

CITY OF CAYCE
Special Meeting
June 29, 2007

A Special meeting of Cayce City Council was held today at 7:35 a.m. in the Conference Room. Those present included Mayor Avery B. Wilkerson, Jr., Councilmen James Jenkins, Kenneth Jumper, Robert Malpass, and Rick Myers, City Manager John C. Sharpe, Tammy Barkley, Municipal Clerk, and Garry Huddle, Municipal Treasurer. City Attorney, Danny Crowe, Bond Counsel, Alan Lipsitz, City Auditors Bob Milhous and Jaime Michaelson and Bond Underwriter, Ken Leonczyk was also in attendance. Mayor Wilkerson advised that members of the press and the public were duly notified of the meeting in accordance with the FOIA.

Mayor Wilkerson called the meeting to order. Mr. Jumper opened the meeting with the invocation and Mayor Wilkerson led everyone in the Pledge of Allegiance.

Other

A. Proclamation Re Notice of Moderate Drought Declared

The City Manager advised that notice had been received from the South Carolina Department of Natural Resources that a moderate drought status had been declared for the state of South Carolina. He advised that in accordance with the change in status, the city needed to follow procedures as outline in its Drought Response Ordinance which includes the approval of the proposed proclamation. Mr. Malpass made a motion to approve the Proclamation. Ms. Jumper seconded the motion which was unanimously approved.

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

Council considered for second and final reading the approval of an Ordinance prescribing rates for the City of Cayce Utility Rate Structure. The City Manager stated that additional information requested by Council at the last meeting had been provided. Mr. Malpass made a motion to approve the Ordinance on second and final reading. Mr. Jenkins seconded the motion which was unanimously approved. The City Manager advised that the new rates would go into effect with the billing of Cycle D customers.

C. Continued Discussion of FY2007-08 Draft Budget and Approval of Ordinance to Adopt FY2007-08 Budget and to Provide Revenue for the City of Cayce for Fiscal Year 2007-08 – Second Reading

The City Manager stated that the two NET Team positions that we removed from the budget have been restored as requested by Council. He stated that he and Chief McNair discussed the issue that one of the officers would remain on the NET Team and the second officer would be placed in the detective division. He stated that he had

increased the revenues for business license and felt comfortable that the city would have a banner year for business licenses. He stated that construction would begin with pouring of concrete on the SCANA headquarters project on August 9, 2007. He and Mayor Wilkerson advised Council of the plans for the complex which includes five separate buildings and an underground tunnel that will connect all five buildings. He stated that the complex is scheduled to be completed in 2009 with employees moving in by the second or third quarter of 2009. Mayor Wilkerson stated that SCANA will have 24/7 security at the site once construction begins.

The City Manager advised that the budget does include an increase in millage of 2 mills, which would cost the average taxpayer of a \$100,000 home about \$8 per year. Mr. Jumper made a motion to approve the Ordinance to Adopt the FY2007-08 Budget to Provide Revenue for the City of Cayce for Fiscal Year 2007-08 on second and final reading. Mr. Jenkins seconded the motion.

Mr. Myers stated that in January or February Council held a planning workshop to discuss priorities that should be looked at in the upcoming budget. He stated that in reference to the amount of funds in the budget to hire a Public Relations firm that there does not seem to be a proposed plan denoting the use of those funds. He stated that during Council's discussion at the workshop, it was suggested that plans be proposed for department heads, staff, and for the spokesperson for the City. The City Manager advised that a more detailed plan of action would be presented in the RFP that will be sent to selected public relations firms to receive formal quotes.

In reference to the Public Safety portion of the budget, Mr. Myers stated that this Council has had discussions about the leadership of this department. He stated that he has heard two Council members talk about drug problems in their neighborhoods which have continued over the past five years without any resolution. He also stated that with the legislature's stand on Home Rule, municipalities and particularly the City would experience a long term impact from an administrative point of view. He stated that he felt it was important that Council make a decision to create a reserve fund in order for the city to operate on a daily basis and continue building on these reserves. He stated that the city would not continue to place the burden on businesses as it would work against the city and jeopardize economic development. He stated that he is concerned with the inability of Public Safety in resolving problems in Council members neighborhoods, and the fact that additional funding is being provided for that process to address the problems.

Mr. Malpass inquired if Council needed to direct a plan to combat the drug issues in the City. The City Manager advised that the Department Heads are not micromanaged and that they are capable of coming up with a plan to combat the issues. Mr. Jenkins inquired if the officer on the NET Team should be required to work in a specific district or area. The City Manager advised that the NET Team is a team effort and they work where the needs arise. Mr. Malpass suggested that Council meet with Chief McNair on a routine basis to provide Council updates on their activities. The City Manager stated that this would be possible. Mr. Myers pointed out that the department

heads report directly to the City Manager. The City Manager stated that Council receives weekly and monthly reports that include the activities of Public Safety. Mr. Myers stated that he did not feel that Public Safety was effectively addressing or actively pursuing drug issues in the city's neighborhoods. Mr. Jumper stated that he did not know if drug problems were causing all the other issues going on in the city, but stated his property has been broken into twice in the last week. He stated that so far, he was not aware if Public Safety has caught anyone and he is not sure the city was being covered like it should and citizens are becoming upset. The City Manager stated that Public Safety is aware of the break ins and is working on it.

