stated that is why Council recommended a program. Councilman Ebner stated so exit interviews are not done for dismissals.

Mr. Pearce stated an exit interview is not done for a dismissal, but the reason for the dismissal is discussed with the employee. On occasion we have had an employee who was dismissed to write something in response to the Personnel Action Request. He said that is all discussed in the disciplinary meeting that is the termination.

Councilman Ebner asked if the Human Resource Director sees the person leaving. Mr. Pearce stated the HR Director does see the person leaving. Councilman Ebner stated there are two times that are most important in an employee's career. One is when you hire them, you interview them. The other is when they leave whether they are dismissed or not, you interview them.

Mr. Pearce stated the HR Director does participate in the dismissal. She is involved. Councilman Ebner stated she is involved, but it is not a private exit interview. Mr. Pearce stated currently a dismissal is not a private exit interview.

Councilman Ebner asked if that was a municipal or city policy. He asked how that was determined. Mr. Pearce stated that had been a city policy as long as he had worked for the city which is over 15 years. He said if he knew the questions beforehand he could have better answers for Council. He said he would be discussing that with the HR Director.

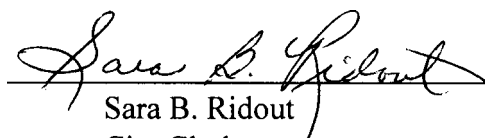
Councilman Ebner stated he would send Mr. Pearce a follow up email on the question.

Mr. Pearce stated he did not have to send an email. He said he would discuss it with the HR Director and get a better handle on how many she has had that were just one on one discussions after a dismissal.

Councilman Ebner stated where the portion of the policy had been revised so the Human Resources Director could request assistance from the City Manager's Office for an exit interview is fine.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:51 P.M.


Sara B. Ridout
City Clerk