

Aiken City Council MinutesWORK SESSION

November 24, 2014

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

Others Present: Stuart Bedenbaugh, Gary Smith, Kim Abney, Sara Ridout, Tim Grow, Nicole Hillman, and Maayan Schechter of the Aiken Standard.

AUDIT 2013-14

Mayor Fred Cavanaugh called the meeting to order at 6:30 p.m. and stated the purpose of the meeting was to discuss the City of Aiken Audited Financial Statement.

Mr. Tim Grow, a shareholder with Elliott Davis, LLC, stated the clear covered document was what he will cover in the regular meeting. That is his official communication. It is a little boiler plate so it describes the audit process. He directed Council to the black covered binder. He stated that was the financial statement. He said he wanted to give emphasis to saying that the City has a really good staff. He works with a lot of governments, and when you have a group that really knows what they are doing, it is appreciated. Often times he knows that he is the only person that has looked at all of the numbers. He stated he knows that Kim Abney has looked at every number in the document. He stated they appreciate that kind of involvement and expertise. He said Ms. Abney and her staff did a yeoman's job, particularly with the loss of Cammie Hayes. He stated the objective was to perform the audit and obtain reasonable assurance about whether the financial statements are free of material misstatements. He asked Council to turn to the Table of Contents. Pages 1-3 is the Independent Auditor's Report. This reads like a letter and is basically their opinion of the financial statements. That opinion has changed a little bit over a couple of years. Now it does a lot better job of articulating the auditor's responsibility, objective, and the results of what they try to accomplish. They issued an unmodified opinion. It is the highest level of assurance they can provide on the statements. Ideally, everything after that is a document that is essentially provided to them by management. Management represents that everything in there is accurately portrayed, and they perform their tests over those numbers. He stated there are a couple of exceptions to that. Pages 4-13 are what are known as Management's Discussion and Analysis. That letter is similar to the report from the CEO of a public company. It is a review and analysis of the performance of the City, but summarized in laymen's terms. It still has a lot of accounting vernacular. However, a non-financial accounting person, if they read the letter, would be able to come away with an overview of how the City performed and the highlights of what caused both the revenues to go up or down, and profits to go up or down. The auditor's responsibility is to read it and check the numbers. He stated they also offer some recommendations from time to time if they feel like governmental accounting standards require some different interpretations. He stated beyond the Management's Discussion and Analysis on Pages 16 and 17 are the Statement of Net Position and the Statement of Activities. For those that come from a for-profit sector, this is a balance sheet and income statement put in full accrual format. It reports the net position of the City rather than fund balance. The major difference between the government wide statements and the fund financial statements is how long term assets and liabilities are reported. He stated people that have been doing governmental work for a long time really understand the concept of fund balance. The idea about fund balance or modified accrual base accounting is governments are typically worried about how much cash they can get in and how they spend that cash. Several years ago, the bonding agencies were saying they were having more and more difficulty understanding governmental financial statements. They wanted to have a reconciliation that looked like a full accrual format which is what they were accustomed to seeing. In the past, when you buy a fixed asset, under modified accrual it is just an expense. It is a one time use of cash, and it goes away just like any other expense. In a business world, we know that we accumulate capital assets, and we depreciate those over several years. They are an asset

that is placed in service. He stated the same is done with a debt. He stated in modified accrual, it treats debt almost like revenue – another financing source or use. You have this cash in so it looks like revenue. On the full accrual format we know we actually owe somebody that money so we have to take that revenue out of the income statement and put it as a liability on the balance sheet. That is basically what the Statement of Net Position and the Statement of Activities accomplishes. It takes the fund financial statements and puts them in a full accrual format. He stated those who work in governmental are more comfortable with pages 18-24. That is the governmental funds financial statements. In this case, Pages 18 and 19 are basically the balance sheet of the major governmental funds. The City has other funds called non-major, and those are grouped in the last column. After the fund balance sheet, there are a couple of reconciliations that take the fund statements and roll them up into government wide presentation he mentioned. After that reconciliation there are the governmental funds, or income statement. It is the revenues, expenditures, and changes of fund balance. They are on pages 22-23. He stated Council had some handouts he had given them. He stated a governmental financial statement is a ton of financial information. What some Councilmembers are often concerned with is what they should take away from this. He would say at a very high level, they have issued an unmodified opinion. This means everything that is in the audit is fairly represented. He also stated that as a Councilmember they are always concerned about cash and cash reserves. Council is always concerned about fund balance. Fund balance is always a big component of what you do. What has been compiled over a couple of years are the statistics to let Council look at a bar graph format. He directed Council to look at one of the handouts. He stated the first one – General Fund Cash and Short Term Investments – purely talks about General Fund. As you can see as you look at that trend, this is the General Fund cash and short terms investments--basically anything you can quickly turn into cash. It tells how the cash has trended over the past several years in the General Fund. The bar graph below that shows total cash. This is all the funds, not just the General Fund. He stated it is running slightly north of \$30 million. All of this information is as of June 30, 2014. This is dated information. The third bar graph is General Fund Number of Days of Operating Cash Reserves. One of the agencies that this financial statement is handed to after they are finished with it is the Government Finance Officers Association. They are a group of people that look at the financial statements and also financial statements from across America and decide if the financial report subscribes to a high caliber reporting. One of the things, in addition to reviewing the document, is they also provide certain recommendations. One of those recommendations is GFOA recommends that a government maintain 60 days' worth of General Fund expenditures as a reserve. He stated while the General Fund balance trickled down a little bit, the City has 150 something days' worth of operating cash available. The City is slightly exceeding what the GFOA recommends. He cannot tell Council that is what they should limit their judgment to, but he can tell them that there are a lot of governments that wish they had the amount of cash reserve in the fund balance that Aiken has in the General Fund. He stated there are a lot of governments that he works with in South Carolina that barely have 30 days of operating fund balance. He will not tell the City it is good, but he would tell them it exceeds GFOA standards.

Councilman Ebner stated the City has just under \$9 million from CPST II and III. That is in the first graph at the top of the page. He asked if that was counted as a total part of cash. Mr. Grow stated just cash. That is all cash this government has. Councilman Ebner stated also there was a loan paid back two years ago that put \$2 million back into General Depreciation Fund. There was a little bump up for those two reasons. That is in the \$30 million. He stated if he takes those two out it gives about \$20 million that is really general fund cash or depreciation accounts.

Councilman Dick Dewar asked if that reduces the number of days of cash. Mr. Grow stated no, not in the General Fund.

Mr. Grow directed Council to the fourth graph. He stated it talks about the City's General Fund fund balance which has decreased. It is around \$11.9 million. It is still a good reserve. It has declined a little bit, but is still a good reserve. The City's percentage of unassigned/assigned General Fund balance at year end compared to the General Fund operating expenditures decreased from 14 to 13. He stated assigned fund balance is a

different concept. It is something that you can set aside cash for a particular purpose, but this body could not use that cash for those purposes if they so choose. Usually when you want to see what kind of balance you have available to you, assigned and unassigned are the categories that you would look at to decide whether to spend the money or not.

Councilman Philip Merry asked the reason for the decreased in the assigned and unassigned balances. Finance Director Kim Abney stated part of that will be in the interfund loans, which are categories called unexpendable. Councilman Merry asked if the interfund loans were \$3.5 million. Ms. Abney stated they are \$3.1 million.

Mr. Grow asked Council to turn to the last graph regarding the Water and Sewer Fund. It reported a \$1.2 million increase in net position due in large part to the capital grant for radium reduction at Shiloh Springs and donated infrastructure offset by decreases in charge for services. Those graphs run very consistently year after year. He wanted to give Council a sense of where the revenues are coming from. He said he would use this to see if there are significant swings in the sources of revenue. He directed Council to another graph in the handout. He stated the same with expenditures. Usually for a government, if there is a big swing in a governmental expenditure, it can be explained. The graphs for revenues run pretty consistently year over year. There are a couple of changes in the expenditures. The other thing that can be misleading is when there are unusual expenditures, like this past year with the ice storm. There were a lot of expenditures related to that. The auditor's spent a little more time looking at that because it was one of the more unusual things that happened to governments this year. He stated that covers the graphs.

Mr. Grow stated that pages 25-27 are about Proprietary Fund Financial Statements. The Proprietary Funds are funds that operate like a for-profit business. In this case it is the Water and Sewer system and the Storm water System. He stated beyond those financial statements are the Fiduciary net position on page 28. Fiduciary funds are funds that we manage, but do not own. We hold these monies for other organizations. These include the Pension Trust Fund, the Post Retirement Benefit Trust, and the Firemen's Fund. He stated they apply their procedures to all of the funds and all these funds in their opinion are fairly stated.

Councilman Dewar asked if the Pension Fund money was included in any of the charts. Mr. Grow stated it was not in the charts.

Mr. Grow stated beyond the Fund Financial Statements on page 30-58 are the Notes to the Financial Statements. The Notes provide detailed information to the numbers included in the statements previously discussed. For example, there are details of the city's investments, a summary of the city's capital assets, as well as a summary of the accounting policies. The idea behind that is if anybody else were to come in and read the financial statements they could actually see how and why the City accounts for things the way they do. He stated the Notes are standard. They always vet these footnotes relative to what other governments do, and they think they fairly represent the government. They go into the required amount of detail without going into too much detail. He stated on pages 59-62 are the required supplementary information. In this case it is budgetary comparison information for the General Fund and Crosland Park Fund. In RSI they do not audit the budget. They audit the actual numbers. They look at the budget and compare the budgets to the actual performance, but they do not actually audit the budget. He stated pages 63-115 are other supplementary information. This information provides details for several things, including non-major governmental funds, other budgetary schedules that provide useful comparisons for certain fund budgets but are not required supplementary information, including the enterprise funds. There are a lot of pages. Every government handles these schedules however it suits the user. It is a fair volume of information, but a lot of times when you get into minor funds, a lot of people like to see what the detail is behind those minor funds is and that information provides that level of detail they are looking for. On pages 117-118, because this audit is conducted under governmental auditing standards, one of the things they are required to do as they perform their procedures, is to consider the system of internal control that produces the numbers. It is not enough to come in and audit the numbers. One of the things they have

to do while they are performing the procedures is evaluate the system of control. One of the things they are charged with, and one of the things they try very hard to do is to provide a level of value by vetting the system of internal control beyond what the standards require to see if they can find holes in that system of internal control. He could not find anything this year. He stated they hit it pretty hard. He is not just saying that because Ms. Abney is in the room. He said he was saying this because he works for the Council, and if he can find something it is his obligation to let Council know. He did not find anything in system internal control. That speaks volumes, especially when there is a changeover in the staff like the City of Aiken had this year.

Mr. Grow stated on pages 119-120 there is a third opinion. Because the City received federal money, the auditor is required to conduct what is known as a single audit. The single audit says this government gets a bunch of federal money. We do not want a bunch of different auditors representing a bunch of different agencies in here so we want one auditor to come in and risk assess the federal funds the City receives and then test those funds that are considered to be the riskier funds. One of the risk criteria they are given is the relative size of the programs the City has in a particular year. In \$2.6 million in federal awards on page 121 tells the programs that federal funding was received under. On page 123, it has what grants from that schedule they actually tested this year. They tested the Revolving Funds related to capitalization grants for drinking water, the federal surplus property transfer program, and the FEMA grant. They wanted to spend some time with the FEMA grant because they knew it would be an unusual fund for the City, and they knew it was going to be more major in the upcoming year. They felt if they did some groundwork upfront, then the auditor who comes after them would have a good starting place for when they do their procedures.

