

**MINUTES
REGULAR COUNCIL MEETING
TUESDAY, JUNE 6, 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 June 6, 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; Adam Harris – Assistant 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 and Graham Williams – Union County News

OTHERS: Gregg Medford; Robby Moody; Curtiss Hunter; Princess Edwards; Vicki Shields; Alise Ashby and Rieta Drinkwine

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. May 16, 2017 Public Hearing

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

B. May 16, 2017 Regular Council Meeting

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

C. May 22, 2017

Council Workshop

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

3. **COMMUNICATIONS**

A. Monthly Reports

MOTION by Councilmember Harris to accept monthly reports.
SECOND by Mayor Pro Tem Garner.
CARRIED UNANIMOUSLY.

Mayor Thompson asked for a motion to amend agenda by adding items 4-D (1st reading of ordinance) and - E (resolution) under the business section.

MOTION by Councilmember Sloss to amend agenda to add items 4-D and 4-E under the business section.
SECOND by Councilmember Craig.
CARRIED UNANIMOUSLY.

4. **BUSINESS**

A. ORDINANCE – 2ND READING – PROPOSED BUDGET 2017-2018

Finance Director Walker Gallman presented the proposed budget for 2017- 2018. The Fiscal Year 2017/2018 Proposed Budget All Funds Summary is \$45,975,700, an increase of 1.82% over Fiscal Year 2016/2017. The General Fund’s projected revenues are \$5,383,170. Expenditures are proposed at \$5,893,150 a decrease of approximately 3.8% under last years proposed budget. This leaves a deficit of \$509,980 to be funded by fund balance. Also, to offset some of this deficit we should receive new money for revenue generated by the 1 cent local option sales tax beginning in May, 2017. This revenue will also provide taxpayers a credit against their property taxes. There is no tax or fee increase proposed for the General Fund. Capital equipment and improvements in the amount of \$216,200 is included in the proposed expenditures amount above. The Solid Waste Management fund is almost a breakeven with a budget of \$764,380, an increase of less than 1%. No fee increase is proposed for FY2018. If approved, a brush truck will be purchased under a lease purchase agreement. The Utility Fund projected revenues are \$37,448,640. Expenses are proposed at \$38,474,720, an increase of 3.3% over last year’s proposed budget. The deficit of \$1,026,083 will be funded by retained earnings. A 5% electric rate increase is proposed and the PPA will continue to true up cost of power each month. Water proposed rate increase is at 2%. Also, customers with meter sizes 2 inches and above will see an increase in their base charge. Sewer customers will see an overall increase of 2%. Natural Gas base rates will not increase, but the PGA will continue to true up cost of gas each month. Capital equipment in the amount of \$58,000 and infrastructure of \$3,686,180 is included in the total utility proposed expenses above. A 2% cost of living raise is proposed for City employees. The General Fund and Utility Funds will use fund balance/cash reserves to balance. The following is a list of special revenue funds and their FY 2017-2018 proposed budgets:

a. Local Hospitality and Accommodations	\$405,000
b. Main Street Junction	111,450
c. Economic Development Fund	200,000

d. Drug Fund	7,000
e. Community Change	30,000
f. Debt Service-Tax Increment	90,000

City Council passed 1st reading of the ordinance to adopt the FY 2017-2018 Budget at its June regular meeting.

MOTION by Councilmember Sloss to pass 2nd reading of the proposed budget for 2017-2018.

SECOND by Councilmember Anthony.

CARRIED 6 to 1.

FOR: Thompson, Garner, Anthony, Harris, Sloss, Craig

OPPOSE: Morgan

B. ORDINANCE – 2nd READING- TAX LEVY FY 2017-2018

Finance Director Walker Gallman states that the proposed Tax Levy will remain the same at 86.8 mills. The recommendation is to adopt Tax Levy for FY 2017-2018. City Council passed 1st reading of the Tax Levy ordinance at its June regular meeting.

MOTION by Mayor Pro Tem Garner to pass 2nd reading of the Tax Levy Ordinance for FY 2017-2018.

SECOND by Councilmember Anthony.

CARRIED UNANIMOUSLY.

C. ORDINANCE – 1ST READING – ECONOMIC DEVELOPMENT INCENTIVE PROGRAM

Robby Moody of CRPC addressed council. He states that City Council recently held a workshop to determine the viability of establishing an 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 into 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 are 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.

The recommendation is to approve 1st reading of the ordinance to establish the City of Union Economic Development Incentive Program.

MOTION by Councilmember Sloss to pass 1st reading of the Economic Development Incentive Program Ordinance.

