

Aiken City Council MinutesREGULAR MEETING

February 22, 2016

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

Others Present: John Klimm, Stuart Bedenbaugh, Gary Smith, Charles Barranco, Jessica Campbell, Kim Abney, George Grinton, Tim Coakley, Alicia Davis, Sara Ridout, Emory Langston, Dan Brown of the Aiken Standard, two TV Channels, and about 100 citizens.

CALL TO ORDER

Mayor Osbon called the regular meeting to order at 7:01 P.M. Reverend Charles Matthews, Youth Minister at Second Baptist Church, led in prayer, which was followed by the pledge of allegiance to the flag with Richard Johnson leading the pledge.

GUIDELINES

Mayor Osbon reviewed the guidelines for speaking at the Council meeting. All the meetings are public meetings in which many opinions are expressed and the business of the city must be conducted. He said discipline, honorable and professional decorum is paramount. Courteous and respectful communication is expected. In public hearing all questions and statements from the public shall be directed to the Chair. He welcomed comments from the audience on the agenda items listed for public hearing. He asked that comments be limited to five minutes; that persons speak only one time per topic. He asked that those who would like to speak raise their hand and be recognized and come to the podium and give their name and address.

ADDITIONS OR DELETIONS TO AGENDA

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

Councilman Ebner moved that the agenda be approved as submitted. The motion was seconded by Councilman Dewar and unanimously approved.

MINUTES

The minutes of the Executive Session and Regular Meeting of February 8, 2016, were considered for approval. Councilman Ebner moved, seconded by Councilwoman Diggs, that the minutes of February 8, 2016, be approved. The motion was unanimously approved.

PRESENTATION

Henry Middleton Chapter

National Society of the Daughters of the American Revolution

DAR

Vietnam War

50<sup>th</sup> Anniversary

Proclamation

Mayor Osbon stated Representatives of the Henry Middleton Chapter of the National Society of the Daughters of the American Revolution are present at the meeting tonight to present their plans to commemorate the 50th Anniversary of the Vietnam War. They are planning a special event on March 29 to recognize veterans, POWs, MIAs and the families of the Vietnam Veterans. As part of their plans they have requested that they be allowed to place yellow ribbons around oak trees on a section of South Boundary Avenue. Members of the Chapter would place 3 inch wide yellow ribbons around the

oak trees on both sides of South Boundary Avenue from Horry Street to Powderhouse Road, a four block section. They are requesting that they be allowed to place the ribbons on Friday, March 25 and remove them on April 1.

For Council consideration is a request to place yellow ribbons on a section of the oak trees on South Boundary in commemoration of the 50th Anniversary of the Vietnam War.

Councilman Homoki read the proclamation which had been prepared to commemorate the 50<sup>th</sup> anniversary of the end of the Vietnam War.

Councilwoman Diggs moved, seconded by Councilman Dewar, that Council approve a request from the Daughters of the American Revolution, Henry Middleton Chapter, to place yellow ribbons on a section of the oak trees on South Boundary in commemoration of the 50th Anniversary of the Vietnam War. The motion was unanimously approved.

Mayor Osbon presented the proclamation to the members of the DAR Henry Middleton Chapter who were present.

### BANNERS

#### Earth Day

#### Energy & Environmental Committee

Mayor Osbon stated Ronald Dellamora, Chair of the Energy & Environmental Committee, is requesting permission to place five banners in the downtown area promoting the Energy & Environmental Committee's Earth Day activities. The event is to be held on Saturday, April 23, 2016, in the Newberry Street area.

Mr. Ronald Dellamora, Chair of the Energy & Environmental Committee, stated that on April 23, 2016, the committee will be holding their second annual Earth Day event at the Newberry Street Festival Center from 9 a.m. to 3 p.m. Mr. Dellamora stated they had a promotional, publicity program to support the event. They have their own website [earthdayaiken.org](http://earthdayaiken.org) which is supported by the city website with a link directly to the organization. They made an arrangement with Beasley Broadcast Media firm. They will provide hundreds of 30 second announcements on the Earth Day event during the two weeks preceding the Earth Day event. There will be feature articles in the Aiken Standard, and many of the magazines in town will have a feature article on the Earth Day event.

Mr. Dellamora stated the request to Council is permission to place five banners on the extended arms of the traffic light poles. The requested locations are:

- two banners at the intersection of Laurens and Richland
- two banners at the intersection of Park and Laurens
- one banner at the intersection of South Boundary and Whiskey Road

The banners would be 2' x 8', constructed of vinyl material, and would be earth day related colors. The banners would read "Earth Day Aiken 4-23-16." Mr. Dellamora requested permission to place the banners on the traffic poles from Friday, April 15 thru Saturday, April 23, 2016.

Mayor Osbon stated for Council consideration is permission to place five banners in the downtown area promoting the Energy & Environmental Committee's Earth Day activities.

Councilwoman Price moved, seconded by Councilman Ebner, that Council approve placing five banners in the downtown area promoting the Energy & Environmental Committee's Earth Day activities. The motion was unanimously approved.

Councilman Merry stated he liked the idea of banners which lets citizens know what is going on in the city.

## HOSPITALITY TAX - ORDINANCE

### Local Hospitality Tax

Mayor Osbon stated an ordinance had been prepared for Council's consideration on first reading amending Chapter 38 of the Code of the City of Aiken to repeal the Local Hospitality Tax.

Mayor Osbon read the title of the ordinance.

### AN ORDINANCE AMENDING CHAPTER 38 OF THE CODE OF THE CITY OF AIKEN TO REPEAL THE LOCAL HOSPITALITY TAX.

Council adopted a 1% Local Hospitality Tax on May 11, 2015. This went into effect on June 1, 2015. The proposed ordinance tonight rescinds the Local Hospitality Tax effective July 1, 2016.

For Council consideration is first reading of an ordinance amending Chapter 38 of the Code of the City of Aiken to repeal the Local Hospitality Tax.

Councilman Dewar stated the item was on the agenda at his request for several reasons. He said anyone in the room who has followed the Hospitality Tax knows the issue. He stated he appreciated the tone of the discussion. He had received emails over the weekend from people who are vehemently opposed to the repeal and from those who support the repeal. He said this is typical of Aiken with manners and no bad comments. He said they have agreed to disagree without being disagreeable. He said he had sent many people a lengthy response to why he supported repeal of the Hospitality Tax.

Councilman Dewar moved, seconded by Councilman Ebner, that Council approve on first reading an ordinance amending Chapter 38 of the Code of the City of Aiken to repeal the Local Hospitality Tax.

Mayor Osbon then asked if there were any comments from the audience. He said all comments on this issue should be directed to him as Chair of the meeting. There should be no personalities involved. All comments should be to addressing the issue. Anything other than that would be deemed inappropriate and out of order.

Mr. Nicholas Retson, 216 Boxelder Drive, stated when he came to Aiken one of the first things he did was get involved in the voting of the referendum to support the schools of the city which is an investment in the future. Residents voted to pay for the school growth and protection through the hospitality tax. He felt to revoke the tax by Council action on something that was done by referendum of the people would be going against the public who had spoken. He felt schools are the best investment in the city's future and modernizing the downtown is one thing, but if you don't have students who are educated, you don't have a city left.

Mayor Osbon pointed out that the matter being considered at this time is not the school tax, but is the hospitality tax which is a different tax. He pointed out that Council's action will have no effect on the school tax which Mr. Retson mentioned.

Mr. Retson stated that he would continue to say that he supports a tax that helps run the city and the Hospitality Tax helps the city and should stay.

Mr. Dick Rudisill, 145 Red Cedar Road, of Cyndi's Sweet Shop, pointed out that over the past few weeks many citizens had attended the city's initiative meetings and the Main Street initiative meetings. It seems that the Hospitality Tax ultimately dovetails with those initiatives. He said he had been told that 60% of the Hospitality Tax revenue has been generated from residents outside the City of Aiken. In December, 2015 the City and the ADDA worked together to advertise in Augusta which is outside the range that ADDA uses its funds to advertise which is a 50 mile radius. The results of that were very positive to the merchants in downtown Aiken. He pointed out the common comment

heard in downtown Aiken is that people don't come downtown because of lack of parking. He said it again seems that the Hospitality Tax, the city initiative, the Main Street initiative all dovetail to become the jettison to fix these issues.