Mayor Cavanaugh asked what Mr. Grow meant by test. He asked if they take more time to look at it and get deeper into it. Mr. Grow stated they make sure they gain an understanding of the program and the objectives of the program. They gain an understanding of what the City's agreement is with the federal granting agency is. Each of the grants comes with a set of compliance criteria. You have to do these series of things. There are fourteen compliance criteria that they evaluate every program for, and then they test whatever those compliance criteria they consider to be required or risky areas. They drill down to the actual expenditures that occur for those grants. That's how deep they go into them. When they looked at the FEMA, they were looking at a lot of reimbursements for people that were hauling debris. They actually drilled down and because of the volume, there were a lot of different vendors being used for that, so they looked at a lot of those invoices. Councilman Dewar asked if where the FEMA grant is seen in the document, is it the same as FEMA reimbursement. Mr. Grow stated that was correct. He said the FEMA grant is a reimbursable grant. The City had to actually incur the expenditures before FEMA would give the money. Mr. Grow stated they tested the invoices and when they were applied, FEMA wrote the checks. Councilman Dewar asked if the audit reflects any money that FEMA did not reimburse. Mr. Grow stated all they are concerned with is what had accumulated as of June 30. There will be a larger volume that occurred after June 30, 2014.

Councilwoman Price asked for an explanation of the Department of Justice and the Federal Surplus Property Transfer Program. Ms. Abney stated that is what they call the 1033 property that Public Safety goes to the army bases and are able to get equipment or vehicles. Councilwoman Price asked if 491 was the value. Ms. Abney stated that is the value the government puts on it. Mr. Grow stated typically the City gets more value than they pay for the equipment because the federal government will take less money.

Councilman Ebner stated the government gave the City a \$501,000 grant, but the City had to pay something. Assistant City Manager Stuart Bedenbaugh stated there is an annual fee of about \$1,200. Councilman Dewar stated the problem that some municipalities are getting into is they are getting enough vehicles to outfit an FBI SWAT team, and it does not come across very well.

Mr. Grow stated it is always interesting to see what is available to a government. He stated one government received a swat vehicle. Ms. Abney stated the City also gets desks, blankets, handcuffs, etc.

Councilman Dewar asked Mr. Grow to turn to page 56. He stated he did not understand the chart. Item 1 is the obligation. Mr. Grow stated at the beginning of the year, the obligation that the City owed was that number. Councilman Dewar asked if that was the City's liability for that program. Mr. Grow stated yes. Councilman Dewar stated as you go down the City made interest on whatever money we had in there. Mr. Grow stated that was correct, and then there is the annual required contributions. Councilman Dewar stated the City was to put in \$2.1 million. Mr. Grow stated if you want to be fully funded that amount would be there. He stated when the actuaries come and evaluate the account every year, there are certain adjustments they apply, whether it's the trend, the earnings forecast for the accumulation of benefits over time, etc. This is a forward looking obligation vetted against a current asset that the City holds. The actuaries tell the auditors what that number is. Councilman Dewar asked if the City actually put in \$460,715. Mr. Grow stated that was correct. He stated that is payments made by the City for retiree benefits. Councilman Dewar asked if from an audit perspective if that was a good percentage to put in. Mr. Grow stated if you look further down at percentage of OPEB cost contributed, it is 38%. He said many governments have zero. He stated he was not telling it was right, wrong, or indifferent, but the City funded a pretty high rate. He stated the City's OPEB obligation grew. It went from 8.1 to 9.4.

Councilwoman Price stated what Council is hearing is that the City is running into trouble because we are taking money out of reserves to manage some of the business with the City and that our reserve account is in trouble. Mayor Cavanaugh stated he didn't think it was in trouble. Councilwoman Price stated Council hears all the time that we are in trouble with our reserve account. Mr. Grow stated it is diminishing. Councilman Ebner stated in the account Councilwoman Price was talking about, as of June 30, 2013, it was \$2 million even. As of June 30, 2014, the City had taken out \$900,000. When the City started the year July 1, 2013 there was almost \$3 million and it dropped \$1 million. Councilwoman Price stated we keep reducing it. Councilman Ebner stated the year before it was \$500,000 and this year it was \$700,000 to \$900,000 from the fiscal year ending June 30, 2015. He stated that is what Mr. LeDuc has been talking about. We are \$700,000 out of this account. Mayor Cavanaugh asked if that was shown in the information they were given. Councilman Ebner stated it was in one of the charts given to Council by Mr. Grow. He stated it was on the second page at the bottom. It shows what was taken out in the last two years in 2013 and 2014. In 2015, the City is sitting at about \$700,000 if we spend all the money in the budget. That \$2 million will go down \$700,000 in June 30, 2015. He said you can't take many more years out, and it will be gone.

Ms. Abney stated on page 22 the excess of the expenditures over the revenues was \$997,000. Mr. Grow stated that was correct. The General Fund fund balance was reduced by \$1 million. Councilman Ebner asked if these were unrestricted funds. Mr. Grow stated yes. Councilman Ebner stated restricted funds are only able to be used for a certain item. He told Councilwoman Price it was getting close. He stated in another two years like that it will be close to depletion. Ms. Abney stated it is not sustainable. We cannot continue to use the funds.

Councilman Dewar stated it raises an interesting issue. A lot of municipalities have made more significant cuts in their budget, whether it is in personnel or what money they spend, than we have. He is not sure that the City has made many adjustments.

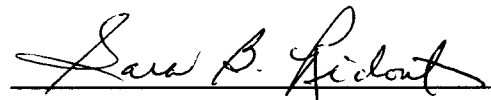
Councilman Homoki asked what happens if the advance money for the CPST II and III never really backfills. Councilman Ebner stated that is why you have to be careful how much we advance.

Councilman Ebner stated it is being watched. He stated that basically, as of December, 2015, over \$10 million has been committed. CPST II is closed out and CPST III is what Council receives a quarterly report on what the commitments are versus the revenue.

Councilman Merry stated he was looking through the supplementary information on page 63, a Schedule of Expenditures, and was trying to understand it. He stated, for example in the Planning Department, there is a listing there for salaries but he does not see anything listed for benefits such as health insurance, etc. Ms. Abney stated the benefits are all combined and shown at the end under Insurance and Benefits on page 80. Councilman Merry asked if there were other areas that were a catch-all for other expenses. Ms. Abney stated there are some in Non-City Support which is for things like Contingency, Library, Character Education, etc. Councilman Merry stated he saw things like Workers' Compensation in the various departments and in some places there was nothing and in others it was a large number. Ms. Abney stated that is where there was a Worker's Comp claim for someone injured in the department. She stated those figures show the claim for the actual injury in the department, but the Worker's Compensation premium the City pays is on page 80 in Worker's Compensation. The claims are charged back to the department. Councilman Merry stated there is also insurance under these departments. He asked if that was where there had been a claim. Ms. Abney responded that is like a liability or auto claim.

ADJOURNMENT

There being no further business, Mayor Cavanaugh adjourned the work session at 6:58 P.M.



Sara B. Ridout
City Clerk

Aiken City Council Minutes

REGULAR MEETING

November 24, 2014

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

Others Present: Stuart Bedenbaugh, Gary Smith, George Grinton, Kim Abney, Tommy Paradise, Kim Coleman, Alicia Davis, Tim Coakley, Charles Barranco, Phil Kestin, Brian Brazier, Sara Ridout, Maayan Schechter of the Aiken Standard, and about 50 citizens.

CALL TO ORDER

Mayor Cavanaugh called the meeting to order at 7:06 P.M. Mayor Cavanaugh 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.

ADDITIONS OR DELETIONS TO AGENDA

Mayor Cavanaugh asked if there were any additions or deletions to the agenda. Councilman Dewar stated he would like to talk about Channel 4 at the end of the Council meeting.

MINUTES

The minutes of the Work Session of November 5, 2014, and Work Session and Regular meeting of November 10, 2014, were considered for approval. Councilman Dewar moved, seconded by Councilwoman Diggs that the minutes of November 5 and 10, 2014, be approved. The motion was unanimously approved.

PRESENTATION

FY 2013-14 Audit Financial Statements

Mayor Cavanaugh stated the auditors would make a presentation of the FY 2013-14 Audit to City Council.

Mr. Bedenbaugh stated Mr. Tim Grow, Shareholder of the firm of Elliott Davis, LLC, and Nicole Hillman, Audit Manager, were present to present and discuss the annual financial audit.

Mr. Grow stated as mentioned in the work session the firm issued three opinions as related to the audit or financial statements of the City of Aiken for June 30, 2014. All three of the opinions were unmodified which is the highest level of assurance they can provide. He said he had gone over some of the details of the numbers in the work session. In addition to that there are required communications with City Council which is what he is doing now. He said to give Council some perspective of what they did, before they started the audit they went through what they call the audit planning process. He said they do a lot of planning before they start the audit, assessing the risks of the city as they see them and as described by staff or Council or other places where they gather information. Some of those are other governmental bodies. He said they know where some of the risks lie. He said they design the audit plan around what they assess as being risks. One of the things they do is assess a level of materiality. He said they do not look at every transaction. He pointed out they don't have the time to look at every transaction, and the City could not afford to pay them to look at every single transaction. He said they establish materiality thresholds, a magic number they think if something was off by a certain amount, it would change the decision about that account or that financial statement. In addition, he said he had mentioned when talking about internal control, they assess the system of internal control as they go through the audit process. He said they vet that system thoroughly, not only just the standard controls, but particularly controls over federal funds. He said they came out of that assessment feeling really good about where the system control for the City of Aiken was. He said they did not make any recommendations to the control system as they are designed. They felt they are operating effectively.

He said Note 1 is where the significant accounting policies are. He said if someone were to walk in the door they could read Note 1 to the Financial Statements and understand how this municipality records accounting transactions. He said the document is full of judgments and accounting estimates. One of three particular funds on which Councilman Dewar always focuses is Pension Fund Accounting. He said they take some of the actuary information and adjust to those numbers. Another is the Post Employment Retirement Benefits and another is evaluation of real estate for resale. He said they had assessed that again this year very thoroughly. He said they feel that the value on the books is the best estimate we have currently and feel that it is fairly conservative.

Mr. Grow stated they felt the Financial Statement disclosures they have in the Financial Statements are neutral. They are consistent and are clear. What that means is that someone who has an accounting background could read those disclosures and clearly come away with being able to assess the city's financial statements. He said they had no disagreements with Management. Management signed a representation letter which is included in the document. He said the official communication they had with the City is included in the document so Council can assess that communication. He said they were not aware that staff had consulted with any other accountants as they went through the process. He said they did not incur any significant difficulties as they performed their

procedures. The significant issue they discussed this year, was the assessment of the valuation and was one thing they spent some time on. The FEMA grant was another thing that was new, and they spent a lot of time making sure everything was okay. He pointed out that anytime the City's staff has anything new, they come to them as auditors and point out things that are new or unusual and say they want to spend some time talking about. He pointed out many times the things are heavy interpretations. He said you want to make sure you have another accountant look to make sure everything is assessed correctly. He said he felt Ms. Abney and her staff had done a tremendous job of making sure everything was reflected accurately. He said as mentioned previously any communication they had was included in the document. He pointed out that next year the City will be subject to GASB 68 which will be the trickle down of the State's Pension Obligation which will be reflected on the statement in that position. He said Ms. Abney is aware of that. It will have a government-wide effect. He said they are still not quite sure from the City's perspective what their obligation will be. That will be a new accounting standard that will have to be adopted. He said the audit went very well this year. He said they were very happy about the audit. He said Ms. Abney had to be more involved because Ms. Hayes left. He said things went very well. He said sometimes staff turnover is good because someone can look over someone's shoulder a year later and challenge how things were done. He felt those objectives were met, and they were satisfied with the results. He said that was his official communication. He said he would be glad to answer any questions.