The City Manager stated that funding is in place for the purchase of garbage bags and to cover the lease for new sanitation truck. He stated that staff has been looking at the use of roll carts on a test basis and will provide Council with more information on this project at a later date. He stated that the roll carts cost \$48 each. Mr. Myers inquired as to how the city would fund the purchase of the carts. The City Manager stated that it is possible to fund them by reducing the number of bags the city orders.

Mayor Wilkerson stated that as far as Home Rule goes, he thinks municipalities will continue to battle this issue with the Legislature. He stated that it would not be easy for municipalities over the next couple of budget years. In reference to Public Safety, Mayor Wilkerson stated that he felt a better vision is needed. He stated that he supports the budget, still has some concerns, but will vote in favor of it and move forward. He stated his concerns have nothing to do with the City Manager or staff, but just where the city is in the process.

Mr. Myers asked that in the future Council be given more time to review the budget and that additional workshops be planned for discussion. He stated that the city needed to look at other health insurance companies in October and November for the next year's budget. The City Manager stated the most companies delay their quotes to try and get the best claims information possible.

After discussion, the motion passed 4 to 1 with Mayor Wilkerson, Mr. Jenkins, Mr. Jumper and Mr. Malpass voting yes and Mr. Myers voting no.

D. Approval of Bond Ordinance of 2007 – Refunding and Improvement
Revenue Bonds Not Exceeding \$25,000,000 – Second Reading

The City Manager stated that at the April Council meeting, Council approved the refunding of the 1998 Revenue Bonds. He stated the refunding proposal was approved in order to save interest costs of the remaining life of the bonds which at the time was a total annual savings of approximately \$700,000. He stated the total amount of bonds to be refunded was about \$12 million of the outstanding bond total. In addition to the refunding, Council was asked to approve an updated Reimbursement Resolution for current and already completed (and paid for) projects such as the Midlands Utility purchase and Pump Station No. 1 upgrade, that the City of Cayce could reimburse

itself for if it desired to do so. He stated that even though the Resolution was approved, it did not mean that the city actually had to sell all of the bonds authorized for the reimbursement.

He stated that at the Special May Council meeting, Council gave first approval to the Bond Ordinance authorizing the refunding of the 1998 Bonds and set a total of bonds that could be issued by ordinance at \$25,000,000 and that when the refunding piece is taken out, the city would have funds for reimbursement of other projects. Mr. Lipsitz advised that his office made some adjustments to identify the exact new money projects and that the Ordinance makes it clear that if the city is not maintaining a 1.5 value, his office would not go forward with the new money piece. The City Manager stated that the city would move into a new bond issuance for the upgrade and expansion of the Wastewater Plant. He stated that he attended the recent CM COG meeting and the COG did approve the amendment to the 208 Plant to expand the plant from 24 to 25 MGD.

Mr. Lipsitz advised that the bond markets have changed since March and that Mr. Leonczyk had additional information about the rates to share with Council. Mr. Leonczyk advised that the interest rates have been increasing and that in March the long term tax exempt rates were probably in the 4.50 range and they have move up about .40 basis points to about 4.90 at this point. He stated that the way the city's bond issue would be structured is that every year when the interest is due, the interest rates would begin to increase. He stated that the current rates are higher levels than those in March and that while the savings are still there, there is no way to predict whether rates will flatten out or continue to increase. He stated that once the city is ready to enter into the market, the rates will be reviewed and if it does not meet the savings requirements, the city will not enter the market at that time. He continued to explain the interest rates and bonds to refund process in detail. The City Manager inquired as to when the city should get into the bond market. Mr. Leonczyk stated that the city should look to enter the market in 30 days. He stated that it would be necessary to prove to the Treasury Department that the cost of the AAA bond insurance is less than the interest that the city saves if it did not have bond insurance. Mr. Lipsitz stated that savings have been reduced about one-third from the original projection. Mr. Myers stated that he was still concerned with the fact that there is no protection for Council in that the Ordinance gives authority to the City Manager and Mayor to spend or refund the money. Mr. Lipsitz explained that this Ordinance would only give authority for the two projects listed, the Midlands Utility purchase and Pump Station No. 1.

After discussion, Mr. Myers made a motion to approve the Ordinance on second and final reading. Mr. Jenkins seconded the motion which was unanimously approved.

Executive Session

- A. Contractual Matter – CSX Transportation Agreement
- B. Personnel Matter - City Manager's Annual Review

Mr. Myers made a motion to move into Executive Session to discuss the matters listed above. Mr. Malpass seconded the motion which was unanimously approved.

Reconvene

After the Executive Session was concluded, the Regular meeting was reconvened. Mayor Wilkerson announced that no vote was taken in Executive Session other than to adjourn and resume the Regular meeting.

There being no further business, the meeting was adjourned at 10:00 a.m.

Avery B. Wilkerson, Jr., Mayor

ATTEST:

Tammy P. Barkley, CMC, Municipal Clerk