Mr. Thurmond Whatley, 757 Palm Drive, stated he was appearing on behalf of the Aiken Community Playhouse Board of Directors where he is the Executive Director of a 19 member board. The Board took a supportive vote for the Hospitality Tax and is behind it and asks Council to continue the tax. It is felt the tax is doing a great job of providing funds with very little pain to a lot of people that will be well used to maintain city buildings, such as the AECOM Center for the Performing Arts building in which the Aiken Community Playhouse is located. He commended Council for forward thinking in coming up with a way to generate funds without dumping it on the property owners. He felt the Hospitality Tax seems a great way to raise money without inflicting too much pain on the locals and getting money out of the visitors. He said he had talked with a couple of other directors of area arts organizations, and they have not noticed any decline in their patrons. The Aiken Community Playhouse Board urges Council to continue with the Hospitality Tax.

Councilwoman Price pointed out that she would like to comment about Mr. Whatley's comments about the arts. She stated Columbia has a 2% Hospitality Tax with 1% going towards the arts.

Ms. Barbara Stafford, 1310 Colleton Avenue, stated she had some problems with the Hospitality Tax. Initially she felt it was just rammed down the throat of the citizens with never having a chance to vote on it. Citizens were told initially that it was to build a parking garage. That all went away. Just in the last few days it has been reported that \$780,000 has been collected and there is no plan of specifically where it is going to be spent. There should have been a plan initially. She said she did not mind paying a little more, but she wanted to know what she is paying for.

Ms. Teri Sullivan, 44 Kimwood Court, stated we did have a referendum on this matter in November. There were two very qualified candidates who ran for the Mayor's office and they had two very different opinions on what to do about the Hospitality Tax. One thought it was a good tax. She pointed out as a taxpayer there is no such thing as a good tax. There are necessary taxes for the core functions of government and that is it. Any other tax is not a good tax. Then there was a candidate who ran on repealing the Hospitality Tax. She said she fully supports that and does not feel that it is a good tax, and it is not a necessary tax either. The referendum was in the election. The one who ran on repealing the Hospitality Tax won by a large margin. She felt that was a mandate from the voters that they do not want the Hospitality Tax to stay in place, especially considering there was no plan for what to do with the windfall of money. She asked that Council go to the voters and ask them what they want to do and put up a referendum. She pointed out she felt there was a referendum in November.

Mr. Bart Blackwell, 6 Round Hill Court, stated he was the immediate past chair of the Aiken Chamber of Commerce Board of Directors and last year's board voted unanimously to support the Hospitality Tax because they felt it was a good, fair, and reasonable source of funding for economic vitality projects and initiatives that would benefit and enhance the community and benefit all our citizens. The support did not indicate that they like taxes. He felt as a small business owner and as a small manufacturer, he felt he pays far too much in personal income and property tax, but the Board reviewed the Hospitality Tax as an important investment in our community, and an opportunity for our citizens and our visitors to invest in specific projects designed to enhance our economic well being and our overall quality of life. He pointed out that the State Legislature authorized the adoption of the Hospitality Tax nearly 20 years ago and virtually every significant municipality in the State of South Carolina has a Hospitality Tax. Many of them have the tax at the 2% level. He pointed out that Columbia and Greenville have a 2% tax. He pointed out that they heard from the friends in Greenville during the Aspirational Cities Tour last fall that the Hospitality Tax has provided a fuel for Greenville's tremendous economic renaissance and revitalization of their downtown district. Greenville's success is impressive. The Hospitality Tax has been a part of that

success. After seven months we know that the argument that the tax may hurt business is false. Revenues have exceeded expectations. Some have argued that the tax, 1 cent on every dollar, \$1 on every \$100 spent may pose a financial hardship. He said that is hard to imagine, but if that is true, please remember that the tax can be avoided. The only apparent reason he sees to vote to repeal the Hospitality Tax is because philosophically you are opposed to taxes. A vote to repeal is based on peer ideology, but ideology does not invest to enhance our community, and it does not attract visitors and ideology does not grow our economy. It can't provide for needed facility improvements at Smith-Hazel or the Weeks Center, and it can't do the types of things that Aiken needs done now. He urged Council to stand by their decision of less than a year ago and give this investment program an opportunity and vote no on the motion to repeal the Hospitality Tax.

Councilman Dewar pointed out that he felt it is more than ideology to oppose a tax that some feel is not fair. His comment in the beginning was that we look in the budget to see if we can get the \$1.2 million and we still are not looking at the budget to see if we can get the \$1.2 million. He felt it is more than ideology. You could say it is ideology in the sense that there is no such thing as a good tax with which he agrees in this case.

Councilwoman Price pointed out that is the second time that "good" has been mentioned. She pointed out she felt it is a good tax, and she stands by that. She felt that five years from now we will look back and say the Hospitality Tax is a good tax.

Mr. Charlie Hartz, North Augusta, stated he owns two businesses in Aiken—the Dunkin Donuts. He said he does support the Hospitality Tax. He said he does not enjoy charging his customers and does not enjoy forwarding it to the city. However, he believes it is important that the city look forward and be proactive in managing our future rather than reactive. He said he has thousands of customers who visit his two stores every week, and he has had zero comments positive or negative about the Hospitality Tax. He said he does not have a business downtown and does not live downtown, but he thinks we do need more parking. It was obvious tonight having to park two blocks away to get to the meeting tonight.

Ms. Fran Jones stated she is one of those persons the city is sucking taxes out of. She said she and her husband enjoy downtown at least three times a week. She said she is present in the capacity of Chair of the Greater Aiken Chamber of Commerce and the board continues to support the Hospitality Tax unanimously. She said she is also present as plant manager of one of the major employers in Aiken County. She said she is Plant Manager for Bridgestone's Passenger and Light Truck Tire Plant where they make 1 million tires a month. She said they employ 1,500 people in the facility. She said she was part of the group that came to Aiken in 2011 to start a new plant that was across the street that currently employs about 500 people. Collectively Bridgestone employs about 2,000 employees and does bring good jobs to the people in Aiken County. She said in her humble opinion that would not have happened had there not been some funds available for economic vitality in Aiken County as well as in the city. She said she did not want Aiken to become like the city she grew up in where there are no stores because the county and city do not work together to draw any type of retail or restaurants. It is a little town that has dried up. She said she had chosen to live in Aiken, and she and her husband love Aiken and enjoy it. She said she wants to continue to see Aiken grow. She said she, being a member of the Chamber, along with the people that work in her organization, support the Hospitality Tax, and ask that Council vote against repealing the ordinance.

Mr. Steven Mueller, 221 Greenville Street, stated he believes that all Council members when they made the previous vote for the Hospitality Tax deeply believed that they were doing what is best for the community. He said he appreciated that. He said he spoke in this Chamber during the previous consideration and asked Council if they would pause the vote so the citizens could have more input so it could be more inclusive and less divisive. He said whether one wants the tax or not the way that it has been approached brings quite a bit of resentment in a number of ways. One is the way that it is written in the Code stating what a tourist is. He felt it is not a common sense, easy to understand approach. Three miles down the road is the end of the city and on the other side of that,

for the purposes of this tax, is considered a tourist. When we really want economic development, we bring in tourists from outside the area. He said he is on the Accommodations Tax Committee, and they try to attract people from 50 miles outside the city. Another idea is the majority of the tax is paid by people outside the boundaries. He said he did not believe that is true. In the South Carolina Code it says exclusively that the revenue from the Hospitality Tax is to be used for eight specific purposes. He felt in all the discussion about the tax do not address those eight specific purposes. One deals with beaches and the others deal with tourism, real tourism. He said economic development is tourism development. The largest industry in South Carolina is tourism--\$18 billion. He felt we could easily get our part of it. The other reason the tax is particularly resentful is in the past Council had voted to repeal the tax if the Capital Projects Sales Tax was accepted. Some feel that we are double taxed again. The idea that we spend money at fast food chains is an aspect of economic development and that people from outside the area such as Greenville, Raleigh, and all other places are going to come to Aiken is misleading. There are more things we could do. He said he was present again to ask Council to consider the vote not as a vote for a yes or no against the Hospitality Tax, but yes or no whether to pause this and reapproach the entire discussion on how to use this economic development so it is not divisive to the community.

Mr. Tom Beam, 312 Currycomb Drive, stated he was present to speak for the repeal of the Hospitality Tax. He felt it was an indication of the arrogance on the part of City Council that they know and are wiser on how to spend this money than the people who earn it in the business community. He said he would not only support repealing the tax, but also suggest that the city refund the money that has already been collected back to the people who paid for it.

Mayor Osbon closed public comment at this time and asked Council if they had any comments.