Mayor Cavanaugh pointed out that Council had some questions in the dialogue in the work session earlier. He thanked Mr. Grow and Ms. Hillman for the work they had done. He felt the City was pleased with the outcome. Mayor Cavanaugh also thanked Ms. Abney and her staff for all they do every day in keeping track of all transactions.

BOARDS AND COMMISSIONS

Appointments

Juanita Palmer

Accommodations Tax Committee

Don Broderick

Velice Cummings

Design Review Board

Jack Hunter

Planning Commission

Brian Parks

Park Commission

Laurence Ogletree

Board of Zoning Appeals

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

Mr. Bedenbaugh stated six appointments are presented for Council's consideration and vote at the meeting tonight.

Councilmember Diggs has recommended the appointment of Juanita Palmer to the Accommodations Tax Committee to replace Michael Gibbons. If appointed Ms. Palmer's term would expire March 25, 2016.

Councilmember Ebner has recommended the reappointment of Don Broderick to the Design Review Board. If reappointed Mr. Broderick's term would expire December 31, 2016. He has also recommended the reappointment of Jack Hunter to the Planning Commission, and if reappointed Mr. Hunter's term would expire December 1, 2016.

Councilmember Price has recommended the reappointment of Brian Parks to the Park Commission. If reappointed his term would expire December 1, 2016. Councilmember Price also recommended the reappointment of Velice Cummings to the Design Review Board, and if reappointed her term would expire December 31, 2016. Councilmember Price also recommended the reappointment of Laurence Ogletree to the Board of Zoning

Appeals. If reappointed Mr. Ogletree's term would expire December 1, 2017. Board of Zoning Appeals terms are for three years.

For Council consideration is the appointment of Juanita Palmer to the Accommodations Tax Committee, and reappointment of Don Broderick and Velice Cummings to the Design Review Board, Jack Hunter to the Planning Commission, Brian Parks to the Park Commission, and Laurence Ogletree to the Board of Zoning Appeals.

Councilman Dewar moved, seconded by Councilman Homoki, that Juanita Palmer be appointed to the Accommodations Tax Committee and that Don Broderick and Velice Cummings be reappointed to the Design Review Board, that Jack Hunter be reappointed to the Planning Commission, Brian Parks be reappointed to the Park Commission, and Laurence Ogletree be reappointed to the Board of Zoning Appeals. The motion was unanimously approved.

Mayor Cavanaugh asked if there were any nominations for the next meeting.

Councilwoman Price stated she would like to recommend that Frank Wright be reappointed to the Energy and Environmental Committee.

INTERFUND LOAN – ORDINANCE 11242014

Note

Fencing

Citizens Park

Mayor Cavanaugh stated this was the time advertised for second reading and public hearing on an ordinance to approve an interfund loan agreement and note for the installation of fencing at Citizens Park.

Mr. Bedenbaugh read the title of the ordinance.

AN ORDINANCE AUTHORIZING BORROWING FROM THE CITY OF AIKEN GENERAL FUND SPECIAL HOLDING ACCOUNT AS OUTLINED IN THIS ORDINANCE FOR THE PURPOSE OF FUNDING THE CITIZENS PARK FENCING PROJECT.

Mr. Bedenbaugh, Assistant City Manager, stated the November, 2010, Capital Projects Sales Tax III Referendum included \$500,000 for new fencing at Citizens Park. At the October 13, 2014 Council meeting, staff was directed to complete this project during the winter before practices, games, and tournaments begin. We recently conducted a bid opening for this project. Three vendors attended the mandatory pre-bid conference and only one vendor, Maner Builders Supply, submitted a sealed bid. The Citizens Park portion of the bid will be almost \$300,000, and the other portion is for Stewart Field fencing. We are requesting an interfund loan agreement and note to borrow money from our General Fund Special Holding Account until we receive sufficient revenue from CPST III in 2015. The proposed note and ordinance are patterned after prior Council-approved notes and ordinances borrowing money for CPST III projects.

Council approved this ordinance on first reading at the November 10, 2014, meeting. For City Council consideration is second reading and public hearing of an ordinance for the approval of an Interfund Loan Agreement and Note.

Councilwoman Diggs moved, seconded by Councilman Merry, that Council approve on second and final reading an ordinance approving an Interfund Loan Agreement and Note for fencing at Citizens Park. The motion was unanimously approved.

RESOLUTION 11242014ARESOLUTION 11242014BWater LinesSewer LinesHoliday Inn ExpressWhiskey RoadStratford DriveDeed of Dedication

Mayor Cavanaugh stated Council needed to consider approval of resolutions to accept deeds of dedication for water and sewer lines for the Holiday Inn Express on Whiskey Road at Stratford Drive.

Mr. Bedenbaugh read the title of the resolutions.

A RESOLUTION AUTHORIZING THE ACCEPTANCE OF A DEED OF DEDICATION FROM NAMAN AIKEN I, LLC.

A RESOLUTION AUTHORIZING THE ACCEPTANCE OF A DEED OF DEDICATION FROM FERRELL L. HOLLEY, JR. CHARLES S. HOLLEY, AND SARAH HOLLEY GUIDA.

Mr. Bedenbaugh stated Naman Aiken I, LLC is the owner of the Holiday Inn Express at the intersection of Whiskey Road and Stratford Drive. The Holley family owns property adjacent to Naman's property. Naman and the Holley family are requesting the City to accept a deed of dedication for the sanitary sewer and water systems on these two parcels of land.

The Engineering and Utilities Department has reviewed these requests and is recommending that the City accept the deeds of dedication.

For Council consideration is approval of two resolutions accepting the deeds of dedication for the sanitary sewer and water systems for the property on which the Holiday Inn Express at the intersection of Whiskey Road and Stratford Drive is located as well as the adjacent property owned by the Holley family.

Councilman Merry asked if the dedications also included the storm water system. Mr. Bedenbaugh responded the deeds did not include the storm water system.

Councilman Dewar pointed out that the adjacent property is not developed. He wondered if water and sewer pipes had been installed on the second property.

Mr. Gary Smith, City Attorney, stated lines are installed on both properties. He said when the plans initially came to Council for the hotels, they said they were going to build the Holiday Inn Express first. Then they had plans for a future hotel next door. That second hotel is not built yet. They are not sure when they are going to build it, but they went ahead and put the infrastructure in. It was pointed out that the lines were stubbed out.

Councilman Ebner stated he had a comment for the record. He said there is still an issue on the right of way of Stratford Drive going in to the area. He said his understanding from talking to Mr. Grinton earlier today and Mr. Bedenbaugh that has to do with the storm water permit and with DHEC. He said it seems to be a slow process to get the right of way regrassed and cleaned up. He said he had been given the name of the DHEC representative, and he planned to have a conversation with him this week so we can expedite that. He said the rest all looks beautiful and all landscaped, but when you turn in on Stratford Drive, there are still ruts, etc. showing. He said he would be working on that.

Councilman Merry moved, seconded by Councilwoman Price, that Council approve the two resolutions accepting the deeds of dedication for the sanitary sewer and water

systems for property on which the Holiday Inn Express at the intersection of Whiskey Road and Stratford Drive is located as well as the adjacent property owned by the Holley family. The motion was unanimously approved.

AUDIT 2013-14

Mayor Cavanaugh stated an ordinance had been prepared for Council's review to accept the FY 2013-14 audit.

Mr. Bedenbaugh read the title of the ordinance.

AN ORDINANCE ACCEPTING THE FISCAL YEAR 2013-2014 AUDITED FINANCIAL STATEMENTS AND AUTHORIZING VARIANCES TO THE FISCAL YEAR 2013-2014 BUDGET ORDINANCE.

Mr. Bedenbaugh stated our auditor, Elliott Davis, LLC has prepared the FY 2013-14 financial audit, required by state law and our city code. This audit has the line items from our FY 2013-14 budget and adjustments to them to show actual revenues received as well as actual expenditures made.

Elliott Davis Shareholder Tim Grow reviewed the audit with Council at the work session prior to this meeting. He reported that the audit received an unqualified opinion with no material weaknesses and no instances of noncompliance material to the financial statements.

For City Council consideration is first reading of an ordinance to accept the FY 2013-14 audited financial statements.

Councilwoman Price moved, seconded by Councilwoman Diggs, that Council approve the ordinance on first reading and that second reading and public hearing be set for the next regular meeting of Council. The motion was unanimously approved.

INTERFUND LOAN – ORDINANCE

Sanitary Sewer Line Silver Bluff Road Capital Projects Sales Tax

Mayor Cavanaugh stated an ordinance had been prepared for Council's review to approve an Interfund Loan Agreement and Note for the sewer improvement repairs on Silver Bluff Road.

Mr. Bedenbaugh read the title of the ordinance

AN ORDINANCE AUTHORIZING BORROWING FROM THE CITY OF AIKEN GENERAL FUND EQUIPMENT REPLACEMENT FUND AS OUTLINED IN THIS ORDINANCE FOR THE PURPOSE OF FUNDING SANITARY SEWER IMPROVEMENT REPAIRS ON SILVER BLUFF ROAD.

Mr. Bedenbaugh stated in November 2010, the voters approved the Capital Project Sales Tax III which included money for sewer system improvements. To complete the improvement of the sanitary sewer line located near the Public Safety Station 4 on Silver Bluff Road, we are requesting approval of an Interfund Loan Agreement and note to borrow money from our General Fund Equipment Replacement Fund until we receive sufficient revenue from the CPST III Tax. Recently, a bid opening was held. The lowest responsible bidder was with J & H Grading and Paving, LLC of Aiken who submitted a bid of \$207,755.

For City Council consideration is first reading of an ordinance for the approval of an Interfund Loan Agreement and Note for the repair/replacement of the sanitary sewer line on Silver Bluff Road.

Councilman Ebner moved, seconded by Councilman Dewar, that Council pass on first reading an ordinance to approve an Interfund Loan Agreement and Note for the repair/replacement of the sanitary sewer line on Silver Bluff Road near Public Safety Station No. 4. The motion was unanimously approved.

RESOLUTION - GARBAGE SERVICE

Tyler's Sanitation Inc. Garbage Collection Pilot Project

Mayor Cavanaugh stated Council needed to consider approval of a resolution to proceed with a pilot project for garbage collection with Tyler's Sanitation, Inc.

Mr. Bedenbaugh read the title of the resolution.

A RESOLUTION AUTHORIZING A PILOT PROGRAM TO EVALUATE THE PROVISION OF CITY GARBAGE COLLECTION SERVICES BY A THIRD PARTY VENDOR.

Mr. Bedenbaugh stated during our recent budget work sessions, we were approached by Tyler's Sanitation, Inc. [Tyler's] about conducting a pilot project to service one of our garbage routes. The route would consist of approximately 3,000 homes. This project would begin on January 5, 2015, and last for up to 12 months. Tyler's would charge \$6.90 for each service address and collect solid waste from residents' existing roll carts. Tyler's has agreed to the following conditions:

1. Tyler's will use fully-enclosed rear load garbage trucks that will prevent loose waste from escaping. Waste will be transported to the Three Rivers Solid Waste Landfill.
2. Tyler's will collect waste from residents' existing roll carts on the existing trash pickup day. Back door collection will continue for those residents that currently utilize this service under the assumption that it accounts for no more than two percent of the customers on the route.
3. Tyler's will keep the existing schedule in place for the existing customers on the route. No waste will be collected before 7:00 a.m., and Tyler's will abide by the same holiday schedule in place by City crews.

After the pilot project's completion, Council could either return to our Public Services Department collecting this route, or if we decide to consider long-term privatization, issue a Request for Proposals as required by our City Procurement Code. At that time, the City could also submit a proposal to keep these services using our City employees. Our City Attorney has reviewed the proposed contract. Section 2-347 of our City Code allows us to conduct pilot projects on a short-term basis. We would accrue these expenses to our Tyler Sanitation budget line item [001-4141-444.45-11].