SECOND by Mayor Pro Tem Garner.

CARRIED UNANIMOUSLY.

D. **ORDINANCE –1ST READING – ALLOWING CITY OF UNION TO ENTER INTO PURCHASE AND SALE AGREEMENT WITH KG PLUS, LLC**

Utility Director Joe Nichols presented an ordinance authorizing 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 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 Harris.

CARRIED UNANIMOUSLY.

E. **RESOLUTION– ACCESS AGREEMENT**

City Attorney Larry Flynn presented a resolution authorizing the Mayor of the City of Union to execute an Access Agreement with KG Plus, LLC to allow property access on approximately 0.53 +/-acres (Portion of Parcel #055-00-00-217.00) in Union County SC.

MOTION by Councilmember Sloss to accept recommendation.

SECOND by Councilmember Craig.

CARRIED UNANIMOUSLY.

Mayor Thompson asked Property Maintenance Inspector Gregg Medford to discuss an issue regarding a piece of property that was put out to bid. Mr. Medford states that the project was put out for bid and the contractor that was awarded the bid signed documents; however, has not filled his end of the contract. The City has extended a grace period to complete project because the award bid was very low. If the bid had been cancelled regarding the time allotted in the contract, the City would have to re-bid the project. Because of state regulations with DHEC, the piece of property that has to be demolished have two structures on it therefore requiring the City to go through DHEC and have an asbestos report done. That report has already been done and paid for and it can be used whenever this project is completed. This has been an ongoing issue for some time. The neighborhood had been burdened by this property for a long time. There are two structures sitting on the property and it is overgrown. There is a business across the road and a church right beside it. The structures burned down so actions were taken against the homeowner and a notice was also published in the newspaper but there was no respond. The Planning Department went to the next step by putting the project out for bid; contractor submitted a very low on bid by \$20,000. As stated

previously he did not fulfill contract. Mayor Thompson, as well as the Planning Department received many complaints from the church members regarding the property. City staff sent City employees to clean off property and they also stabilized a well located on the property. The project will have to be re-bided.

5. **PUBLIC COMMENT**

Elise Ashby, Chair of the AG & Art Tour addressed council. She gave them an update on the AG & Art Tour that will be held in Union County on June 24 -25, 2017. There will be guided tour on Saturday, June 24, 2017 beginning at 9:00 am with the official opening at the Farmer's Market at 8:00 a.m. There are six sites this year with two auxiliary sites: Fowken Farm's, Jackson Farm Garden, Piedmont Physic Garden, Three Horse Milling, Union County's Farmer's Market and Jonesville Veggie Patch. The auxiliary sites are Elle Bell Café and the Union County Carnegie Library. Ms. Ashby thanked the City of Union for being great sponsors. The Kick-Off Dinner named "Field to Fork" will be held on June 22, 2017 from 6-8 pm at the Main Street Junction.

Vicki Shields, Artist Coordinator for the AG & Art Tour addressed council. Ms. Shields will be coordinating the artist and musicians this year. She states that as part of the tour, they want to have a community art project. There is a picture of a barn on AG & Art flyer which is the logo for the AG & Art Tour statewide. Each county had its own individual quilt square on the barn which will be a large mosaic of the quilt square for Union County AG & Art. It will be 3 x 3 feet; which will take a lot of pieces to fill quilt. They are asking the community's help with collecting pieces of dishes, glassware or tiles to use as material for the mosaic. This will be displayed at the Ag & Art Kick-Off Dinner and all weekend at the Physic Garden for anyone who wants to start adding pieces. The mosaic will be displayed in future years during the AG & Art Tour.

6. **ANNOUNCEMENT BY MAYOR & COUNCIL**

Councilmember Tommy Anthony states that he received a call from Mr. Jerry Williams, a constituent in his district, who wanted to know if the City did energy audits. Councilman Anthony states that it would be good for the people of the City when they got a high power bill for the City to be available to offer them an energy audit. The City could have someone do energy audit of the customer's home and advise them to do things such as replacing windows, putting insulation in, upgrading air conditioner or whatever the City needs to do in order to try to help customer lower their power bill. Mayor Thompson asked Utility Director Joe Nichols to check with PMPA regarding assisting customers on how to be more energy efficient. He also asked Mr. Nichols to bring this up at the PMPA annual conference.

7. **ADJOURNMENT**

MOTION by Mayor Pro Tem Garner to adjourn.

SECOND by Councilmember Sloss.

CARRIED UNANIMOUSLY.

Meeting adjourned at 7:12 P.M.

Gloria J. Rogers, Municipal Clerk

Minutes approved _____ 2017