Councilwoman Price stated she would like to address Mr. Beam's comments. She pointed out that the city had been very transparent with the Hospitality Tax and how it has been spent. Every decision in terms of how the tax should be spent has come before the full City Council. She pointed out she did not know of one Councilmember that has voted against spending what has been spent already. She pointed out the city needed infrastructure improvements on the southside of town where Starbucks and TD Bank are located. The money was not budgeted, but there was Hospitality Tax money. It came before City Council and Council approved it. Starbucks is there and improvements at TD Bank. For a chance to get \$2 million for the Airport, we needed \$125,000 matching funds. We managed to have money from the Hospitality Tax to get \$2 million for the airport. We needed a Business Vitality Manager which was not budgeted, but we hired a Business Vitality Manager. She said she could name several other things Hospitality Tax money has been spent on for improvements in terms of appearance of our city. We have other uses planned for the money that deals with tourism and attracting people to our city. She pointed out that this is a good tax, but she also pointed out that a number of Council had the opportunity to participate in the Aspirational tour where we visited a number of cities. They have been creative in how they have managed to preserve their charm but grow their city. She said they came back very excited from the tour. She said we managed to get in Main Street, and we had about 150 to 160 people to come and share their ideas of what they wanted our city to look like in the next 20 to 30 years. What they came up with in terms of visionary planning, along with the city's vision, you can't get for free. It will cost some money. She said some say cut the budget, but what do you cut out. Do we cut Public Safety by \$500,000. She said those are things Council is looking at. She said we have a great city, and we want to preserve the city, but we also want to be visionaries as well. She pointed out that we have a huge infrastructure problem in Aiken and it will cost millions of dollars. We can start planning now or wait for something to happen like Flint, Michigan. She said we have to plan in advance for the future. She said she wants the city to be something that we can all be proud of for us, our children, and grandchildren. She pointed out that North Augusta, New Ellenton, and Johnston all have a Hospitality Tax and that Aiken will also have a tax.

Councilman Dewar stated that looking at history if you ask most of us which is more important—passing a Capital Projects Sales Tax or the Hospitality Tax—the answer

would be obvious although there are many that don't see a relationship between the two. He said he was told that to get the first round of Capital Projects Sales Tax passed there was a promise to repeal the Hospitality Tax. When that first round was passed, in fact, the Hospitality Tax was repealed. He felt we may find ourselves in the same situation. He said he agrees that the infrastructure demands on the city are extraordinary. He said he does not know where we are going to get the money. He pointed out that the City Manager had given Council a pamphlet about the useful life of infrastructure and he has passed that information along in his emails to citizens. He said one reason he supports repeal of the Hospitality Tax is the concern that it will adversely affect passage of CPST IV in 2018. He said CPST IV is clearly far more important than the Hospitality Tax.

Councilman Homoki stated Mr. Whatley stated 60% or more of the money comes from tourists. He said he did not want to give the impression that we are sitting here waiting to soak the tourists. He said whether it is 10%, 20% or 90% of the people inside or outside the city, he felt the virtue of the Hospitality Tax stands on its own. It does not really depend on where we get the money. He felt it is important that we have the Hospitality Tax money to relieve the pressure on the general budget. He said if citizens really want to get involved, they should come to some of the budget sessions. The city is really tight. He pointed out that we are trying to keep from raising property taxes. He said we used to use general fund money for some of the functions that the Hospitality Tax pays for today. That relieves some pressure on the budget. He said that is why he will vote against the repeal of the Hospitality Tax.

Councilman Merry stated he would echo the words of Bart Blackwell as he did it well. He said when he thinks about Aiken and our future he thinks not just about this week, or this month, or the next few years, but he thinks about his children and grandchildren. He said as he makes decisions on Council, he is thinking about the long term and how the decisions affect Aiken in the future. He said he is as unhappy about paying taxes as anyone, but also unhappy about not planning and preparing for our future and for his children and grandchildren. He felt it would be reckless and irresponsible for him as a parent, father, or businessman not to prepare for his future, and the future of his family and business. He felt this is also the same kind of responsibility he has for the city to help think about and prepare for our future. He said a healthy, vital, vibrant economic environment has made us successful today. He said he remembers when we were not. He said the success we are today is the only way that we will be a success tomorrow so we can provide these same wonderful benefits that Aiken gives all of us now and provide that to our children and grandchildren. He said he was looking ahead, and he would support continuing the Hospitality Tax.

Councilman Ebner stated some people talk about ideology of it. He said he would give his side of ideology. Several comments were made about how the Hospitality Tax was brought about and voted on. He felt the citizens did not have appropriate time to look into the tax. Another thing is that we have not accounted for all the funds in the budget. There was \$700,000 that was not itemized in the budget. He felt that is an issue. He said if Council supports it this way, then we should support with appropriate division of the money so that all the citizens know. He said it is true that we put in the ordinance for the Hospitality Tax that every expenditure had to be brought to Council. He said he was the one who promoted that so nothing would get out of hand. He said when the budget comes up again, Council should look at having all the money accounted for in the budget. He thought Mr. Klimm was working towards that. He said his ideology is that it should have been done right the first time.

Councilman Merry pointed out that as the Hospitality Tax was originally proposed there were some specifics about how it was to be used and there still is. He said the nature of economic development dollars is that sometimes you need flexibility as you don't know what you are going to need and when you are going to need it. That is the reason for the enterprise capital reserve fund. Because of the requirement within the establishing ordinance for the Hospitality Tax there was a prohibition against going ahead and spelling out everything. Everything had to come up as it happened when it happened independently and separately. That is why the items that were laid out in the original proposal really did not make it very far. He said he believes to have a true economic

development program, you will always need flexibility to advance the goals for the city for those things that may come before Council.

Councilman Ebner stated he appreciated the comments, but just to have \$700,000 as a line item, he felt it could very easily be divided into the eight segments so the citizens would have a better idea of where the money is going. He said the expenditures are coming to City Council for approval, but that was almost a fight to get that in the ordinance. He felt when the new budget comes, Council should take a look at it. He said we have enough items so we can account for that money.

Councilwoman Diggs stated she agrees with Councilwoman Price in wanting to be proactive rather than reactive and having a vision for the future. She pointed out she has a grandchild, and daughter and son-in-law in Aiken. She said she would like to see us have the money to do some of the things that we are interested in doing. She said she likes having another source of income and the revenue has already exceeded our expectations as far as what was anticipated to be collected. She said she was ready to vote in support of keeping the Hospitality Tax.

Councilman Dewar stated the matter was not about economic development. He said he supports using public money for economic development. He said this is an issue of taxation and how we get that money. He said earlier he felt we could have made a better effort to look in the budget. We have a 40 million budget, and we wanted \$1.2 million. It was not a large amount of money that we needed. It occurred very late in the budget process and that is why it seems so hard. He said don't think that those of us who do not like the Hospitality Tax are not willing to support economic development. He said he does support the use of public money for economic development, and he hoped Council will be doing more of that in the next budget year. He said we will not grow without spending money for economic development. He just does not agree that it should be the Hospitality Tax at this time.

Mayor Osbon stated he would like to make a few comments. He said the first concern that he had with the Hospitality Tax is the effect it would have on businesses. He was very concerned that it would hurt the restaurants, but clearly by the amount of money received he was wrong on that and he is glad because he did not want the businesses to be hurt. His second concern was any effect it might have on the Capital Projects Sales Tax of the County. He said he was on the County Council when the first CPST was promoted. He said he went to the clubs and spoke in favor and asked people to vote for it. It was not an easy sell the first year, but the second year people saw we did what they voted on was being done and it passed with a larger margin. One of the main concerns in passing the Hospitality Tax was that he was afraid that it might jeopardize the CPST which is close to \$5 million a year for the city. He pointed out that the CPST helps keep our county millage down as well. He said he was hoping that Council would address this in the budget process. He felt that would be a time when Council could put the due diligence to look at that, but as we moved through the process Councilman Dewar was right that we need to give staff an opportunity to prepare a budget for us and it would not be fair to wait until June 30 to consider the Hospitality Tax. He said so we are now here considering whether to repeal or keep the Hospitality Tax. He said he looks forward to moving forward. One thing he would ask which has always been an issue with him is that he would like to see the position funded out of the Hospitality Tax moved over to the General Fund. He felt that is something we can do in the budget process. He said he supports the position and has nothing against the economic vitality fund and feels it is something we can use. He had hoped that Council would have an opportunity to work through the budget to find some other monies, but we are here now. He said after the vote he looks forward to working with Council and moving forward for the betterment of the city.

Councilwoman Price stated she had used consistently the term "good" tax. The reason she used the word "good" is because it is a tax that can be used for great use. She felt we will see that. She said she had raised five sons, and she is one in the room that does not relish paying a tax every time she goes to the store and buys something. However, she recognizes that because of some prior decisions that have taken place on Council, she

recognizes what she believes is visionary planning and good for the town. She said she will always do what is good for the future of the city. She said that is why uses the term a “good” for great use.

Mayor Osbon stated this is first reading of an ordinance to repeal Ordinance 05112015 which adopted the Hospitality Tax. He said an affirmative vote would be to repeal the Hospitality Tax.