For Council's approval is a request to proceed with a pilot project for garbage collection with Tyler's Sanitation, Inc.

Mayor Cavanaugh asked if there was a motion and second so Council could discuss the matter and hear from the citizens present.

Councilman Dewar moved, seconded by Mayor Cavanaugh, that Council defer action on the matter until the next meeting, but that Council allow public input at this time. The motion was unanimously approved.

Councilman Ebner pointed out that we need to keep the matter to public input and not get into finances at this time.

Mayor Cavanaugh pointed out Council will not vote on the matter at this meeting as agreed to by City Council. However, Council does want to have public input from the

citizens present at this meeting. He said there are some questions about the city proposal and what it could be. He pointed out Mr. LeDuc is out of town and Council did not want to take action at this time. He said the matter will be on the next agenda perhaps or possibly the one after that.

Mr. Braun Pruitt, an employee with the City of Aiken Public Services Department and a citizen of the City of Aiken, said he was a former employee of Tyler's Sanitation. He said he has a working knowledge of the difference between what the City does and what Tyler's does. The City of Aiken already uses the rear loaders that Tyler's claims do not waste. He said they waste, but when that happens with the City they get on the radio and call and have a crew come behind them and clean it up. He wondered if Tyler would invest in the equipment to clean up behind themselves or would they just leave the waste on the street. Also, Tyler's operates with one driver and one maintenance worker. The driver has to get out and help the maintenance worker dump carts. He said with the amount of carts the crews have to dump in the City of Aiken we need two maintenance workers on the truck and somebody moving the truck from can to can. He asked if Tyler's would invest in that or could they do it at \$6.90 per cart. He said they probably don't realize what the City does as far as satisfying the citizens. A citizen calls up. They got their garbage out late. The City has a small truck that has the same capacity as the bigger garbage trucks which can go and grab that garbage for the citizen at a cheaper cost than sending a big garbage truck back to pick up the garbage. He wondered if Tyler's understands the City's operation to make a proposal for \$6.90 per cart. He said there are bigger operations out there such as Waste Management. He felt if they could do the service for \$6.90 per cart, they would put in a proposal with the City of Aiken. He said he just wanted to make sure that the citizens will still be satisfied with the service. He said one would have to work a route to understand what happens. He pointed out what happens on holidays. He said most parents get their kids ready for school and the kids take the garbage out, but on a holiday when the school is closed there are a lot of calls for service. He pointed out Ms. Deloach gets a lot of calls, and the crews try to accommodate the calls. He said he had not seen a day when a person called in and needed their garbage dumped, that they did not get it dumped on that day. He wondered if that was a service that Tyler's would provide to the citizens.

Mayor Cavanaugh asked Mr. Pruitt when he had worked with Tyler's. Mr. Pruitt responded he worked for Tyler's about 8 or 9 years ago. He said they are under new management now. He said when he sees their trucks, he sees one driver and one worker. He wondered if Tyler's would hire the extra people, and could they do the service for \$6.90 that they are proposing.

Councilwoman Price asked Mr. Pruitt how long he had worked with Tyler's and how long he had worked with the City. Mr. Pruitt responded that he will have worked for the City for five years in February, 2015. He said he had worked with Tyler's for about a year and a half. He said he was a driver with Tyler's, but he also had to get out of the truck in certain neighborhoods in the County to help the other person on the truck.

Councilwoman Diggs asked Mr. Pruitt if he had left Tyler's on good terms. Mr. Pruitt stated he could explain as it had to do with the holiday policy. He said he and the person he worked with got up at 2 a.m. on Thanksgiving to get the work done by 8 a.m. He said he had his turkey in the smoker and they called him to come back to work and help the other guys. He said they had never done that before. He said they gave him Friday off after Thanksgiving. He said that was in November, and he decided then that he was going to leave. He said it took until March of the next year to secure employment. He said he was not stupid. He was not going to leave the job he had until he had another job. He said when a job came through, he gave them two weeks' notice. He stayed about a week and left.

Councilwoman Diggs asked if Mr. Pruitt was satisfied with working with the City. Mr. Pruitt stated the City runs programs for its employees such as Character First, and supervisors' meetings. He said he can tell a difference in some of the supervisors. He said he was very satisfied with working with the City. He said the supervisors are understanding. If something happens to an employee on the job, the supervisor gets on

the phone and get them to Doctor's Care and takes care of the employee immediately. They get another worker on the truck. He wondered if Tyler's would be able to do those things at \$6.90 per cart.

Ms. Kimberly Brown stated she does not work for the City, but does live in the city. She said she had read a few things on Facebook about what is happening. She said she does not have any relatives working for the City. She said she used to work for the City of North Augusta. She said she grew up in North Augusta and her first job out of college was for the City of North Augusta and maybe that is another reason she is present. She said as a concerned citizen she would like to express her gratitude to the employees who provide the garbage service. She said they do a fabulous job, and she would hate for that to change. She said Aiken is incredible, and is incredible because of employees like them. She said she had lived outside the city limits for about six years and did not have an option. She then moved into the city. She said she had been more than pleased with the service. She said that means a lot, and that is what makes our small town great. She said if we start contracting out different services, she is concerned about that. She said she had read a few things about the contract, but as a citizen she can't tell much. She said it is pretty vague. She said she understood that the city is still working some things out. She said the number one thing that she would be concerned about is customer service. She said the customer service is outstanding. A question she has is about recycling. She said we teach recycling to kids in school so it is important. She said she knew when she had other service before recycling was not offered. She said that may be a factor. She said her family takes advantage of the recycling program. She said she understands that the pilot program may be offered to 3,000 homes. She wondered what happens to the workers who usually run that route. She asked if they would stay on with the city in another job. Ms. Brown stated she is a physical therapist and has been in management before. She said from a business perspective when a pilot program is offered you evaluate what happens in a year. She asked what happens if other companies come to the City and want to provide service. She asked if there would be a bidding process. She wondered if the service is open to one company and does the City have to open up the service to all companies.

Mr. Bedenbaugh stated the city would do a request for proposals where the city would publicly advertise the service for proposals from qualified vendors. They would be evaluated, and then Council would approve one company to do the work if it gets to that level.

Ms. Brown stated she had not read anything in the Aiken Standard about the issue. She said all she had seen was on Facebook which she does because of her children's school and a way to communicate different things. She said Facebook is how she heard about the proposal for garbage service. She said as a concerned citizen she decided perhaps she needed to come to the Council meeting. She said it is harder to come to a Council meeting since she has small children, but she did want to come and express her feelings. She said everyone she had talked to has been extremely pleased with the city's garbage service. She said she did not know if there was a distinction between the garbage and debris, but during the ice storm the employees were wonderful. They made our city beautiful again quickly.

Mayor Cavanaugh stated if the matter were to go the point where we get bids, the City of Aiken could also be a bidder.

Ms. Brown stated she can't see numbers in front of her and compare them, but she is a very pleased resident.

Councilwoman Price pointed out that we tell our employees all the time that they are doing a good job. She said we say it so often that it is repetitive, but for a citizen, a young professional, to come to Council and publicly say that the customer service is not just good, but outstanding, is something to be proud of. She said she hoped the employees present heard what Ms. Brown said. She said Council tells the employees all the time that they are the faces of the city, and for someone as a citizen to tell them that means a lot.

Ms. Brown pointed out that just like anything else, unfortunately sometimes the minority can be heard and not the majority. She said she thought in this situation that maybe that is the case. Sometimes the people that are pleased do not voice that. She said she wanted to come and voice that she was very pleased with the garbage service.

Mr. Ryan Butler stated he was a citizen of the City of Aiken. He said he drives one of the garbage trucks. He said they had been told they would not lose their jobs if Council votes for Tyler to take over. He pointed out that six months down the road when they want another route that would be depleting the city jobs. He said that would mean they would have to go to work for Tyler and be in a situation they really don't want to be in.

Mr. Bedenbaugh stated the pilot project would be limited to one route should it come to pass. He said if it becomes larger than that, then it would mean that we need to bid the work out.

Mr. Butler pointed out that if Tyler's gets the one route, it will mean there will be three people too many in their department.

Mr. Bedenbaugh stated that at this time if we do the pilot project, no employees will be terminated. Other duties would be assigned. No employees would be released during the pilot project.

Mr. Pruitt stated what he thought Mr. Butler was trying to explain is that with the City now in order to keep costs down, he might be assigned to one route. However, when his route is completed if there is somebody else on another route that has not completed their route, he will go on their route to help them finish up. He said everyone wants to try to get done by 5 p.m. He said that is true in all the divisions, including yard waste, garbage, and recycling. He pointed out that on Wednesday they took a garbage truck to help on recycling because that is a day that recycling has gotten so big. He said if Tyler does the pilot project, after city crews finish their route would the city crews have to go help them even though they are contracted to complete the route. He pointed out a Monday route might keep one person out there to 8 p.m. or 9 p.m. at night. He said there have been situations where they had to get behind the garbage trucks with the supervisors cars with lights on so they could see where the garbage cans are to get the job done. He said everybody stays until the job is completed. He asked if we have three city trucks working routes and Tyler's working another route, when the three city trucks are done with their routes would they be done or would they have to go with Tyler to help them out. Or when Tyler's is done would they go home and not help the city finish. He said he felt that is the question Mr. Butler was trying to express. He said it is the same thing with yard waste. He said when a crew finishes a route they call somebody else to see what they have left and help get the job done.

Mayor Cavanaugh stated the particular question he was talking about helping Tyler or vice versa if Tyler were to do the pilot project has not been discussed as far as he knows. He said there are still some things that have not been worked out.

Mr. Pruitt pointed out the condition for Tyler's about 2% for backyard collection, depends on the route. He said there may be a lot of senior citizens living in a particular area that get backyard service which slows down the process. He pointed out that the Bunkers has 100% backyard service. He pointed out the route on Thursday is about 86 backyard services. He wondered if Tyler's would be able to handle that. He said the City crews handle it.

Mr. Jim Reed, President and Owner of Tyler's Sanitation, stated he understands a motion has been made to table the request to proceed with a pilot project with Tyler's Sanitation at this meeting. He said he could go into all the questions and issues, but basically he wanted to see if he could answer any questions for Council at this time.

Councilwoman Diggs stated a concern was expressed about Tyler's not being able to keep all of the present employees that are employed. She asked if he would be able to keep the present employees.

Mr. Reed stated before Council is a proposed pilot program for one year. He said Mr. LeDuc had stated there were a couple of job openings already and the people on staff during the pilot program would be assigned to the present job openings and the city would not hire employees for the openings. He pointed out if we were to go to a full contract a year from now to do all the city, he would love to talk to the city's present employees first before going out and hiring anyone. He said that would be the first group of people they would like to talk to. He pointed out that the present employees do a great job. He said the city has a great group of people. He said he has had a real good working relationship with both Tim Coakley and Sarah Herring. They are good people and have a great staff. He said Tyler's does do things differently than the city. One of the biggest things is the pay range is significantly more at Tyler's. He said that has grown over the years. He said Tyler's residential drivers make a little over \$45,000 a year. The pay rate is significantly more than the city's. He said Tyler's would make every effort to hire every driver that is qualified for the position, including the driving records and passing the drug test. He said the city's employees already know the idiosyncrasies of where the roll carts are located, who has backyard service, etc. City employees would be the first people on the list that they would like to talk to.

