

**MINUTES
REGULAR COUNCIL MEETING
TUESDAY, JULY 18, 2017
6:30 P.M.**

{Summary minutes of City Council meeting. Audio tapes of the meeting are on file and are included by reference as part of this meeting. An agenda of this meeting has been either mailed or made available to persons, organizations and local news media as per their request. The agenda gives the date, time and place of the meeting as well as the order of business. This disclosure is in compliance with the South Carolina Code of Laws of 1976, Section 30-4-80 (e).}

The regular meeting of City Council was held on July 18, 2017 at 6:30 P.M. in the City Municipal Building with the following present:

COUNCIL: Mayor Harold Thompson, Mayor Pro Tem Robert Garner, Councilmembers Tommy Anthony, Vicki C. Morgan, Ricky Todd Harris, Pamela Sloss, and Sonja J. Craig.

CITY ATTORNEY: Larry Flynn

DEPARTMENTAL STAFF: Gloria Rogers, Municipal Clerk/Personnel Director; Walker Gallman - Finance Director; Joe Nichols – Utility Director; Perry Harmon – Public Service Director - Leroy Edwards – Maintenance Shop Director ; Sam White – Public Safety Director and Laura Hembree – Accounting Supervisor.

NEWS MEDIA: Michael Stevens – WBCU Radio

OTHERS: Larry Robinson, Alise Ashby, Catherine Varner, Denise McCluney, Sherry Kollock, McElroy Hughes, Clyde Jennings, Marlene Jennings, Katherine Pendergrass and others.

1. CALL TO ORDER

Mayor Thompson called the meeting to order. He gave the invocation. The Pledge of Allegiance to the flag was given by all present. The roll was called by Municipal Clerk Gloria Rogers.

2. MINUTES

A. June 6, 2017 Regular Council Meeting

MOTION by Councilmember Harris to approve minutes.
SECOND by Councilmember Anthony.
CARRIED UNANIMOUSLY.

3. COMMUNICATIONS

A. Monthly Reports

MOTION by Councilmember Sloss to accept monthly reports.
SECOND by Councilmember Harris.
CARRIED UNANIMOUSLY.

- B. Retirement Awards - Clyde Jennings
Denise McCluney
Catherine Varner

Clyde Jennings was presented with a retirement award for 28 years of service; Denise McCluney was presented with a retirement award for 36 years of service and Catherine Varner was presented with a retirement award for 30 years of service with the City of Union.

- C. C-Funds and Pavement Conditions - Perry Harmon

Public Service Director Perry Harmon addressed council. He states that the City requested C-funds to begin the process to upgrade city streets and funding to do much needed sidewalk repair. In 2016 the City had Rogers & Callcott to conduct a road study of City owned streets and found some of the streets not to be in very good condition. Mr. Harmon presented a list of the street names and the cost to repave the streets. Conditions of the streets are listed as serious, very poor and poor. C-funds allocated for resurfacing was in the amount of \$125,000 but the request for sidewalks repair in the amount of \$20,000 was denied. Mayor Thompson states that the City will look at putting more money in next year's budget for sidewalk funding to keep up with sidewalk upgrade. Councilmember Morgan briefly discussed Boyce Street. The road repairs to open up this street have not been completed. She has continued to make contact with SCDOT regarding this issue.

- D. Freedom of Information Act (FOIA) - Larry Flynn

Attorney Larry Flynn gave an update and overview on the changes to the Freedom of Information Act. He states the Governor signed into law a revised version of the Freedom of Information Act (FOIA), H.3352. The changes will include reduced timelines for production for request effective immediately. Attorney Flynn states that at the next council meeting he would like to present a resolution with modification of existing FOIA policy to be able to adopt changes. Attorney Flynn presented an overview to council. Also he states that FOIA changes will be covered at the 2017 MASC Annual Meeting.

4. **BUSINESS**

- A. ORDINANCE – 2ND READING – ECONOMIC DEVELOPMENT INCENTIVE PROGRAM

Mayor Thompson states that that City Council recently held a workshop to determine the viability of establishing economic development incentives program that will support the long-range success of the City of Union. Municipalities across South Carolina offer similar programs as a catalyst to implement growth, revitalization and redevelopment that will encourage private investment. The A-1/Central Business District (shown on the attached map) has been identified as the primary geographic area to implement this program. Goals of the City Council in offering the incentives are as follows: to promote the construction of new buildings or the rehabilitation of existing buildings; and to support the establishment of the categories of new businesses that the Council determines will significantly increase the overall commercial activity within the City; attract the City's residents and tourists to the City and increase property values within the City. While the incentives may benefit the incentive recipients, the primary beneficiary of the incentives will be the City and its citizens who shall realize the following benefits: increased property values within the City; increased revenue from