Mayor Osbon called for a vote on the motion by Councilman Dewar, seconded by Councilman Ebner, that Council approve on first reading an ordinance amending Chapter 38 of the Code of the City of Aiken to repeal the Local Hospitality Tax. Those in favor of the motion were: Mayor Osbon and Councilmembers Dewar and Ebner. Opposed to the motion were Councilmembers Diggs, Homoki, Merry and Price. The motion failed for lack of a majority vote. The ordinance will not go to second reading.

At 7:56 p.m. Council took a five minute break. The meeting reconvened at 8:04 p.m.

Mayor Osbon stated there were some people in the audience who had traveled some distance, and he would like to move the item forward if Council would agree. He said he would like to move an item forward on the agenda.

Councilman Dewar moved, seconded by Councilman Merry, that Council suspend the rules and approve moving an item forward on the agenda. The motion was unanimously approved.

Mayor Osbon stated he would like to move Item 3 under New Business as the next item to be considered.

#### REZONING – ORDINANCE

449 Rutland Drive  
Aiken High School  
Concept Plan  
Aiken County Public School District

Mayor Osbon stated an ordinance had been prepared for Council’s consideration on first reading to rezone property at 449 Rutland Drive, the site of Aiken High School, from Residential Single Family to Planned Institutional and approve a concept plan.

Mayor Osbon read the title of the ordinance.

AN ORDINANCE AMENDING THE ZONING OF REAL ESTATE LOCATED AT 449 RUTLAND DRIVE FROM RESIDENTIAL SINGLE-FAMILY TO PLANNED INSTITUTIONAL AND TO APPROVE A CONCEPT PLAN.

Councilwoman Diggs moved, seconded by Councilwoman Price that Council approve on first reading an ordinance to rezone property at 449 Rutland Drive, the site of Aiken High School, from Residential Single Family to Planned Institutional and approve a concept plan.

Mr. Klimm stated the Aiken County Public School District is requesting the rezoning of the site of Aiken High School, located at 449 Rutland Drive, from Residential Single-Family (RS-10) to Planned Institutional (PI). The request is to rezone the 49.67 acre site for the redevelopment of Aiken High School. The Planned Institutional (PI) zone provides locations for schools, churches, and other institutional uses. The Planned Institutional zone requires a concept plan approved by City Council after Planning Commission review which may address site layout, building design, tree protection and buffers and other issues to assure compatibility with surrounding uses.

The Planning Commission reviewed the rezoning request and the concept plan for the redevelopment of Aiken High School at their February 9, 2016, meeting. After review the Planning Commission unanimously recommended the rezoning request to Planned

Institutional and approval of the concept plan for the redevelopment of Aiken High School.

For City Council consideration is first reading of an ordinance to rezone 49.67 acres located at 449 Rutland Drive, the site of Aiken High School, from Residential Single-Family to Planned Institutional and to approve the concept plan for the redevelopment of the school.

Mr. Tilden Hilderbrand, of Hass and Hilderbrand, stated with him is Allen Taylor with LS3P Architects. Also present is Kevin Chipman, Director of Facilities Construction, for the School District, and Tad Barber with the Aiken County School Board. Mr. Hilderbrand stated they would answer any questions for Council. The rezoning was made basically at the request of the Planning Department so the zoning would better accommodate the use on the site. The Planning Department has requested that at some point that all the schools in the City of Aiken be rezoned to Planning Institutional. It is the plan of the School District that at the time when the sites are renovated or improved to request rezoning of the other school sites. The Planning Institutional accommodates fencing, planting, and certain aspects that residential zoning does not accommodate.

Councilman Dewar asked when construction would start at Aiken High School. Mr. Taylor responded construction is scheduled to start in the spring. Bids are to be out in March so the Phase 2A should be happening in April-May timeframe of 2016.

Councilman Dewar asked what the city's involvement was in the process as the facilities are being constructed or modified. Mr. Hilderbrand stated they go through the normal site review plan process. The School District is governed by the Office of School Facilities in Columbia. However, they still adhere to all the local zoning requirements. He said they go through the normal site and landscape plan review. Mr. Hilderbrand stated the city's staff will be on site inspecting the construction. He said staff had already reviewed and commented on the plans and the concept plan had been revised based on their comments. He pointed out that they have gone through the process a number of times with a number of schools in the city.

Councilwoman Diggs asked when they anticipate construction being completed. Mr. Taylor responded that Phase 2A portion of the construction would be completed at the end of 2017. In response to a question, Mr. Taylor stated that Phase 2A includes primarily classroom buildings which will attach to the science building which was done a couple of years ago. It will predominantly be classroom facilities, a media center, a cafeteria, and a new administration building in the first phase.

Councilman Ebner pointed out that at one time the city was considering a new fire station in this area. He asked if that had gone away. It was part of the Capital Projects III. Mr. Klimm stated the city is no longer pursuing a fire station in that area.

There being no further comments, Mayor Osbon called for a vote on the motion by Councilwoman Diggs, seconded by Councilwoman Price, that Council approve on first reading an ordinance to rezone property at 449 Rutland Drive the site of Aiken High School from Residential Single Family to Planned Institutional and approve the concept plan. The motion was unanimously approved.

### BOARDS AND COMMISSIONS

#### Appointments

Nancy Dukes

Board of Zoning Appeals

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

Mr. Klimm stated Council has 10 pending appointments to fill vacancies on different City boards, commissions, and committees. One appointment is presented for Council's consideration and vote at the meeting tonight.

Mayor Osbon has recommended the reappointment of Nancy Dukes to the Board of Zoning Appeals. If appointed Ms. Duke's term would expire December 1, 2017.

For Council consideration is the reappointment of Nancy Dukes to the Board of Zoning Appeals.

Councilman Dewar moved, seconded by Councilwoman Diggs, that Nancy Dukes be appointed to the Board of Zoning Appeals. The motion was unanimously approved.

Councilman Dewar asked if anything was being done to revitalize the Park Commission. He pointed out this had been a non-functional commission for some time. He said he is due an appointment and his person was the chair, but the commission never met. He wondered if someone was working to revitalize the Park Commission. Mr. Klimm stated he knew there had been some conversations. He said this might be an agenda item for the Mayor's Finance and Administration Committee.

No nominations were submitted for consideration at the next Council meeting.

#### ANNEXATION – ORDINANCE

William Putnam  
Owens Street  
Dougherty Road  
Apartments  
TPN 122-13-02-015  
TPN 122-13-02-029

Mayor Osbon stated this was the time advertised for second reading and public hearing on an ordinance to annex 5 acres owned by William Putnam located on Owens Street, approve the concept plan and zone the area Planned Residential.

Mayor Osbon read the title of the ordinance.

AN ORDINANCE TO ANNEX TO THE CORPORATE LIMITS OF THE CITY OF AIKEN CERTAIN PROPERTY CONSISTING OF 5 ACRES OF LAND, MORE OR LESS, OWNED BY WILLIAM PUTNAM AND LOCATED ON OWENS STREET AND TO ZONE THE SAME PLANNED RESIDENTIAL (PR).

Mayor Osbon stated he would like a motion to continue this item.

Councilman Ebner moved, seconded by Councilwoman Diggs, that Council continue second reading of an ordinance to annex 5 acres owned by William Putnam located on Owens Street, approve the concept plan and zone the area Planned Residential. The motion was unanimously approved.

#### BUDGET – ORDINANCE 02222016

Amendment  
FY 2015-2016  
Gem Lakes Extension  
Roads  
Budget

Mayor Osbon stated this was the time advertised for second reading and public hearing on an ordinance authorizing borrowing funds to repair the roads in Gem Lakes Extension Subdivision.

Mayor Osbon read the title of the ordinance.

AN ORDINANCE AMENDING THE FISCAL YEAR 2015-2016 BUDGET TO ADDRESS ROADWAY CONCERNS IN GEM LAKES EXTENSION AND TO AUTHORIZE BORROWING FROM THE WATER AND SEWER FUND EQUIPMENT REPLACEMENT ACCOUNT TO FINANCE SAME.

Councilman Ebner moved, seconded by Councilwoman Diggs, that Council approve on second reading an ordinance to authorize borrowing funds to repair the roads in Gem Lakes Extension Subdivision.

At the January 25, 2016, Council meeting an update report was made to Council by the City Manager regarding the Gem Lakes Extension roads. It was reported that he had met with Mr. Todd Gaul and Mr. Steve Kisner, developers of Gem Lakes Extension, to ask for their participation in forming a partnership to solve the issues. Three basic options and the cost for repair of the roads in Gem Lakes Extension were presented to Council for consideration. The chosen option was Full Depth Reclamation [FDR] with a cost of up to \$222,000.