Mayor Cavanaugh stated he understood that their pay rates are higher, but he wondered about benefits. Mr. Reed stated they were doing the health care reform around January 1, 2014. With the Affordable Healthcare they talked with all the employees who might subscribe to the program if they brought it in-house. For Tyler's to do that it would cost about \$800 per month cost share per employee. The cost share portion for the employee was \$250 to \$300. The employees could go on the Affordable Health Care on their website and get a comparable plan for about \$175 so no one would sign up because the website was a better option for them. He said there was a more economical option for them.

Mayor Cavanaugh stated he did not mean to get into the numbers, but he just meant in general. He asked Mr. Reed if he knew what the city's benefits are as opposed to Tyler's. Are they the same. Mr. Reed stated he knew the cost. He said Tyler's benefits are much more limited as a private company. He said he had spent time with Mr. LeDuc going through the budget. He said about 52% of the cost for city employees is allocated to benefits whereas Tyler's would probably be 15% to 20%. He said the City spends more on the benefits package than Tyler's does which probably offsets the pay increase. He said Tyler's pay rate is about \$13,000 a year more than the City's pay rate. He said their employees had told them basically they would rather have the money every week than having it put in health care and retirement. He said the extra \$13,000 a year that they make if they want they could invest in retirement or health care. They have the ability to do it. They pick what they want rather than Tyler's picking it for them.

Councilwoman Price asked if Tyler's has a 401K. Mr. Reed said they did have one until about eight years ago and no one participated. He said about two employees participated in it. He said the rest when it was funded, would go down and withdraw all the money and pay a 20% penalty. He said that was before he was with Tyler's. He said the owners at that time talked with the employees about putting money in and then withdrawing it and paying a penalty. The overall consensus of the employees was to pay the 401K as part of the salary and let the employees worry about their retirement.

Councilwoman Diggs asked if the majority of the employees here tonight participate in the Pension Plan. Mr. Bedenbaugh stated the employees do participate in the Pension Plan. It is not optional. A 401K is a voluntary plan which the city has.

Councilwoman Price stated since Tyler's does not have a retirement plan, she wondered if Tyler's had a 401K. Some companies offer a match with a 401K plan. Mr. Reed stated in the program that he said they had years ago, Tyler's funded all of that around February 1 for the employees. Then on March 15 that money was available to them. All

but two of them every year went down and withdrew the money and paid the 20% penalty. They were not using it as a retirement program. He said they did away with the retirement program and gave them a pay increase. It is no longer offered because no one was using it.

Councilman Merry stated there was a question expressed as to Tyler's level of service. He said the question was what Tyler's would do when debris fell out of the back of the truck and whether they would pick it up or if someone calls after they have run the route and needed them to come back. The question was whether they would do that on the same day. He asked Mr. Reed if they felt they would do that. Mr. Reed stated that is a provision in the contract that was proposed. He said if the city gets a complaint from the Public Services Department Tyler's would have to respond to that and resolve that in 24 hours. Typically they try to have that done by the end of the day. He said as far as waste falling behind the truck, we expect the crew on the truck to clean that up when it falls out before they pull on to the next stop. If it is something extraordinary that happens, they can call back and they send someone out. Typically there is a broom on the back of the truck where they can clean the waste while they are there and not have to go back.

Mr. Tim Coakley, Public Services Director, asked if Council wanted to hear from him or wait until next week. Mayor Cavanaugh responded Council would hear from him right now. Councilman Ebner stated Council would hear from Mr. Coakley, but he should not get into cost information. He said he had a concern that we need to be careful in getting down into too much detail tonight. He said he knew that Mr. LeDuc had talked to both of them in detail about that. He said he would be concerned if any questions come up that they get answers with the right dollars and cents. He said we know that \$6.90 is right as that is what is written down. He said all the background of that is not written down so that is why we need to be careful about comparing numbers.

Councilman Homoki stated without getting into any specific numbers, he had questions. He pointed out the City has a gap in the budget, and we are trying to make that up. In discussions that we have had, Council basically decided to defer this because the City people will come up with some enhancements to the program so they could operate more efficiently. He said that is why Council is not going to proceed to allow the pilot program to go forward. He said if you look at it, about three years ago Council went through the zero based budgeting process, and nothing came out of that. He said if, in fact, there are potential savings that the City can have, he agrees that we should apply that, but let's apply it along with the pilot program. Then you can get a real comparison between what is effective and what is not. He said if the City says they can work more efficiently and reduce the costs, those are the numbers that we should be comparing them against when we do the pilot program, not the old way of doing things.

Mr. Coakley, Public Services Director, stated he would make some general statements. He said the department is run as one organization, not as three separate divisions which makes it very difficult to dive down into the cost to figure out exactly what the garbage service costs. There is so much extra customer service. Mr. Pruitt made a great point that when recycling is behind we shut garbage trucks down to help recycling and yard debris. The department is run as one big process. He said to compare apples to apples is very difficult. He said he could tell them that his staff worked hard and presented to Mr. LeDuc on Thursday some very competitive numbers. He had some questions and staff worked over the weekend and has some more numbers. Our cost is very close to \$6.90. He said the question in his opinion is service. He said in reviewing his time with the city, he has always been taught to bring options to City Council and Council makes the decision in the best interest of the citizens. He said the reason he got up tonight is that he felt Council was not getting options. He said Council has had a vendor come in and rather aggressively say he can save the City some money. It has been kind of fast tracked. He said he was glad to see that a decision has been postponed for a couple of weeks. He said he felt there is a lot of extra stuff that city employees do that Council needs to be aware of. He said it is very typical of the private vendors to come in with a very low number and try to get a municipality out of the garbage business and that is because of the barriers to the re-entry. He said once the city leaves the garbage business, it would be very difficult to buy a full fleet of five or six trucks and hire 30 employees. He said that would happen over a period of time. He said he felt the number they are

projecting will increase after the city is out of the business. He said the service issues are not things like picking up a little litter that has spilled out of the back of a truck. He said they fill a lot of gaps. They build fences. They clean gutters in the houses in Crosland Park, etc. and all that has a cost. He said over the weekend, staff tried to pull all those costs out of the garbage budget. He said they looked at every single expenditure. Anything that did not have to do with running a garbage truck and flipping cans was moved out of the cost of garbage.

Mr. Coakley said on a separate issue that calling this a pilot program is kind of a misrepresentation. He said garbage service is a very mature business. The city has been in the business for a long time. He said he was not sure what we are studying. There are no measurement factors. There is nothing in the contract that says at the end of the year, they will be rated on certain factors. He said he would predict that Tyler's Sanitation would do a wonderful job for us. He said he had had a wonderful relationship with Joe and Jim over the years. He said that is a fair price for the work they will do. He said he felt in a year from now, we will be back here with the same questions as to whether you want to keep the extra service levels high or whether you don't. He said that would be the real cost factor between their operation and the city's as that is what the most recent generation of numbers shows. He said the City of Aiken does have a good retirement program. He said that is why most of the employees are here. They are worried about their retirement. He said he has an employee who is trying to get to 55 years old. He is presently only 52. He has 30 years of service with the city, but is not old enough to retire. He said if we start laying people off or transitioning people to Tyler's that employee would lose that retirement plan. He said the employees are very concerned about their benefits and retirement. He said he felt Council needed to get options. He said he wanted Council to do what is best for the citizens of Aiken. He said if that means contracting this out, then he would be glad to help in the transition. He said he did not see where Council had been presented a lot of options at this time.

Councilman Dewar stated he made the motion to defer the pilot program matter because as Mr. Coakley had pointed out Council needs more information. He said Council had a good presentation at one meeting, but that was half of it. Council had hoped to have another meeting last Tuesday, but circumstances prevented that. More than likely a lot of questions would have been asked at that meeting which would have put Council in a different position here. He thanked Mr. Coakley and his employees for giving Council the other side of the story. He felt Council recognizes that they need to go back and ask some questions. It is a pilot program only because it is designed to last for one year. He said Mr. Coakley makes an excellent point about how to measure effectiveness. He felt Council has some questions to ask, and he hoped between now and the next meeting that Council will have a meeting with Mr. LeDuc and hopefully shake this out a little bit better than it has been. He said he was not guaranteeing which way it will go. He said they have to understand that the City is in a financial bind. He said there are some issues that Council needs to address and there are some difficult and challenging issues. He said he could not imagine that someone with 30 years of service needs to worry about making it to 55 years of age. He said that was not a guarantee, but he could not imagine that would be an issue for this Council. He said the compassion they have for our employees is strong. He pointed out that he had personally witnessed Public Services doing things that are not in their job description. He said Mr. Coakley had made a lot of points in his district recently with some of the issues that he had asked Mr. Coakley to handle. He said they had gone above and beyond it. He said that is an issue that Council needs to deal with because Public Services provides concierge service with garbage, recycling, and yard debris.

Councilman Homoki asked that Mr. Coakley not misconstrue what he said as being he was dissatisfied. He said he had several times personally thanked Mr. Coakley for the great work he and his employees are doing. He said it was his impression that we were going to take a different look at it. He said he did not realize that we were not going to talk numbers and defer the matter at this meeting.

Mr. Coakley stated he hoped that he and his staff are considered experts in this field as they have been doing it for fifteen years. He said they wrote the ordinance for solid waste which was reviewed by the attorney, and they have administered it. They have

been part of every decision that has been made. He said they want to provide the information so Council can make the right choices for the citizens. He said they were told not to come to the budget meeting. Contracts were drawn up and sent to the lawyers. He said he and the employees felt that the matter has been fast tracked and that they may have some input to help Council make the right decision.

Mayor Cavanaugh stated Council was not going to rush the matter and leave something out that they should have. He said he would have to go back and look at the contract again himself. He said this has been a rushed job so far. He said this has been rushed quite a bit. Two weeks ago Council heard about this for the first time. He said that is why Council decided not to take a vote at this meeting as Council wanted to hear from the citizens and employees. He thanked the employees who were present. He said Council knows they do a super job. He said he did not see how anybody could do a better job, especially during the ice storm which was quite a storm.

Mr. Joe Lewis stated he lives in the City of Aiken. He said as a resident he has never had any trouble whatsoever in having his garbage picked up. It has always been picked up on time and done very professionally, and he has never any issue whatsoever with it. He said 15 years ago he was a resident of the county for about 11 years. During that time Tyler Sanitation was his service provider. Throughout that time they did an exceptional job. It was always professional, and he never had any issues whatsoever. He knew that if he had problems, he could always call and it would have been taken care of. He said he did not think there was any issue that he could bring up tonight regarding service either way. He said both the City and Tyler's have been very professional. He said what he understands is that the City is looking for ways to cut expenses and solid waste collection has been an area where it is hard to control costs. He said he could understand that. He said he looks at it from the standpoint that if this move as a pilot project will save the City money and save our city taxpayers and residents money, and we can receive the same level of service or better, then he felt it is something that we need to consider. He said the issue to him is strictly who can do it more efficiently and who can do it at the least cost without sacrificing service. He felt that is the issue. He said on a separate note he would like to give a personal character reference for Tyler's. He said that company has been in existence for 65 years. Today at the cost of a new garbage truck at about \$250,000, you don't make it 65 years in today's world if you are not doing something right. He said he had had the privilege of banking this company for at least 25 years. He said not too many bankers in this town can say they have banked any company for 25 years, but he had. During that time he said he had worked with Joe and Lisle Tyler. It was a very professional relationship. They always did what they said they would do. There were never any issues on professionalism or any standard. Everything was always above board and very professional. For the last 17 years he said he had known Mr. Reed who now owns the company. They are all hard working people. They are very dependable. They are very professional. They do what they say. He said he thinks Tyler's is a very professional company, and Council has to decide which way to go. He said at the end of the day, he felt it is what can save the City the most money. What can save the taxpayers the most money and not cause a slip in service.