property taxes; business license fees and permit fees; increased tourism and commercial activity within the City; and improvement of the character of the City by preserving historic buildings within the City and promoting the construction of new buildings that is compatible with its historic character. Financial benefit of the incentives will only be realized at such time as certain benchmarks are met or continue to be met. Should all the benchmarks be accomplished, the City believes that there is a high probability that the benefits will be realized by the City and that the value of the benefits will exceed the value public funds expended on or deployed to the incentives. Summary of incentives are as follows: Capacity Fees - 100% (once); Building Permit Fees - 50% (once); Business License Fees- 50% (annually – up to 5 years) and Hospitality Taxes – 50% (annually – up to 5 years and Accommodation Taxes - 50% (annually – up to 5 years). The minimum threshold investment required to qualify for the program is \$250,000 and can be satisfied by any combination of real property acquisition costs, costs of physical improvements to real property or costs of capital improvements to City infrastructure. City Council passed 1st reading of the ordinance at its June regular meeting. The recommendation is to approve 2nd reading of the ordinance to establish the City of Union Economic Development Incentive Program.

MOTION by Mayor Pro Tem Garner to pass 2nd reading of the Economic Development Incentive Program Ordinance.

SECOND by Councilmember Harris.

CARRIED UNANIMOUSLY.

B. **ORDINANCE –2ND READING – ALLOWING CITY OF UNION TO ENTER INTO PURCHASE AND SALE AGREEMENT WITH KG PLUS, LLC**

City Attorney Larry Flynn presented an ordinance to authorize the Mayor to execute the Purchase and Sales Agreement (PSA) for the City to sell and KG Plus, LLC to buy approximately 0.53 +/-acres (Portion of Parcel #055-00-00-217.00) in Union County, SC pursuant to the terms and conditions contained in the PSA which was presented to council. The recommendation is to approve 2ND reading to authorize the Mayor to renegotiate and revise the terms of the lease dated January 10, 2008 between the City and Timken Industrial Services, LLC to modify “premises” as defined in said lease.

MOTION by Mayor Pro Tem Garner to accept recommendation.

SECOND by Councilmember Anthony.

CARRIED UNANIMOUSLY.

C. **RESOLUTION– FINANCIAL POLICIES**

Mayor Thompson states that staff, along with our Advisor, Southern Municipal Advisors, are preparing data and updating financial documents to present to Bond Rating Agencies to obtain a bond rating. A bond rating will give the City a broader market access to borrowing. Also, by receiving an “A” rating the debt service reserve funds held as a reserve against our outstanding SRF debt will be released and returned to the City. Our advisor has suggested we update our financial policies. The major change to the General Fund’s Fund Balance policy is to set a minimum fund balance of 20% of operating expenditures and to maintain a target fund balance of 30%. This policy will also set guidelines to follow in the event the fund balance falls below the minimum or exceeds the target of 30%. (See General Fund revenue policy #1 on pages 8 and 9). Updates to our Combined Utility policy #1, on page 12 and 13, increases our minimum debt service coverage from 1.2X to 1.35X. Also, financial policy # 2 on page 13 establishes a minimum Combined Utility Liquidity Balance which is equivalent to 120 days of cash on hand of its operating expenditures.

Additionally, the City maintains a Combined Utility Liquidity Balance target of 150 days. This document also includes policies on internal control, debt, capital improvement and asset management. The recommendation is adopt Financial Policies.

MOTION by Councilmember Harris to accept recommendation.

SECOND by Mayor Pro Tem Garner.

CARRIED UNANIMOUSLY.

D. DISCUSSION/MOTION – NEEDS ASSESSMENT

Kimberly Herndon states that council reviewed the Needs Assessment List during tonight's public hearing and made revisions to the list by prioritizing the list. Application to apply for funds to purchase a Class A fire engine became number 1 on the Prioritized Community Needs List. Mr. Herndon reviewed the revised list as follows:

1. Application for funding to purchase a new Class A fire engine
2. Infrastructure improvements to the Monarch, Ottaray, and Buffalo Mill Village areas in cooperation with Union County and infrastructure improvements in the Foster Street area; continue revitalization efforts in the Union Mill Village.
3. Demolition of dilapidated houses in the City of Union.
4. Continue revitalization efforts in downtown Union such as streetscape, building renovation, and beautification projects.
5. Upgrade of sidewalks, water, sewer services, drainage and street problems in the city.
6. Seek ways to conduct neighborhood improvements in the Carson and Cornwell Street neighborhoods.
7. Continue revitalization efforts in downtown Union such as streetscape, building renovation, and beautification projects.
8. Increase available affordable housing for low and moderate income, disabled and elderly citizens.
9. Continue activities to support economic development in order to create jobs for low and moderate income persons.
10. Roadway safety improvements
11. Improve and expand recreation, health care and cultural facilities.
12. Construct parking and pedestrian improvement adjacent to planned events center in downtown.
13. Implement a gateway and beautification plan
14. Promote fair housing opportunities to all citizens.