A plan for financing the option chosen was also presented to Council. The financing would include borrowing from the City's Reserve funds--the Water & Sewer Fund Equipment Replacement Account--the total project cost amount of up to \$222,000 and pay back the Reserves over a 10 year period. Under this plan the annual payment back to the loan would be up to \$22,000. The developers would pay \$40,000 toward the loan in equal amounts of \$8,000 for the first five years of the program with the City paying up to \$14,000. Thereafter for the remaining 5 years the city would fund the remaining loan amount from the city-wide Roads Program which is to be implemented in the budget at \$500,000 per year.

After discussion of the options Council asked that staff prepare the necessary documents to fund Full Depth Reclamation at a cost of approximately \$222,000. The City will borrow up to \$222,000.00 from the Water & Sewer Fund Equipment Replacement Account [002-0000-103.30-01] and the amount will be paid back over a 10-year period. The developers have committed to pay \$40,000 of this cost, which they will remit in equal installments of \$8,000 per year during the first five years of the 10-year payback period

City Council approved this ordinance on first reading at the February 8, 2016, meeting. For City Council consideration on second reading and public hearing is an ordinance to amend the fiscal year 2015-2016 budget to fund the roadway concerns in Gem Lakes Extension and to authorize the borrowing from the Water and Sewer Fund Equipment Replacement Account as well as Promissory Notes by Todd Gaul and Steve Kisner for their share of the cost of the road repairs for \$40,000.

A public hearing was held and no one spoke.

Councilman Dewar pointed out that he had emailed comments by Ron Feller on this issue to City Council for their information.

Ms. Ann Dicks, 314 Jehossee Drive, stated that on the matter to amend the budget to repair the roads in Gem Lakes Extension, that Council is setting a precedent for other communities to come in with problems with their roads. She said she just wanted to point that out to Council for the record.

Councilman Ebner moved, seconded by Councilwoman Diggs, that Council approve on second reading and public hearing an ordinance to authorize borrowing funds to repair the roads in Gem Lakes Extension Subdivision. The motion was unanimously approved.

TELECOMMUNICATIONS SERVICES – ORDINANCE 02222016A

Crown Castle NG East, LLC

Agreement

Franchise

Mayor Osbon stated this was the time advertised for second reading and public hearing on an ordinance approving Crown Castle NG East LLC as a telecommunications services provider in the City of Aiken.

Mayor Osbon read the title of the ordinance.

AN ORDINANCE APPROVING CROWN CASTLE NG EAST LLC AS A TELECOMMUNICATIONS SERVICES PROVIDER WITHIN THE CITY LIMITS OF AIKEN.

Councilman Ebner moved, seconded by Councilwoman Diggs, that Council approve on second reading an ordinance to approve Crown Castle NG East LLC as a telecommunications services provider in the City of Aiken.

The City has been contacted by Crown Castle NG East LLC, requesting that they be granted the right to provide telecommunications services within the Aiken City limits. State law provides that for a utility to construct and operate lines and facilities in a public street or on public property they must obtain the consent of the governing body of the municipality. State law also requires that municipal governments act by ordinance in granting, renewing or extending a franchise.

The proposed franchise agreement has been reviewed by City Attorney Gary Smith, and he has recommended that the franchise be granted.

At the February 8, 2016, meeting Council asked for more information in the agenda packet regarding the franchise agreement such as what and where they plan to provide services. Council also asked that a representative be present to answer Council's questions.

City Council approved this ordinance on first reading at the February 8, 2016, meeting. For City Council consideration is second reading and public hearing of an ordinance granting a franchise agreement for telecommunications services within the Aiken City limits to Crown Castle NG East LLC.

A public hearing was held.

Ms. Kimberly Adams, representing Crown Castle, was present to answer questions. She pointed out that additional information was provided in the Council agenda packet. She pointed out basically the service is a fiber optic telecommunications system. She said they are a certificate utility in South Carolina. Basically it is a fiber optic system with antennas that run through the fiber optic system back down to a traditional tower site. She said they are not a carrier, but they do provide an off flow capacity or coverage to carriers when it goes through the fiber optic system back to the traditional tower site. She said they are a utility that can operate in the public right of way in South Carolina. She said the franchise agreement allows that service. She understood there was a question as to whether everything would be underground. She said everything would be underground. They would comply with the city's code on underground utilities.

Councilman Dewar stated he had several questions. He said in looking at the information from Crown Castle it seems they build big towers and little towers. Ms. Adams responded that the parent corporation, Crown Castle International, is traditionally a tower company. She said they were actually an acquisition of another company called NextG that is a small cell network or Distributive Antenna System (DAS).

Councilman Dewar asked specifically where Crown Castle planned to offer services in the City of Aiken. Ms. Adams stated they are not exclusive to any particular location. Existing utility poles is what they generally try to attach to. Then they will be running the fiber optics underground. In response to a question, Ms. Adams stated that AT&T, Verizon and Atlantic Broadband would rent their lines. She stated the current design is for one carrier specifically, but they are not exclusive to just one carrier. Once the network is in they can also lease to other carriers. She said the current design is for a major carrier, but she could not say who.

Councilman Dewar asked if the service would provide optic services for telephone, internet, and TV. Ms. Adams stated the service would be wireless predominantly. She said once the fiber is in there is the potential to use it as an enterprise type fiber as well. The current plan is for wireless off load. Councilman Dewar asked if they would be

digging lines throughout the city. Ms. Adams responded they would be digging lines along the public right of way where they are connecting to back haul back to the tower location. She pointed out the city's requirement is that it be underground, not aerial.

Mayor Osbon called for a vote on the motion by Councilman Ebner, seconded by Councilwoman Diggs, that Council approve on second reading an ordinance to approve Crown Castle NG East LLC as a telecommunications services provider in the City of Aiken. The motion was unanimously approved.

CROSLAND PARK – ORDINANCE 02222016B

713 Vincent Avenue NE

Memorandum of Understanding

Second Baptist Development Corporation

South Carolina State Housing and Development Authority

Neighborhood Improvement Program [NIP]

TPN 120-12-13-004

Mayor Osbon stated this was the time advertised for second reading and public hearing on an ordinance to approve the sale of 713 Vincent Avenue NE.

Mayor Osbon read the title of the ordinance.

AN ORDINANCE APPROVING THE SALE OF 713 VINCENT AVENUE NE.

Councilwoman Diggs moved, seconded by Councilman Merry, that Council approve on second reading an ordinance to approve the sale of 713 Vincent Avenue NE.

Mr. Klimm stated at City Council's January 5, 2015, meeting, we approved a resolution adopting a Memorandum of Understanding [MOU] with Second Baptist Development Corporation to apply for funding with the South Carolina State Housing and Development Authority's Neighborhood Improvement Program [NIP]. NIP's goal is to stabilize property values through the demolition of blighted or unsafe properties.

Seven properties were initially accepted into NIP. We were recently informed that 713 Vincent Avenue NE in Crosland Park now meets the eligibility standards for the program. We had a broker evaluation conducted and the recommended sales price is \$15,980.

Upon the sale, Second Baptist Development Corporation will raze the property, which could then potentially be used for new development or green space.

City Council approved this ordinance on first reading at the February 8, 2016, meeting.

For City Council consideration is second reading and public hearing of an ordinance approving the sale of 713 Vincent Avenue NE to Second Baptist Development Corporation as part of the Neighborhood Improvement Program [NIP].

A public hearing was held and no one spoke.

Councilman Dewar pointed out that this is a neighborhood improvement project and not just the sale of property.

Councilman Homoki asked how much more real estate the city owns. He said he wanted the city to get out of the realty business. He asked how much more the city needs to sell.

Mayor Osbon pointed out that the Finance and Administration Committee is looking at the real estate list. Councilman Dewar pointed out that staff is pruning the list down. Then Council has to come up with a way of making the properties available for sale to get them back on the tax rolls.

Mayor Osbon asked for a vote on the motion by Councilwoman Diggs, seconded by Councilman Merry, that Council approve on second reading an ordinance to approve the sale of 713 Vincent Avenue NE. The motion was unanimously approved.

BUDGET – ORDINANCE

Ordinance 06082015A  
Aiken Entry Signs  
FY 2015-2016  
Hospitality Tax  
Accommodations Tax Committee  
Parks, Recreation and Tourism  
Richland Avenue  
Robert M. Bell Parkway  
Beaufort Street  
Aldrich Street  
York Street  
Crosland Park  
Talatha Church Road  
Whiskey Road

Mayor Osbon stated this was the time advertised for second reading and public hearing on an ordinance to amend budget Ordinance 06082015A to allocate funds for Aiken entry signs.

Mayor Osbon read the title of the ordinance.