Mr. Richard Johnson stated he did not expect to make a statement, but after listening to others, he would like to say that the City of Aiken Sanitation Department does an excellent job. He said three trucks travel his street—the garbage truck, the debris truck, and the recycling truck. They come on a regular schedule, and always pick up on time. He said he could understand the need for reducing costs, but he would suggest that Council consider closely and not just reduce costs and sacrifice quality. He asked that Council take all that into consideration. He asked if the City of Aiken employees were transferred to another group, would they be transferred with the same salary or would their salary be reduced. He asked that Council consider these matters. He said he was extra pleased with the service that the city gives. He said he knows the schedule of the trucks so he knows when to put the garbage out and have everything in place. He said Tyler's may do the same thing, but we presently have a good working organization. He said if the City can work out something financially, he would suggest that Council consider that as opposed to going to a different system.

Ms. Sarah Herring stated she runs the Solid Waste Division. She said she wanted to point out to Council that we have one group of employees that make contact with citizens every day which is the employees in Solid Waste. They are the face to the city every week, and they represent the city very well. They go above and beyond the call of duty day after day. She said she has elderly citizens who call all the time, and they can't get the garbage out of their house. They ask if we can help, and we do. She said we go above and beyond in every aspect. She pointed out that Aiken was a functioning city three days after the ice storm. She said she was very encouraged to know that the matter is open for further discussion. She said she and Mr. Coakley have ideas on reducing costs and increasing revenue. She said hopefully this will give them a chance to get some of the ideas to the table.

Ms. Beverly Forrest stated she works for the City of Aiken. She pointed out she lives outside the city limits and has Tyler's for garbage service. She said if Tyler can save the City and do the service for \$6.90, would he drop the price for those outside the city. She said if Tyler's can do the City for \$6.90 would he consider dropping the rates for those outside the city. She pointed out she pays \$18 per month to Tyler's.

Councilman Dewar stated Mr. Reed had stated that in the city he has to go 10 to 20 feet from one house to another. In the county he might have to go 200 feet. He said that is why we did not want to get into details.

Ms. Forrest stated she has Tyler's for garbage service. One morning they dropped the garbage. Mr. Reed says they pick it up, but they do not. She said she had to run the truck down for them to pick the garbage up. Another morning they dropped paint in front of her house. She called and they said to put some sand on it, and it would go away. She said we don't do that in the City. If we drop paint on the ground, we put sand on it and then get the sweeper to come back and get it up. She pointed out Tyler's trucks do not have brooms on their trucks. She said she knows someone who works for Tyler's, and she knows what goes on with Tyler's. She said Mr. Reed says they clean up if they drop something, but they do not.

Councilman Merry stated that is the point of the trial program. If they aren't picking up behind themselves, and they are not servicing our people in the way we would expect and want, then not only would they not carry forward beyond the trial program, but Council could terminate the trial program before the end of 12 months. The point of the trial is to prove a lot of things. One mostly is to prove they can do the work at the price and quality level that they would expect. He said in the City of Aiken our people have high expectations because the city employees have done such a fabulous job with boutique service. He said it is the exceptional level of service that is given out and which Ms. Herring called going above and beyond the call of duty that city employees do. He said that is why you don't make a wholesale change, but you have a trial and test period to see if they are capable of doing the work at the price that they quote. He said the issues that Ms. Forrest raised are the issues that we would be looking at to measure or try to compare with city service.

Ms. Forrest said if the city goes with Tyler's for a year, and then phases the remaining routes in with Tyler's, what will happen to the city employees who are close to retirement if Tyler's doesn't offer retirement. She wondered if they would lose their retirement benefits.

Councilman Merry stated there are some questions to be answered. He said he does not know how pensions work exactly. He said he did not think if they were no longer with the city that they would absolutely lose whatever was accrued. He said he really did not know. He said if the trial program proves successful and Council determines that they want to go to a whole city private system, he thought there would be, for some number of employees, other employment with the city. Then Tyler's or whoever would be offering employment also. He said it is early in the process, and he did not think anyone could fully answer that question now. He said that is part of what the delay in process would allow us time to answer.

Mayor Cavanaugh stated that is the kind of question we need to be able to answer. He said that is why Council is not ready yet to make a decision.

Councilwoman Price stated Council is not nearly prepared to make a decision on the matter. She said there are too many unanswered questions which is why Council is gathering information. She said there is still a lot of conversation they have to have before anything is done to move forward. She said she can say that without any hesitancy here. She said there are too many unanswered questions. Ms. Forrest asked if Council would have the answers by the next meeting of Council. Councilwoman Price stated she would think so as Council should be having a meeting between now and December 8. She said she had a lot of questions before deciding what to do. She pointed out that we are all concerned about cost and saving money. She said in terms of cost and saving money, if you end up with volumes of people calling about services that is not rendered and customer service not being good, then we would have negated the whole effort of trying to save costs. She pointed out that Mr. Lewis stated he had had experience with Tyler's and was pleased. She said, however, there are other questions that need to be answered. She pointed out that Mr. Coakley had mentioned that he had done reassessment of his costs. She said when Council hears all that information, they will be able to make an intelligent and informed decision.

Mayor Cavanaugh stated to him service to our customers and citizens is more important than the price. He said there has to be a balance, but it is not all about money. It is about service. He said he had been in Aiken for many years, and he has seen what the city employees do with service. He said if Tyler's can do a better job, then they need to be considered. Everything needs to be considered at this point.

Mr. Michael Harley stated he lives in the city and had worked with the city since 2011. He said he used to work for Tyler's. He said when he was there he got hurt, and when they paid for his medicine they took it out of his check. He said they were not nice to him and did awful things to him. He said he appreciates what Ms. Herring, Mr. Thomas, Mr. Coakley, Mr. Hunt, and Mr. Martin have done for him. He said he enjoys working for the City.

Mr. Robbie Hunt said people don't want to talk the numbers. He said Mr. Coakley and Ms. Herring know the numbers and know what the employees do. He said they pick up paint, pesticides, batteries, and do mosquito control. He said the employees do a lot of stuff that Tyler's can't do. He said they can't do the yard work. He said the group runs six grapple trucks, and at times need the guys from garbage to help them, especially this time of year when they work late at times. He said Mr. Coakley and Ms. Herring have the Public Services Department running pretty tight. If anything can be found, they can find it. He said Tyler's leaves a mess in front of his house every time. He said he lives on Marvin Drive. He said they don't have to go 200 feet between houses to pick up garbage, but go from house to house. He said he pays \$36 every two months for garbage service to go from house to house and leave a mess. He said he had been with the city for 12 years. He said you cannot run a garbage truck on city routes with two guys. He said Council needs to come to Public Services and talk with the employees and not just have meetings with Mr. Reed who can possibly save you a dollar. He asked if Council would give up all the other service for just \$1. He asked if Council felt their constituents would want to hear the benefits that Tyler's provides. He said he could tell them they are not good. He said there are people who have said they would pay more to keep the City service. He said Tyler's can't do what the city employees do. He said Council could come to Public Services to see what they do. He said Tyler's can't do what they do. He said Council does not know what they do, but they need to come and see. He said they do way more than what is on the paper. He said he knew Tyler's had been in business for a long time, but he knows the service they provide and what they do. He pointed out that the "Love of money is the root of all evil." He said the employees are not here for the money. They are not making good money. He said he is a supervisor. He said he could go to the SRP plant and make a lot more money. He said those who drive trucks could make several thousand more dollars a year. He said they do what they do because they love the City. They don't love the money. They love the City. They love to serve the citizens. He said Tyler's would not stay in the business if it were not for the money. He said the city employees are here to serve the city that they love, and they want to continue

to serve the city that they love. He asked that Council give them the chance to do it. He asked that they come to Public Services to see what they actually do. He said Mr. Coakley and Ms. Herring need to be invited to the meetings. He said it sounds mighty fishy that they have not been invited to the meetings. He said there is one company that wants to come in and do a pilot program, and we don't have other companies coming in and bidding on this or talking to Council about the pilot program. He said it doesn't look good from a citizen's point of view. He said it doesn't look right. It looks bad.

Mayor Cavanaugh stated Council has to do the best we can for all our citizens. He said he did not know if he was saying what Council is doing doesn't look right, but if so he would have to disagree with that. He said Council has to look and understand what is best for our citizens. He said that is Council's job.

Mr. Hunt stated Tyler's is talking about bringing in a pilot program and saying they can save the city money. He said he felt the next step should have been to call another company such as Waste Management to see how much money they could save the city by providing garbage service. He pointed out that Waste Management is all over America and Canada. He said they may be able to do a pilot program cheaper than Tyler's. He pointed out that the benefits of Waste Management are as good as the City of Aiken's. He asked how many city employees would go to work for Tyler's. He said just about everybody he has talked to will not go to work for Tyler's. He said they are not in it for the money, but in it for the love of the City. He said he did not feel the little bit of savings that could possibly be made is worth changing the service. He said the service of Tyler's could not be as good as the city employees.

Mr. Nick Ingles stated he knows what the employees do. He said he knows a few of them and knows they go above and beyond the call of duty. He said if there is a budget shortfall that Public Services Department is not being properly paid for, he has no problem with paying a few extra dollars a month to keep the employees providing the services that they do. He said he would have no problem paying an extra \$5 to keep the employees on to provide the service that they are providing.

Mayor Cavanaugh stated Council really appreciates the employees and citizens' input. He said he had been in Aiken a long time. He said he had seen the good work, and it is amazing to him. He said the employees had really shown their character. He said that is talked about at Character First meetings and how important that is. He said these employees are the front line and our citizens see them and get an impression of the whole city from what they see. He thanked the employees for all they do. He said Council will dig deeper in this matter. He said the matter possibly may not be on the next agenda, but may be the next meeting. He said Council needed to have this meeting and get citizen and employee input. He said if anyone thinks of something else, that they please let Council know.

MUTUAL AID AGREEMENT

Lexington County Sheriff's Department

Mayor Cavanaugh stated Council needed to consider approval of a Mutual Aid Agreement with the Lexington County Sheriff's Department.

Mr. Bedenbaugh stated the City had received a letter from the Lexington County Sheriff's Department General Counsel asking that the Aiken Public Safety Department enter into a Mutual Aid Agreement with them. South Carolina State Law allows local law enforcement agencies to enter into Mutual Aid Agreements to provide necessary support for public safety functions. Currently, we have agreements with surrounding local law enforcement agencies because we recognize the importance of mutual aid in times of crises or need. Aiken Department of Public Safety has recently been approached by the Lexington County Sheriff's Department to renew our mutual aid agreement. Charles Barranco, Director of Public Safety, has reviewed and deemed the agreement to be beneficial for our Public Safety functions.

The Lexington County Council has already approved the Mutual Aid Agreement and has

provided a signed agreement for Council to consider and approve.

For Council approval is renewal of a Mutual Aid Agreement with the Lexington County Sheriff's Department.

Councilwoman Diggs moved, seconded by Councilman Dewar, that Council approve the Mutual Aid Agreement with the Lexington County Sheriff's Department. The motion was unanimously approved.

EUSTIS PARK SENIOR/YOUTH CENTER

Capital Projects Sales Tax

Eustis Park

Senior/Youth Center

Mayor Cavanaugh stated Council needed to consider approval of a request to seek development of conceptual plans and cost estimates for Eustis Park Senior/Youth Center.

Mr. Bedenbaugh stated as Council knows Clemson University was in Aiken last week and conducted a public input process for a proposed Eustis Park Center and a Northside Recreation Park. Based on the information received from the citizens and the Clemson report, we feel we are ready to move forward with the Eustis Park Center.