City staff recommendation is that Council prioritizes the projects on the Needs Assessment list so that the City will be in position to apply for CDBG grant funding in September 2017.

MOTION by Mayor Pro Tem Garner to go forward with Needs Assessment List as stated.

SECOND by Councilmember Sloss.

CARRIED UNANIMOUSLY.

E. DISCUSSION/MOTION – WBCU

Mayor Thompson states that WBCU and Holcombe Funeral home host a Union County Pep Rally each year to celebrate a new school year with live entertainment, free food, T-Shirts and give-a-ways. The event will be held at the Union County Fair Grounds on Thursday, August 10 from 5:00 p.m. to 8:00 p.m. They are requesting sponsorships as follows: Full Service Menu which includes 100 promotional announcements, 100 thirty-second ads, 30 minute live interview on the morning show or 20 additional ads, business name on T-shirts

that will be given away and booth space at the event at a cost of \$1,000 and Appetizer Menu: 100 Promotional Announcements, 60 Thirty-Second Ads, your business name on T-shirts that will be given away, booth space at the event at a cost of \$850.00. Ads must be used by November 10, 2017.

MOTION by Mayor Pro Tem Garner to sponsor WBCU Radio and Holcombe Funeral Home Union County Pep Rally in the amount of \$500 and promotional ads be given strictly to city businesses for their advertisement use.

SECOND by Councilmember Harris.

CARRIED UNANIMOUSLY.

F. **AWARD BID – UNION INDUSTRIAL PARK GREENBRIAR ROAD WATER LINE**

Utility Director Joe Nichols states that bids were received on June 30, 2017 at City Hall for the installation of the Union Industrial Park Greenbriar Road Water Line. Five (5) bids were received: Smith Backhoe & Construction, LLC - \$124,885.00; Double R Utilities, Inc. - \$119,937.00; Lee Construction Co. of the Carolinas, Inc. - \$135,780.00; Payne, McGinn & Cummins, Inc. – \$139,045.00 and Landsdown Earth & Pipe, In. - \$210,550.00. The bid tabulation sheet and letter of recommendation from our consultant were presented. The recommendation is to award bid to low bidder, Double R Utilities Inc. in the amount of \$119,937.00 pending Rural Infrastructure Authority's approval of the contract documents.

MOTION by Councilmember Anthony to accept recommendation.

SECOND by Mayor Pro Tem Garner.

CARRIED UNANIMOUSLY.

G. **AWARD BID – WATER PLANT IMPROVEMENTS – SETTLING TUBE REPLACEMENT**

Utility Director Joe Nichols states that bids were received on June 15, 2017 at City Hall for replacing the settling tubes at the Water Filter Plant. Bids are as follows: J.L. Construction Co., Inc. - \$159,500; Smith Backhoe & Construction, LLC - \$121,325 and Harper Corporation - \$227,000. The recommendation is to award bid to low bidder, Smith Backhoe & Construction, LLC in the amount of \$121,325.00.

MOTION by Councilmember Anthony to accept recommendation.

SECOND by Councilmember Harris.

CARRIED UNANIMOUSLY.

5. **PUBLIC COMMENT**

Alise Ashby addressed council. She asked if there will be any incentives and other consideration for small entrepreneurs that want to open up a business downtown. Mayor Thompson states that small businesses will most likely fall under the hospitality and accommodations tax; it all depends on what type of businesses they are; however, the incentive package can be adjusted.

6. **ANNOUNCEMENT BY MAYOR & COUNCIL**

Councilmember Morgan states while attending a meeting, she and Councilmember Craig found out that there are a lot of cities and counties that have a Facebook Page. For example, if there is a power outage it can automatically go on the Facebook Page so that council or staff will not get calls and the public will be informed with updates on the time frame of re-storage of power. Mayor

Thompson states that he has some information regarding a Facebook page. He states that it is way past time the City gets into social media. To start it up, the City may have to spend money but it will be well worth the money that is put into it. Mayor Thompson states that he will address council on this at the August meeting.

7. **EXECUTIVE SESSION – TO DISCUSS A CONTRACTUAL MATTER & A PERSONNEL ISSUE**

MOTION by Mayor Pro Tem Garner to go out of regular session into executive session to discuss a contractual matter and personnel issue.

SECOND by Councilmember Sloss.

CARRIED UNANIMOUSLY.

MOTION by Councilmember Sloss to go out of executive session into regular session.

SECOND by Councilmember Harris.

CARRIED UNANIMOUSLY.

No action taken.

8. **ADJOURNMENT**

MOTION by Councilmember Craig to adjourn.

SECOND by Mayor Pro Tem Garner.

CARRIED UNANIMOUSLY.

Meeting adjourned at 7:38 P.M.

Gloria J. Rogers, Municipal Clerk

Minutes approved _____ 2017