AN ORDINANCE AMENDING THE BUDGET OF THE CITY OF AIKEN FOR THE FISCAL YEAR BEGINNING JULY 1, 2015, AND ENDING JUNE 30, 2016.

Councilwoman Price moved, seconded by Councilwoman Diggs, that Council approve on second reading an ordinance to amend budget Ordinance 06082015A to allocate funds for Aiken entry signs.

Mr. Klimm stated Council approved the FY 2015-16 budget in June, which includes money allocated from the Hospitality Tax. The Accommodations Tax Committee awarded \$7,500 in funding to the Parks, Recreation and Tourism Department for remodeling and installation of entry signs at four locations into the City:

- The western end of Richland Avenue, near the intersection with the Robert M. Bell Parkway;
- The eastern end of Richland Avenue near Beaufort Street;
- The intersection of Aldrich Street and York Street at Crosland Park and;
- A location near the intersection of Talatha Church Road and Whiskey Road.

We are requesting Council approval to transfer up to \$22,500 from the Hospitality Tax account line item designated for a Parking Garage [014-4135-435.72-00] to an account for Improvements Non-Buildings/Signs [014-5130-453.73-02].

City Council approved this ordinance on first reading at the February 8, 2016, meeting. For City Council approval is second reading and public hearing of an ordinance to amend budget ordinance number 06082015A to allocate funds for Aiken entry signs.

A public hearing was held.

Councilman Merry asked if the project had been put out for bid. Ms. Campbell responded that the project will be bid out. Councilman Merry pointed out that the proposed signs are like other entrance signs that one would see all over the State of South Carolina. He said he views Aiken as a unique city, and he wondered if there might be an opportunity to do something that might make the entrance signs a little more unique and different for Aiken. He also wondered if the signs could be lighted so they could be seen at night.

Ms. Jessica Campbell, Parks, Recreation, & Tourism Director, stated that the proposed design of the signs had been forwarded to the Interim Planning Director Tommy

Paradise, and Mr. Paradise had forwarded the design to the Design Review Board for review. The Design Review Board had no objections to the signs.

Mr. Klimm pointed out that to address Councilman Merry's concerns we could ask the Design Review Board, even though they don't have any jurisdiction, to provide some guidance or assistance in this matter. They have done other matters outside of their jurisdiction recently.

Councilman Merry stated that would be great. He pointed out that the proposed signs do not conflict with the guidelines. He said the proposed signs are primarily a restoration project, and the design does not conflict with the historic guidelines of DRB. He felt this could be a time to have some creativity and an opportunity to have something that might be a more signature element to entering Aiken. He said the idea of the signs identifying Aiken as special so they are not the same signs you see everywhere else is what he was thinking about. He said he would also like to see lighting for the signs so they could be seen at night. He said there is nothing wrong with the signs, but he was just thinking of having something unique to Aiken. Ms. Campbell asked if Councilman Merry was asking that the structure of the signs be changed. She pointed out presently they are only talking about the face of the signs. Councilman Merry stated with the amount of money he felt we probably could not change the structure of the signs. He said perhaps the Design Review Board would have some ideas as to how to make the signs unique to Aiken.

Mayor Osbon stated if there is no time element involved, he would like for the item to be continued. He said he would like for the matter to go to the Development Committee for some ideas.

Councilman Homoki pointed out the signs are substantial structures, he wondered what happens if property is annexed beyond the location of the signs would we have to move the entrance sign. Mayor Osbon stated he would think at some point we would want to move the sign to the new location of the city limits.

Mr. Klimm pointed out that a welcome sign is not an indication of a legal metes and bounds of the city, he felt the signs are just to welcome people and would not necessarily be right on the boundary of the city.

Councilman Merry stated he felt this might be an opportunity for other input and to do something unique for Aiken.

Mayor Osbon stated he was going to recommend that the Council Development Committee look at the proposed signs and see if they have some ideas or if they wish to send the matter to the DRB for some ideas to make the signs unique for Aiken.

Councilman Ebner suggested that a time limit be set for the matter to come back to Council. It was suggested that the matter come back to Council in 60 days.

Councilwoman Diggs moved, seconded by Councilman Dewar, that Council continue the ordinance to amend budget Ordinance 06082015A to allocate funds for Aiken entry signs and ask the Council Development Committee to consider ideas for the entrance signs to Aiken. The motion was unanimously approved.

#### FINANCIAL POLICY – RESOLUTION 02222016C

Financial Policy

Budget

Governmental Accounting Standards

Government Finance Officers Association

Unrestricted Fund Balance

General Fund

Mayor Osbon stated a resolution had been provided for Council's consideration to amend and update the City's Fund Balance Policy.

Mayor Osbon read the title of the resolution.

A RESOLUTION ESTABLISHING VARIOUS FINANCIAL POLICIES AND OPERATING PRINCIPLES FOR THE CITY OF AIKEN.

Councilwoman Price moved, seconded by Councilman Dewar, that Council approve the resolution to amend and update the City's Fund Balance Policy.

Mr. Klimm pointed out that in 1993 City Council adopted a Financial Policy for the City of Aiken. As part of the new budget process, we would like to update the Fund Balance Policy adopted in 1993. The Governmental Accounting Standards Board has changed the terminology for the components of fund balance so we would like to update our policy to reflect the current terminology.

The Government Finance Officers Association recommends that the Unrestricted Fund Balance in the General Fund be no less than two months (16%) of the current operating budget. We recommend the Unrestricted Fund Balance in the General Fund should be no less than four months (33%) of the current operating budget. We would like for Council to amend the Financial Policy to reflect this change in the policy.

For City Council consideration is approval of a resolution to amend the City of Aiken's Financial Policy to reflect the recommendations of the Government Finance Officers Association.

Councilman Ebner pointed out that in the past it had been recommended that we have a six month reserve for expenditures. He asked if we were gradually going to a six months reserve. He said it comes up during the audit and the auditors say there should be six months minimum cash reserve so we don't have to borrow money. He wondered if that was related to the proposal.

Ms. Abney pointed out that what the auditor was talking about was the cash reserve. This policy is for the fund balance. She said they are different, but they are related. If you have a good fund balance implied in that would be your cash. She said the proposal is asking for the fund balance terminology be updated. What we have in our policy from 1993 was made obsolete when the Governmental Accounting Standard Board changed their terminology. A couple of years ago we changed the way we categorized our Fund Balance. We are asking that our policy match what the Governmental Accounting Standard Board terminology is and also that we add the percentages. For the unrestricted Fund Balance we are asking for four months reserve and that includes the unassigned fund balance for which we are asking for two months reserve. Part of the restriction in our fund balance is the money we set aside for our Capital Equipment Replacement. In looking at our June 30, 2015 financial statements our "unassigned" money is the freest money. We want to build up our fund balance so bonding agencies will look at that and us as favorable. We are asking that be at two months reserves. She pointed out we don't have quite two months reserves at this time. The "unrestricted" funds include the assignments and that is nearly \$10 million which exceeds the four months that we are requesting for reserves.

Mr. Klimm pointed out that this brings us in line with national standards. The significance of it is that it is not only outdated and we need new terminology that is accepted nationally, but there is speculation that we may at some point enter the bond market. When we do it is very, very important for our bond rating that we have these types of policies in place.

Councilman Dewar asked that Ms. Abney clarify for him the use of "unrestricted" fund balance. He wondered if unrestricted means that it is not assigned or designated to any category. Ms. Abney stated unassigned is what you consider surplus or residual fund balance. That is what we are trying to build up to a two months reserve. Mr. Klimm pointed out that a bond agency is most interested in our unassigned balance because it is free of all encumbrances. It is money that has no assignment.

Councilman Dewar asked where is all the Capital Projects Sales tax money. Ms. Abney responded that the policy we are talking about is for the General Fund. The Capital Projects Sales Tax is restricted because the ordinance for the enabling legislation restricted that to what the money can be spent for. The CPST money is restricted. She pointed out that money is all spent from the fund where the money is received in funds 016 and 017.

Councilman Ebner asked if the Hospitality Tax is also restricted and is in a fund. Ms. Abney stated the Hospitality Tax funds are in a fund and restricted for the uses that the legislation allows.

Councilman Price moved, seconded by Councilman Dewar, that Council approve the resolution to amend and update the City's Fund Balance Policy. The motion was unanimously approved.

#### BUSINESS LICENSE – ORDINANCE

##### NAICS Codes

##### Municipal Association of South Carolina

Mayor Osbon stated an ordinance had been prepared for Council's consideration on first reading to amend the Business License Ordinance to adopt the new NAICS Codes.

Mayor Osbon read the title of the ordinance.