Our first step in this process is to develop conceptual plans with cost estimates for the Eustis Park Center. It is proposed that the plans show a facility for different size functions and options to the layout of the facility. He said staff has been working with Cam Scott on concept plans for review. The concept plans would include any furnishings, driveways, exterior accessible restrooms, etc. He said we need some cost estimates to show Council different sized facilities. There was discussion at the Clemson public input sessions on the desire for a 150 to a 400 seat facility as well as a number of options. He said staff would like formal Council approval for the Capital Projects Sales Tax Manager Glenn Parker to pursue this.

For City Council consideration is approval for staff to move forward with obtaining conceptual plans and cost estimates for the Eustis Park Center.

Councilman Dewar stated he was not sure what was being asked. He said he hoped Council was not approving anything. He said we all should be clear that we are just at the information gathering stage with this action. He said there was discussion on the impact of increasing the size of the facility. He said we do not have a facility right now. He asked if this was saying we would ask Mr. Scott to look at something that will hold 150 people, 200, 250, etc. up to 400 people. He asked what else would be included in the Center. He asked if Council would be involved in that kind of discussion or would Council be getting back a plan of a building or 5 plans of different sizes.

Mr. Bedenbaugh stated the cost estimates would give us a rough estimate of the cost for the different sized buildings. In terms of what would go inside the building, that would be a subject for additional discussion both by Council for approval, and also by the residents and potential users of the facility.

Councilman Dewar stated that is the key and that is what he worries about. He said if he is told, for example, there will be a basketball court inside and the building will hold 400 people that is one kind of facility. If it is not to have a basketball court, but will have a lot of meeting rooms for up to 400 people that is another thing. He felt the proposal is very vague, and he was not sure what Council was being asked for.

Councilwoman Price pointed out at the forums many suggestions were shared. She pointed out that not all the suggestions that the community made in terms of things they would like to see, could be included. She said there is only \$3.54 million to spend so only a certain amount could be used to get the conceptual plans and design for the facility. She said common sense would prevail in terms of meeting space that could be built to host large groups as well as meeting rooms.

Mr. Parker stated he would not come back to Council after working with Cam Scott and the Recreation staff with a facility estimated to cost \$7 or \$8 million. That would be a waste of everybody's time. He said he would come back to Council with a facility for 150 people and 400 people because that number was mentioned several times in the meetings with the Clemson group. He said a facility that would seat 400 people may exceed the budget, and he would not know until the numbers are run. He said he could see the plans and estimates going to the Recreation Commission possibly before it comes back to Council. He pointed out the Recreation Commission had a big input in the process.

Councilman Dewar stated he was not sure the concept plans and cost estimates needed to go to the Recreation Commission. He asked what else would possibly be in the building. He asked if there might be a basketball court there.

Mr. Parker stated a basketball court was mentioned as well as multi-purpose rooms, and a studio. He said when he and Mr. Scott looked at the Kroc Center in Augusta, they had a facility that works well as far as being dividable. Three or four things could be done in the meeting facility. It could be opened up to a number of activities. It has a stage on one end which works very well. The other end is set up with a kitchen facility. He felt that might be the kind of facility that would be brought back to Council. He said we heard at the public input sessions that social space is needed—places for adults and seniors to hang out. They heard about computer rooms, etc. He said it is not just building a building, but what you are going to put in the building.

Councilman Dewar stated that was his question, and he wanted to be clear what the process is. Mr. Parker stated he would provide a cost for a shell. There will be a cost for something that will be fully fleshed out. We will know the building will cost X, and it will take X to finish out the building.

Councilman Dewar stated if Mr. Parker comes back to Council with a building that will cost X, he would be making the decision as to what will go into that building. He said he would have to as otherwise he could not make a cost estimate. Mr. Parker stated he would give Council options. Councilman Dewar stated he wanted everybody to realize that is step 1 as Council may say they want something else. He said with all due respect to the Commissions, we need to get this moving so rather than delay it for a couple of months going to the Recreation Commission, he just as soon have it come to Council. He said we need to get the Center built.

Councilman Ebner stated he had several comments. He said if we go back when we got our first Capital Projects Sales Tax Manager which was about April, Council did some due diligence to get our Capital Projects Sales Tax Manager. He said Council listed eight or nine items for the Manager to do. Within those eight or nine items, the matters in this agenda item and the next two agenda items, the Manager is authorized to do these items already. On July 14, 2014, when Council voted for the Capital Projects Sales Tax II money to be available all in one lump sum, Mr. LeDuc had written into that that the money was available to use and be developed. He said it appears to him that Council already has two ordinances which cover the work to be done. He said the thing that Council had written in the job description for the Project Manager was that on a monthly basis the Manager would report to Council on what he was doing. He felt that is one thing that needs to be done, and Mr. Parker has accomplished that. Councilman Ebner stated the other concern he has is that it is a secondary fallout if Council approves the three requests tonight. He said in his opinion, Council has already approved the three requests with two ordinances. He pointed out that someone may read in the paper and say that Council approved a 400 seat facility for Eustis Park, or approved to buy land, or approved to do a Northside Park area. He said his concern is that by approving these three requests, Council would be authorizing something that Council has already done. He said he felt we have without a doubt the wherewithal through the ordinances for Mr. Parker and staff to proceed without Council's approval tonight.

Mayor Cavanaugh asked Mr. Gary Smith, City Attorney, his opinion on what Councilman Ebner was saying. Mr. Smith stated he was not prepared for the question.

He said he did not have the ordinances before him that Councilman Ebner was referring to. He said he would have to review those ordinances.

Councilman Ebner stated he was making his case that Council has already done this twice, and they are written down specifically as he asked that those things be put in the job description. He said there were specific items that the Project Manager would do scope of work, get contracts ready, make a monthly report to Council. Once a building is ready to go Council would approve the concept plan. He said there is a lot of work on the Northside, Southside, Eastside, and Westside that needs to be done on this. He said his opinion is that all of that is there to be done. The money is there to do the work. There is no issue with that.

Mr. Parker stated in talking with Mr. LeDuc the three items on this agenda are to keep Council aware of where we are in the process. He said there is a gap where projects were sitting and nothing was happening. The intent behind the three items on the agenda, was to keep Council posted and keep Council aware that we are moving forward and where we are going. He said we will talk about land in one item. He said he would not be authorized to go out and purchase land, but would be authorized to go out and start negotiating with some land owners and then bring those matters back to Council for action.

Councilman Ebner stated Mr. Parker just said the authorization is in the job description as City Council made that specific. He said several of Council commented specifically on these matters. He said Councilman Merry was directly involved with that also. He said he was just saying that Council needs to be careful in being redundant. He was also concerned about how the public would understand what Council votes on tonight. He said he did not want them to leave the meeting and the newspaper to leave saying Council authorized a 400 seat Eustis Park facility.

Councilwoman Price stated the issue on the table right now is to approve a concept plan. Mr. Parker may give Council a concept plan that only seats 150 with a cost estimate. She said the community is asking for a facility to seat 400 people. The plan may show based on the numbers that we can seat 400 in the facility. She said Mr. Parker is taking about the Kroc Center and multi-conceptual design plan with a huge room that can be used for multiple purposes. If that can be done, then we could use that design plan.

Councilman Ebner stated what he is saying is that the Project Manager already has the authority to do that. He said in his opinion, we don't need another vote to tell him to go do his job. He said his opinion is that he has that authority with two previous ordinances by Council. He said Council can go ahead. He said he does not want to hold things up.

Councilwoman Price stated she can understand where Mr. Parker is coming from. He does not want to do something that Council may say he did not tell Council what he was doing. She said Mr. Parker is telling Council now that he wants to move forward with obtaining a conceptual plan and getting a cost estimate to do a 150 seated facility with other amenities it might have and a 400 seating facility with other amenities.

Councilman Ebner stated Mr. Parker already has that authority.

Councilman Dewar asked what authority Mr. Parker had already. Councilman Ebner said authority to do what Councilwoman Price just stated. Councilman Dewar asked if Mr. Parker would decide if the facility would be a 250 seated facility or if Council would decide it would be a 250 seated facility.

Councilman Ebner stated there was nothing there which says Mr. Parker will decide on anything. He has to take the numbers and work backwards.

Mr. Bedenbaugh stated the request is to be able to develop some concept plans.

Councilman Dewar stated rarely does he disagree with Councilman Ebner, but he does on this matter. He said he does not see anything wrong with Mr. Parker keeping Council informed.

Mr. Bedenbaugh stated if Council would rather the matters could be listed in the monthly project status report instead of a standalone Petitions and Request item on the agenda.

Councilman Ebner stated he did not want to hold anything up, but that was the reason for the monthly report and what he is doing each month. He said he had been pushing these projects for years. He said he did not want to hold Mr. Parker up. He felt Mr. Parker should be out there pushing the pencils.

Councilwoman Diggs stated she felt the reason we are doing this now is that the group from Clemson had just been in town and conducted the public input sessions and met with so many people. She felt this is confirmation that Council is ready to go on to the next level.

Councilwoman Price called for the question to move forward.

Councilwoman Diggs moved, seconded by Councilwoman Price, that Council approve staff moving forward with obtaining conceptual plans and cost estimates for the Eustis Park Center. The motion was approved by a vote of 6 to 1, with Councilman Ebner opposing the motion.

NORTHSIDE PARK

Land Options

Capital Projects Sales Tax

Mayor Cavanaugh stated Council needed to consider a request for approval for Capital Projects Sales Tax Manager to review land options for the Northside Park.

Mr. Bedenbaugh stated after hearing from the public as to their wishes for the Northside Park at the public input process conducted by Clemson University, we would like to begin the process of reviewing some potential land options. He said we want to keep our options open for parcel size. He said we understand that this will not give a preapproval to purchase land which will need to come to Council for the expenditure of funds.

Glenn Parker, our Capital Projects Sales Tax Manager, would like to work with the Parks, Recreation and Tourism staff to locate and evaluate some possible locations for the Northside Park.

For Council consideration is permission for the CPST Manager to begin reviewing some land options for the Northside Park.

Councilwoman Price moved, seconded by Councilwoman Diggs, that Council approve the Capital Projects Sales Tax Manager to begin reviewing some land options for the Northside Park and bring options to City Council.

Councilman Dewar stated that the Clemson group in their briefing mentioned 50 to 70 acres for the Northside Park. He asked the area of the Weeks Center. Mr. Parker responded that the Virginia Acres Park is about 42 acres. He said Citizens Park is about 120 acres. Councilman Dewar asked if 50 to 70 acres sounded reasonable to Mr. Parker. Mr. Parker stated the size depends on what we want to put in the park. He said his opinion would be to buy more land than you need right now. He said the money we have available is enough to get started with a Northside Park. He felt we could start with a Phase I. He felt an overall plan should be developed for the Park. He said he did not want to buy 30 acres and in five years wish we had 30 more acres. He said one of the things that came up in the meetings with Clemson is are we talking about one piece of property or if the options became available are we looking at 30 acres in one area and another 30 or 40 acres in another area.

Councilman Dewar stated he did not have a sense of the availability of developable vacant land in the City of Aiken. He said his feeling is there are not a lot of 50 to 70 acre parcels in the city. He pointed out that in the memo to Mr. LeDuc, Mr. Parker had mentioned that the land would not necessarily be in the current city limits. Mr. Parker

stated he would hope that Council would not hold him to staying within the city limits. He pointed out that for years Citizens Park was not within the city limits nor was Virginia Acres.

Councilman Merry pointed out that to get a parcel the size of what has been mentioned, we would not likely be able to find it within the city limits, and it would have to be in the county. He said his recommendation is that Mr. Parker seek help from a real estate professional which would cost us nothing. They know not only what is available both listed and through rumor, but they are also very experienced in negotiation and evaluation of property. He said the city has not had the best track record in figuring out what to pay for property when we want property. He said he would strongly recommend the use of a real professional in the investigation.

