



MINUTES

CITY OF HARTSVILLE, SOUTH CAROLINA
PUBLIC HEARINGS AND SPECIAL CITY COUNCIL MEETING
THURSDAY, NOVEMBER 02, 2017 – 5:00 PM
COUNCIL CHAMBERS - 100 EAST CAROLINA AVENUE

Mayor/Council:

Mayor Pennington
Mayor Pro-Tem Andrews
Councilmember Braddock
Councilmember Graham
Councilmember Mack
Councilmember Shirley
Councilmember Wilson
Press

Executive Staff:

City Manager Zeigler
City Clerk Skipper
Finance Director Caulder
Fire Chief Burr
Parks & Recreation Director Goodman
Public Service Director Slatton

PURSUANT TO FREEDOM OF INFORMATION ACT SC CODE 30-4-80: WRITTEN NOTICE WAS DELIVERED TO THE PRESS BY EMAIL ON TUESDAY, OCTOBER 31, 2017 AND DULY POSTED AT CITY HALL LOCATED AT 100 EAST CAROLINA AVENUE; AN ACCESSIBLE FACILITY.

Mayor Pennington called the meeting to order at 5:10pm and asked Councilmember Mack to lead in the invocation and Pledge of Allegiance.

MOTION TO WAIVE READING OF AND APPROVE MINUTES OF OCTOBER 10, 2017 REGULAR CITY COUNCIL MEETING - APPROVED.

Motion: Shirley; Second: Mack; Carried: All ayes.

PRESENTATIONS

COMBINED UTILITY/WATER PARK FEASIBILITY STUDY - Peiffer Brandt, President and Chief Executive Officer for Raftelis Financial Consultants, Inc. and Dan Martin of Market & Feasibility Advisors, LLC (via phone) presented to Council on their respective financial and market feasibility reports for the water and sewer utility and water park.

The water rate assumptions are based on less water use over time due to newer, more efficient equipment and household products and declining/static population in the City's service area. Despite these limiting factors, the City has not changed water and sewer rates in several years. The Raftelis report assumes a 3% water and sewer rate increase over the next five years; this accounts for inflation factors, reduced customer demand, pay as you go projects and maintaining of existing utility fund transfers. Actual rate adjustments necessary to cover these costs could be different. A true rate study is anticipated and will need to be conducted to establish actual rate adjustments going forward. If rates stay the same as they are now, you lose the effect of compounding and every year of deferred rate increase results in an inability to meet projected costs – this is regardless of whether the waterpark is on line or not. Based on the waterfall of funds under the City's new master bond ordinance, debt service expenses on the 2015 Revenue Bonds are paid first, then operating and maintenance costs of the water and sewer utility; then the depreciation and contingent funds for the utility system; then any surplus utility revenues are mixed with water park revenues and used to pay operating costs on the water park, then you pay debt service on the water park bonds, then depreciation and contingency for the system and finally fund transfers. The proposed bonds are payable from the combined system, meaning that water, sewer and water park rates must be raised to cover debt service costs if needed – regardless of the success of the water park.

While the water park project is projected to be operate with positive cash flow – three worst case scenarios were additionally presented: (1) no-alcohol sales; (2) break-even operations; and (3) water park is taken offline. Under the presented worst case scenarios rate adjustments will likely be required. Based on the presentation from Peiffer Brandt and Dan Martin (via phone) and receipt and consideration of each report, Council affirmatively decided to proceed with the financing. (Both Feasibility Reports and the power point presentation are attached).

MANAGER UPDATE

None.

UNFINISHED BUSINESS

PUBLIC HEARING AND FINAL READING ORDINANCE 4309: TO LEASE THE PROPERTY AT 231 WEST CAROLINA AVENUE TO KISHA CARRAWAY D/B/A DANCING DIAMONDZ - APPROVED.
Open/Close Public Hearing: No public comments received.

Approval of Final Reading and Waiving of Complete Reading: Motion: Andrews; Second: Shirley;
Carried: All ayes.