#### AN ORDINANCE AMENDING SECTION 12-52 OF THE CITY OF AIKEN LICENSE ORDINANCE.

Mr. Klimm stated over the past few years, the Municipal Association of South Carolina (MASC) has emphasized the need for all municipalities to update their business license ordinance to use the most current rate class schedule based on the North American Industry Classification System (NAICS). This is in order to ensure a consistent license fee basis for businesses throughout South Carolina.

Each year the MASC compiles a listing of all the NAICS rate class changes and distributes it to each municipality, encouraging them to update their ordinance every 3 years to keep current. The City of Aiken hasn't updated its Business License Ordinance since 2005, the first year we started using the NAICS as our classification system. There have been 3 updates since then. The goal in making the changes is to be revenue neutral.

On February 9, 2016, the Mayor's appointed Finance and Administration Committee met, and Ms. Abney, Finance Director, reviewed with them some proposed options to update our Business License Ordinance using the current rate class schedule based on the North American Industry Classification System (NAICS).

After review the Finance and Administration Committee is recommending that Council amend the Business License Ordinance to eliminate the cap and the declining rate charged for gross receipts over \$1 million and also decrease the base rate for each type license by \$5. This option would negatively affect the least number of business license holders as well as decrease the initial license fee for any new businesses. This option would also allow us to remain revenue neutral after the update.

For City Council consideration is first reading of an ordinance to amend the Business License Ordinance to update the ordinance to use the current rate class schedule based on the NAICS system. This amendment would also include eliminating the cap and the declining rate for gross receipts over \$1 million and also decrease the base rate for each type license by \$5.

Councilman Merry moved, seconded by Councilwoman Price, that Council approve on first reading an ordinance to amend the Business License Ordinance to adopt the new NAICS Codes.

Councilman Dewar stated the item had been considered by the Finance and Administration Committee and the Committee had recommended approval. He said since that time he had had a comment from a constituent regarding changing the date for business licenses.

Mr. Klimm stated the position on staff is that we appreciate the comments that came in about the relevant dates for business licenses. The purpose of the comments was to make this as least onerous as possible to the business community and the city is in favor of that. Staff has been very involved state-wide with the reforms in the business license, and we have consistently been told that the issue of the relevant dates is going to be part of an overall state-wide reform package that will be coming in the very near future. While staff is sensitive to the recommendation, we would hate to change the dates and then have the state change the dates on us again. It is felt there might be some legitimacy to waiting a few months to see what the Municipal Association is going to do.

Ms. Jane Page Thompson, 240 Knox Avenue, felt Council should put the idea of the due date being reviewed if the Legislature does not manage to get the legislation passed before time for their session to end this year so the matter can be reviewed before it becomes an issue again. She pointed out that if the legislation is not passed soon, it will be another year before they bring it forward. She pointed out that if the Municipal Association does not get the results they are asking for to move it to an April deadline that Council make an effort to take that burden off businesses in October if possible.

Mayor Osbon stated before the ordinance comes back Council will look at that. He called for a vote on the motion to approve the ordinance on first reading.

Councilman Merry moved, seconded by Councilwoman Price, that Council approve on first reading an ordinance to amend the Business License Ordinance to adopt the new NAICS Codes. The motion was unanimously approved.

#### GRANT - FEMA HMGP

##### Grant Award

##### Willcox Inn Soil Stabilization Project

Mayor Osbon stated Council needed to approve acceptance of a FEMA grant for the Willcox Inn Soil Stabilization Project.

Councilman Dewar moved, seconded by Councilwoman Diggs, that Council approve acceptance of a FEMA grant for the Willcox Inn Soil Stabilization Project.

Mr. Klimm stated on August 11, 2014, City Council approved the city proceeding with a full application to FEMA for several mitigation projects. This application process required George Grinton Engineering and Utilities Director to attend a Benefits Cost Analysis Workshop at SCEMD office in West Columbia for four days. Mr. Grinton attended the workshop and submitted the applications for several projects.

We have received official notification that the City of Aiken was awarded a FEMA HMGP grant for the Willcox Inn Soil Stabilization Project - Phase I totaling \$265,380. This is a 75%/25% federal/subrecipient share FEMA grant. FEMA has split the original grant application into two phases. The first phase is being awarded so the project can be evaluated on a geotechnical basis, designed and bid out to determine the construction cost for a potential Phase II HMGP grant. At the completion of the Phase I project we would inform FEMA of the construction costs of the successful bid and FEMA would decide if we are to receive that amount for the Phase II construction of the soil stabilization.

The Federal cost-share of this Phase I grant is \$199,035 and the local cost-share is \$66,345. The expectation of this grant is that the project will be implemented by March 15, 2018, which is three years from the date of the final FEMA funding of the original disaster declaration for Winter Storm PAX. This is a reimbursable grant which would require us to pay the costs up front, then file for the 75% reimbursement from FEMA.

For City Council consideration is acceptance of a FEMA grant for the Willcox Inn Soil Stabilization Project - Phase I totaling \$265,380 with a 75%/25% federal/subrecipient share grant.

Councilman Ebner pointed out that Mr. Ellis, of the Willcox Inn, is out of town and could not be present at this meeting.

Councilwoman Price pointed out that Phase I is \$265,380. She wondered if there is a similar amount for the completion of the project or is it just one total amount of \$265,380.

Mr. Grinton, Engineering and Utilities Director, stated the \$265,380 is made up of project management, geotechnical studies and services to help define the project to prove it is feasible. We know it is feasible, but we don't know what the extent of the cost is. He said a soil nail wall will be put into the bank. We would then build a façade in front of it that holds it in place and the anchors would go underneath the Willcox Hotel. Then the wall would be sculpted and stained to actually look like the original bank that was constructed. The railroad lowering has not been registered by the Historic Registry, but it is able to be. The State Historic Preservation Office requires that we do certain things, and we cannot put a concrete wall up. This work will increase the cost of the soil stabilization, but it is done for historical preservation reasons so FEMA provides for increased funding for situations like that.

Mr. Grinton stated if we don't spend all of the \$265,380 in the first phase, it can be used throughout out the entire project for project management. There is only a one time grant of \$265,380. He said the total grant application was \$1,875,000. This portion of the grant is to define the scope of construction.

Councilwoman Price asked if the city and the Willcox Inn would share the local cost of \$66,345. Mr. Grinton responded that discussion about funding when the applications were made did not get to that level of discussion. He pointed out that for a FEMA grant it requires an entity that FEMA believes will come up with the money. He said the city manager certified that the city would provide funds after Council authorized proceeding with the application process in August, 2014. He said the city's funding share does need to be resolved.

Councilman Merry asked if the \$265,380 is for Phase I, and the city's share is \$66,345. He asked where the city funds would come from. Mr. Grinton stated where the city funds would come from was not resolved when they were authorized to proceed with the application.

Councilman Merry pointed out Phase I is the first step of a \$1.8 million project. He wondered by doing Phase I and accepting federal dollars, if we were committing to the balance of the \$1.8 million project. Mr. Grinton responded that FEMA is also not committing to giving us the construction cost so they may not fund the project any further.

Councilman Merry asked if the project would address the storm water issues nearby. Mr. Grinton pointed out that is a separate project, and we have an RFP out to do a design similar to this phase at the Willcox to select a contractor to help us specify design and build a specification for bidding out construction and correction of the storm water issue.

Councilman Homoki asked if the railroad was involved in the project. He stated if we do start work do we have permission to work on their line. Mr. Grinton responded that they provided us with a letter of support, and they have told us that they would allow us to have our construction people on site. Enough erosion has occurred that we could create a lay down and work area. Then we would work cooperatively with the Aiken Railway Company. He said the letter of support was needed to apply for the FEMA grant.

Councilman Merry asked if there was Capital Projects Sales Tax money for the storm water problem where the storm water is going into the railroad cut. Mr. Grinton

responded there was not. He said that was one reason for asking for an increase in the storm water fee. That was based on the amount of work identified at that time.

Councilman Merry pointed out then that we don't know where the city's share of \$66,345 will come from for the project, and the project will only tell us how much it will cost to complete the actual construction work of saving the bank so Willcox Inn can stay open.

Councilman Merry stated the \$265,380 seemed like a lot to just find out how much it is going to actually cost to do the work. Mr. Grinton pointed out that we probably would not spend the full amount of money. He said there were certain categories for the grant so they picked a category that applied. For example, project management is a portion of the grant, and we may not spend the whole \$265,380. We probably would spend all of it through the entire project if we are awarded a Phase II grant. We will only spend the amount that we need to spend.

Mayor Osbon asked if there was a time limit on acceptance of the grant. Mr. Grinton stated he was not sure, but they are anxious to get started. They have already called and want to set up a meeting to have a grant project management kickoff. He said the South Carolina Emergency Management Department comes in, and they talk about the guidelines.