Mr. Parker stated he had received phone calls from people who have heard about the Park, and they have property that they are looking to move. He said one thing he was looking at was that if one property owner is willing to sell his property would the adjacent property also be willing to sell his property. He said he has a feeling that we will have to piece together several pieces of property to get a large enough area. Councilman Dewar stated he was sure Mr. Parker recognizes the sensitivity of keeping a lot of this confidential. He said we may be in executive session when Council next talks about purchase of land.

Councilman Merry stated that is another advantage of using a real estate professional because they do not necessarily have to say who they represent.

Councilman Ebner stated there are some things that need to be checked on such as what money is actually in hand and what money is available in CPST III. He pointed out that the land purchase money in CPST is below the cut off point now. He said Council will have to have a session in relation to how we are going to spend the money from two or three places. One of the places is the Landfill and another place is Hitchcock Woods and University Parkway. He said this will take some action by Council to change how and where that money is used. He felt that needs to be on the agenda right after the first of the year to see what kind of funds we have. He said presently we have very limited funds. There are funds available that we said we would use to do this if we did not do a park at the Landfill. He said we would have to change the purpose and need of that money.

Councilwoman Price stated the Landfill and the Northside Recreation facility make up one pot of money. She said Hitchcock Woods and University Parkway are separate items. She said she did not think we would use the Landfill fund and the Northside fund to do anything with Hitchcock Woods or University Parkway.

Councilman Ebner said what he was talking about is that right now the way the order is on the ballot the money to buy Park land from CPST III is about Item 21 or 22 which is below where we expect to get money. He said we need to be sure we have the Landfill money dedicated to the Northside Park which is what we said we would do. He said we need to be sure that Council is together and votes on how much money we have available to purchase land.

Mr. Parker stated there is \$2 million at the bottom of 016 titled Northside Recreation. He said a decision will need to be made on how to use that money. We could use it for land. We could use it for brick and mortar or whatever Council chooses.

Councilman Ebner stated we need to read what was in the newspaper when we voted on it because what is in the description is different from that. He said he just wanted to be sure we get it on the agenda with an ordinance that the City Attorney writes up so we don't have a callback three or four years from now when the State Auditor says we used the money in the wrong place.

Councilwoman Price stated the Landfill is an unacceptable place to build a Northside facility. Councilman Ebner stated he understands that. All he is saying is that we need to account for the money where ever we use it. He said we have about \$9.5 to \$10.5 million

if you roll both together. However, if there are different titles on it, then Council needs to change where the money is to be used.

Councilwoman Price said she thought Council had already been through this discussion. Councilman Ebner stated Council had not voted on it yet as an ordinance to change it. He said the City Attorney will have to work on that.

Councilman Homoki stated he had spoken earlier with the attorney and asked him if there was any way that Council could go in and review the exact CPST III order of business. He said technically we do not abide by the first one on the list has to be done before we start work on the second item, etc. He asked if there is a way we can bring the Northside \$2 million up on the priority chart.

Councilman Ebner stated that is why he was saying that right after the first of the year, the City Attorney and City Manager need to work up the sequence of the money and how much money is available and how we need to change the titles of them. He said he was doing cost accounting now so it does not come back on us in four or five years.

Councilman Dewar stated the law is pretty clear. The Capital Sales Tax Projects are done in priority order as best you can. He said if we go over the list item by item, he could explain why the city has not done them in order. He said Council had been rational in how we have dealt with it. He said the issue is that we are probably going to get about \$8 million less than we thought we were going to get. He said the projects at the bottom of the list are gone.

Councilman Ebner stated what he was saying is that we need to properly account for the money now, so when the auditors come in everything is in order.

Councilman Merry stated Councilman Ebner is not saying that in any way we should delay or otherwise not allocate for the Northside Project, but that we need to count all our beans so we know that we have enough beans to do the project.

Councilman Dewar said this has no effect on the Northside. All of the money that is needed to do the Northside Park development and Eustis Park is safe money.

Councilman Merry stated the concern is that we have some assurance that when we go to do the Northside project that the money is there to do it with. He asked if the person who made the motion to approve reviewing some land options for the Northside Park would consider modifying the motion to include the recommendation to engage a real estate professional in the search process for land.

Councilwoman Price stated she did not want to modify her motion to include the recommendation to engage a real estate professional in the search process for land. She said she wanted to leave that to Mr. Parker's discretion. Mayor Cavanaugh stated he also felt Mr. Parker should have a say as to whether to engage a real estate professional or not.

Mayor Cavanaugh called for a vote on the motion by Councilwoman Price, seconded by Councilwoman Diggs, that Council approve the Capital Projects Sales Tax Manager to begin reviewing some land options for the Northside Park and bring options to City Council. The motion was approved by a vote of 6 in favor and 1 opposed. Councilman Ebner opposed the motion.

PARTNERS

Eustis Park Senior/Youth Center
Northside Park

Mayor Cavanaugh stated Council needed to consider approval to work with potential partners for the Eustis Park Center and Northside Park Projects.

Mr. Bedenbaugh stated last week Clemson University was in Aiken to conduct a public input process for the proposed Eustis Park Center and the Northside Recreation Park. During the Focus Group meetings we heard from several potential partners for

Eustis Park and the Northside Park developments. There was mention by some agencies about potential programming options and others about possible assistance with funding.

Glenn Parker, CPST Manager, would like to work with these groups and the Parks, Recreation and Tourism staff to determine their needs and what opportunities may be available for these facilities. He would like to possibly develop a Memorandum of Understanding with each partner for Council's consideration.

For Council consideration is approval for Mr. Parker to work with the potential partners and bring information back to Council as to how the partnership might work for the proposed facilities.

Councilman Ebner stated this would be the third time we have been through MOUs. One was with some other issues that came up during the Capital Projects Sales Tax in 2010. He thought in the beginning that PRT staff and the legal staff have to be included. He said we would probably be dealing with other legal entities that are in the county, the School Board, as well as some of the other 501(c)3s. He felt we should go into them with the right guidance so we come out at the end with something to which both sides agree. He felt there may be some issues in dealing with the County School Board as we have found out in the past on some things we have tried to do at Eustis Park. He said he would like to see that the CPST Manager consults either the City Solicitor or City Attorney on appropriate legal action to help with this as he felt the other side will do it.

Mr. Parker stated when he was with PRT, Mr. Smith reviewed everything of a legal nature prior to execution. He said he would not change that practice.

Councilman Dewar moved, seconded by Councilwoman Diggs, that Council approve Mr. Parker working with potential partners and to bring information back to Council as to how the partnership might work for the proposed Northside facilities. The motion was approved by a vote of 6 in favor and 1 opposed. Councilman Ebner opposed the motion.

MEMORANDUM OF UNDERSTANDING

South Carolina Fire Academy Public Safety Station 5

Mayor Cavanaugh stated Council needed to consider a request for approval of a Memorandum of Understanding with the South Carolina Fire Academy.

Mr. Bedenbaugh stated the South Carolina Fire Academy has requested a Memorandum of Understanding [MOU] with the City of Aiken Public Safety Department. The purpose of this MOU is for South Carolina Fire Academy's regional representative to be able to use the City's portion of Public Safety Station 5 at 23 Citadel Drive for office space since we have offices, sleeping quarters, and a large bay area. The Fire Academy would provide all equipment, furniture, and web access. No rent will be paid. He said the Fire Academy has rearranged their region map. Aiken is now in the center of Region 6. The space would be used to develop classes and scheduling for the entire region including people with the City of Aiken.

Public Safety personnel and staff attorney Paige Tiffany have reviewed this MOU.

For Council consideration is approval of a Memorandum of Understanding with the South Carolina Fire Academy for the use of the City's portion of Public Safety Station 5 for office space.

Councilman Dewar moved, seconded by Councilwoman Price, that Council approve the Memorandum of Understanding with the Fire Academy for the use of the City's portion of Public Safety Station 5 for office space. The motion was unanimously approved.

EMPLOYEE POSIITONS

Unfreeze

Parks, Recreation & Tourism Department

Facilities Assistant

Building Technician

Mayor Cavanaugh stated Council needed to consider a request to unfreeze some employee positions.

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

The following positions are requested to be unfrozen:

PARKS, RECREATION AND TOURISM

1. Facilities Assistant - 1 vacancy. Part-time position. Position needed to assist staff at Weeks Center front desk.

2. Building Technician - 1 vacancy. Full-time position. Position needed to help set up, clean, and maintain several buildings in the Parks, Recreation & Tourism Department.

For Council consideration is a request to unfreeze one part-time and one full time position in the Parks, Recreation and Tourism Department.

Councilman Dewar moved, seconded by Councilman Ebner, that Council unfreeze a part-time Facilities Assistant and a full-time Building Technician position in the Parks, Recreation and Tourism Department so the department can proceed with the normal process of hiring employees. The motion was unanimously approved.

CAPITAL PROJECTS SALES TAX

Mr. Bedenbaugh reported to Council that the City had received a check today from the County Treasurer for \$1,382,753.54 for our latest quarterly Capital Projects Sale Tax payment. That amount was approximately \$153,000 over the city's projected amount.

Councilman Ebner stated he would assume that the staff would follow the ordinance that Council passed in April as to how the money is to be distributed.

Mr. Bedenbaugh stated there is an ordinance which requires money to be used to pay back loans that were made for other CPST III projects.

Councilman Ebner stated this includes the loan for the Silver Bluff Water Tank Project. He asked that staff be sure to review the ordinance.

Councilman Homoki asked how much lower the payment was from what was projected. Mr. Bedenbaugh pointed out that the payment is actually \$153,000 over what staff had expected to receive.

CHANNEL 4

City Channel

Councilman Dewar stated Council had received some information regarding Channel 4 and some comments from citizens about the discontinuance of Channel 4. The citizens were concerned about the City discontinuing Channel 4. He said he knew Council had talked about eliminating Channel 4. He said he thought the city had some numbers about the usage of Channel 4. He pointed out the Aiken Standard had reported that the City did not have any numbers on usage of Channel 4. He said he thought we did.

Mr. Bedenbaugh stated the digital transition has not occurred. He said the City would have rating numbers for Channel 4 if Atlantic Broadband went to full digital. He said his understanding is that the digital transition still has not occurred. He said what we have been reporting in Issues and Updates is digital ratings on our You-Tube broadcasting.

Councilman Dewar pointed out that the City had spent the money to upgrade Channel 4. He suggested that we try the digital broadcasting for a few months. Then Council would be able to make a rational decision because they would be able to say how many people are looking at it. He pointed out that we have just started televising Council meetings and Channel 4 is perfect to do that. He wondered how the rest of Council felt. He pointed out we had spent the money for the digital version.

Mayor Cavanaugh stated considering the fact that we spent the money for the digital transition for Channel 4, he felt we need to continue Channel 4 for a while to see how many people are using it.

Councilman Dewar suggested that we do a pilot program for Channel 4 with the digital version to see how many people are using Channel 4.

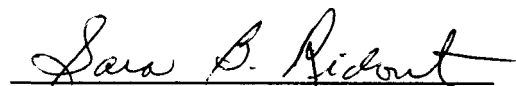
Councilwoman Diggs stated she agrees with Councilman Dewar that we do a pilot program for Channel 4 to see how many people are using Channel 4. She said she had had several people call her about the city keeping Channel 4. She said she did not realize how many people actually depend on Channel 4 for information.

Councilman Dewar suggested that the City continue Channel 4 with the transition to digital for about six months to see what the usage numbers are.

Mr. Bedenbaugh stated Atlantic Broadband had been contacted, but there had been no formal discussions about discontinuing Channel 4. He said if it is the will of Council to continue Channel 4 under the digital version for about six months that could be done. Then staff could bring some numbers back to Council.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:10 P.M.



Sara B. Ridout
City Clerk