PUBLIC HEARING AND FINAL READING ORDINANCE 4310: TO AUTHORIZE THE PURCHASE OF LAND AT TAX MAP PARCEL NUMBER 056-11-01-021 LOCATED AT 317 SOUTH FOURTH STREET AND TAX MAP NUMBER 056-11-01-020 LOCATED AT 323 SOUTH FOURTH STREET FROM RICKY L. DIXON - APPROVED.

Open/Close Public Hearing: No public comments received.

Approval of Final Reading and Waiving of Complete Reading: Motion: Andrews; Second: Mack;
Carried: All ayes.

PUBLIC HEARING AND FINAL READING ORDINANCE 4311: TO AMEND HARTSVILLE CITY CODE CHAPTER 14 "BUSINESSES" ARTICLE IV "OUTDOOR CAFES" DIVISION 1 "GENERALLY" BY AMENDING SECTION 14-112 "PURPOSE AND REGULATIONS" - APPROVED.

Open/Close Public Hearing: No public comments received.

Approval of Final Reading and Waiving of Complete Reading: Motion: Andrews; Second: Shirley;
Carried: All ayes.

NEW BUSINESS

FIRST READING ORDINANCE 4312: AN ORDINANCE OF THE CITY OF HARTSVILLE, SOUTH CAROLINA AMENDING, RESTATING AND ADDING PROVISIONS TO CHAPTER 82, ARTICLE II, DIVISION I OF THE CODE OF ORDINANCES GOVERNING THE CITY'S WATER AND SEWER SYSTEM - APPROVED.

Approval of First Reading and Waiving of Complete Reading: Motion: Andrews; Second: Braddock;
Carried: All ayes.

FIRST READING ORDINANCE 4313: TO LEASE THE PROPERTY AT 229 WEST CAROLINA AVENUE TO SALVATION ARMY - APPROVED.

Approval of First Reading and Waiving of Complete Reading Motion: Mack; Second: Graham;
Carried: All Ayes.

RESOLUTION 11-17-01: APPROVAL OF BID AWARD FOR ASBESTOS ABATEMENT AND DEMOLITION SERVICES-NEIGHBORHOOD INITIATIVE PROGRAM PROPERTIES - APPROVED. Motion: Andrews; Second: Mack. Mary Catherine Ferrell explained the lowest bidder is not being recommended

based on reference checks and their ability to meet grant funding timelines and guidelines. Motion: Carried with all ayes.

EXECUTIVE SESSION

MOTION: TO ENTER EXECUTIVE SESSION PURSUANT TO SC CODE FOIA SECTION 30-4- 70(a)(2) FOR THE RECEIPT OF LEGAL ADVICE INVOLVING MATTERS PROTECTED BY ATTORNEY-CLIENT PRIVILEGE - APPROVED. Motion: Andrews; Second: Shirley; Carried: All ayes.
Councilmember Braddock left the meeting.

MOTION: TO VERIFY THAT ONLY THE ITEMS STATED IN THE MOTION TO ENTER EXECUTIVE SESSION WERE DISCUSSED DURING EXECUTIVE SESSION – APPROVED.
Motion: Shirley; Second: Graham; Carried: All ayes.

UPON RETURNING TO OPEN SESSION, COUNCIL MAY TAKE ACTION ON MATTERS DISCUSSED IN EXECUTIVE SESSION.

RESOLUTION 11-17-02: AUTHORIZING THE DISTRIBUTION OF LOCAL OPTION SALES TAX REVENUES UNDER THE TERMS OF THE CITY’S ANNUAL BUDGET; AND OTHER MATTERS RELATED THERETO - APPROVED. Motion: Andrews; Second: Mack; Carried: All ayes.

ADJOURNMENT: Without objection at 6:47pm.

Carl M. (Mel) Pennington IV, Mayor

ATTEST: _____
Sherron L. Skipper, CMC, City Clerk