Mayor Osbon stated we could continue the item to the next meeting. Councilman Dewar asked if Council could vote on the matter. He did not think Council needed to continue the item. He said we need to do it. Mayor Osbon pointed out that we don't know where the funds are coming from to fund the city's share of the project.

Councilwoman Price stated the project is good, but her hesitation is whether we have the full picture of what it is going to require and whether there will be enough money. She was concerned that we might run into unexpected things. Mr. Grinton stated that is why FEMA decided that they wanted to do two phases. They were not sure if almost \$1.9 million would be enough or too much. Awarding the engineering and geotechnical evaluation will help to come up with specifications to do an actual bid to come up with a defined cost before FEMA will grant the next phase. It is possible that the next phase could be \$1 million or \$2 million. They might not approve the project if it is \$2 million, but may if it is \$1 million.

Mayor Osbon stated in speaking with the City Manager his recommendation is to continue the item to the next meeting so questions on funding can be answered.

Councilman Ebner asked if the item is continued what are we going to come back with. Mayor Osbon stated he would like to know a funding source and more clarity. Councilman Ebner pointed out this matter started back in 2010 when we had a wind storm that did some damage and part of the property fell in then. Then the ice storm in 2014 pushed into the realm of federal assistance otherwise we would not be getting a FEMA grant. He said this took the City, the County, State, and Congressman Joe Wilson to get this far. He pointed out that a lot of background work had been done over the last five years on this matter.

Councilman Dewar asked if the item is continued if the grant may be put at risk.

Mr. Klimm stated nothing had been discussed with him that anything is at risk. He said he was officially asking Council to postpone the item to the next meeting.

Councilman Homoki asked who would be the project manager, if FEMA would give the city money, and if the project manager would work for the City Engineering Department or if they would be an independent agency working directly for FEMA, cost accounting if the money comes to the city, etc. We wondered if the city was ready to do that.

Mr. Grinton stated if we hire a project manager that person would report to the city. He said the city is the subgrant receiver of the grant and would be responsible and accountable for everything. Mr. Grinton pointed out that the city has to pay the cost for the work and FEMA reimburses the city for the work.

Councilman Merry stated he agrees with the City Manager to continue the item, but he also thought what Councilman Ebner noted is that a lot of work had already been done on this application for the grant.

Councilwoman Price moved, seconded by Councilwoman Diggs, that Council continue the item regarding acceptance of a FEMA grant for the Willcox Inn Soil Stabilization Project. The motion was unanimously approved.

EASEMENT – RESOLUTION 02222016D

Sewer  
Storm Water  
Beatty Lane  
Oak Grove Road  
NTB  
TD Bank  
Ladd Britt  
Angeline Elizabeth DeHaven

Mayor Osbon stated a resolution had been prepared for Council's consideration to accept an easement for the sewer and storm water line project between Beatty Lane and Oak Grove Road.

Mayor Osbon read the title of the resolution.

A RESOLUTION AUTHORIZING THE ACCEPTANCE OF A SANITARY SEWER AND STORM WATER LINE EASEMENT FROM ANGELINE ELIZABETH DEHAVEN.

Councilwoman Diggs moved, seconded by Councilwoman Price, that Council approve the resolution to accept an easement for the sewer and storm water line project between Beatty Lane and Oak Grove Road.

Mr. Klimm stated staff has been negotiating and we have obtained a verbal and now have in writing an agreement from the property owner (Ms. Angeline Elizabeth DeHaven) behind the NTB, old TD Bank and Ladd Britt properties as part of the sewer and storm water project that commenced late last year. The property owner will provide us an easement granting installation and maintenance of storm water and sanitary sewer lines allowing us to connect these properties to City utilities. We are paying her \$54,000, which is the value of the easement for the NTB property. However, running the sewer and storm sewer line through Ms. DeHaven's property, will save \$34,000 compared to the cost it would be to run the lines through the NTB property. When we had originally approached this property owner, she was not interested in granting us an easement, but has recently informed us she will provide it to us.

The routing of these lines will simplify the project schedule and allow this work to be completed sooner so we can honor the terms of the development agreement we entered into with the TD Bank property owners in April, 2015.

For Council consideration is a resolution to accept an easement for the sewer and storm water line project between Beatty Lane and Oak Grove Road.

Councilman Ebner stated he was going to make a suggestion. He felt one of the requirements that the city needs to implement is that for the group of businesses that are on the Whiskey Road side we are requiring a \$20,000 funding to help pay for the line. He felt that in time when Ms. DeHaven's property is developed that we should do the same thing for individual properties that connect to help pay for the cost. He felt this is an economic expansion issue. He felt something like this would help in the future because it may be 5, 10, or 20 years before other property is developed. He said he would ask that Council discuss that when people join on to the line whether it be sewer or storm water they would pay a \$20,000 fee. He pointed out that we already have that in contracts with other businesses along the area, and that would reimburse the city over time for the cost of extending the lines.

Mayor Osbon called for a vote on the motion by Councilwoman Diggs, seconded by Councilwoman Price, that Council approve the resolution to accept an easement for the sewer and storm water line project between Beatty Lane and Oak Grove Road. The motion was unanimously approved.

#### LEASE PURCHASE AGREEMENT

902 Alfred Street NE  
Crosland Park  
School Resource Officer

Mayor Osbon stated Council needed to approve a request to enter into a Lease to Purchase Agreement for 902 Alfred Street NE. He stated staff needs direction from Council whether to bring back an ordinance for the item.

Mr. Klimm stated our Crosland Park house at 902 Alfred Street NE has been listed for sale with a realtor partner for several years. Recently, a Public Safety Officer made a request to lease with an option to purchase this house. This officer has been with Public Safety since 2009 and is currently a School Resource Officer. Staff reviewed this one-year lease proposal, with an option to buy, at a rate of \$300 monthly. We would earmark \$100 of the monthly lease to set aside as part of a down payment to potentially purchase the property. After the lease is up, we would evaluate the officer's status and, if he is still interested in purchasing the property, proceed with an appraisal and sale.

Mr. Klimm stated that individual Council members have supported this concept of leasing homes that the city owns to Public Safety Officers. He felt this is creative because it has a component to allow the individual to purchase the home. It is good for the neighborhood and for us. We take a home that is vacant now and put it into productive use.

For Council consideration is a request to enter into a lease to purchase agreement for 902 Alfred Street NE.

Councilman Dewar stated we started with one lease, and we are now going to five. He said it seems rather than being temporary that all seem to turn into permanent because nobody wants to throw anybody out. He said these are the least likely people you want to put out on the street, but we continue to make agreements that the house will be leased for a certain period of time but the certain period of time seems to go on and on. He asked if the intention was for the lease to be for a year, and then bring the matter back to Council if the person is not able to finance the house and buy it. Mr. Klimm responded that is the case.

Councilwoman Price stated the arrangement serves a dual purpose. She pointed out we have a couple of officers living in Crosland Park which is what we need. She pointed out that in Chesterfield North there were a number of break ins. After we had an officer in this kind of agreement move in to Chesterfield North and rent and eventually buy the home, crime went away in that area. She said it serves a good purpose.

Councilwoman Price moved, seconded by Councilwoman Diggs, that Council approve a request to enter into a Lease to Purchase Agreement for 902 Alfred Street NE. The motion was unanimously approved.

#### INFORMATION

Bridges  
York Street  
Fairfield Street

Mayor Osbon mentioned that bridges on York Street and Fairfield Street were closed last week by S. C. Department of Transportation. He thanked Senator Tom Young for doing a great job of keeping Council and staff informed as to what is going on regarding the bridges. He pointed out that it will probably be towards the end of the week before Senator Young has some time lines that he will email to Council to keep everyone

informed of what is going on with SCDOT on the York Street and Fairfield Street bridges. Councilman Dewar added appreciation to Senator Niki Setzler and John Hardie who is a commissioner for our area. They are getting very much involved in the bridge issue as well.

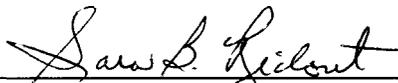
Neighborhood Meeting  
Crosland Park

Mayor Osbon pointed out that on Tuesday, February 23, 2016, at 7 p.m. at the Crossroads Church there will be a government neighborhood meeting with the Crosland Park community. He invited Council to attend the meeting and address the neighborhood as well as staff to share with them and listen to concerns.

Mayor Osbon wished Councilman Merry happy birthday.

ADJOURNMENT

There being no further business, Councilman Dewar moved that the meeting adjourn. The motion was seconded by Councilwoman Diggs and unanimously approved. The meeting adjourned at 9:05 P.M.

  
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Sara B. Ridout  
City Clerk