

**MINUTES
REGULAR COUNCIL MEETING
TUESDAY, MAY 21, 2013
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 Tuesday, May 21, 2013 at 6:30 P.M. in the City Municipal Building with the following present:

COUNCIL: Mayor Harold Thompson; Councilmembers Robert Garner; Tommie L. Hill, Sr., Yates Giles; Ricky Todd Harris and Jim Wilson. Councilmember Orangelow Ruff was absent due to illness.

CITY ATTORNEY: Billy Whitney

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

NEWS MEDIA: Graham Williams – Union County News, Mike Stevens – WBCU and Charles Warner – Union Times.

OTHERS: Heather Vinson, Tiffany Smith, Amy Austin, Chandler Austin, Hayden O’Shields, Sarah O’Shields; Charles Coyne, Bennie Giles; Alexandria Barber, Carol Barker, Gator Hudson, Betsy Hudson, Jan Gunter, Marsha Jordan, William Sims and others.

1. OATH OF OFFICE – COUNCILMEMBER DISTRICT 3

N. Yates Giles was seated as Councilmember in a Special Election held April 23, 2013. The oath of office was given by Municipal Clerk Gloria Rogers.

2. 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.

3. MINUTES

- | | |
|----------------------------|---------------------|
| A. Monday April 15, 2013 | Budget Worksession |
| B. Tuesday, April 16, 2013 | Budget Work Session |

MOTION by Councilmember Harris to approve minutes.

SECOND by Mayor Pro Tem Garner.

CARRIED UNANIMOUSLY.

C. Tuesday, April 16, 2013

Regular City Council

MOTION by Councilmember Wilson to approve minutes.
SECOND by Councilmember Hill.
CARRIED UNANIMOUSLY.

D. Tuesday, April 24, 2013

Special Council Meeting

E. Tuesday, April 24, 2013

Budget Work Session (continued)

MOTION by Councilmember Hill to approve minutes.
SECOND by Mayor Pro Tem Garner.
CARRIED UNANIMOUSLY.

4. **COMMUNICATIONS**

A. Monthly Reports

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

B. Presentation – Miracle League of Union

Mayor Thompson presented a check in the amount of \$50,000 to the Miracle League Board & their members for the construction of a field at the Timken Sports Complex. This field will be designed for the physically challenged children and adults who wish to play baseball. The project is expected to cost \$250,000. Mayor Thompson states that the City of Union is happy to support the Miracle League of Union County.

5. **BUSINESS**

A. **ORDINANCE – 1ST READING – AMENDMENT TO BUSINESS LICENSE ORDINANCE**

Finance Director Walker Gallman states that the City's Business License Ordinance is based on the Standard Industrial Classification (SIC), which is outdated. In order to bring the City into compliance with the 2012 North American Industrial Classification on System (NAICS), the City's Business License Ordinance will need to be amended. During the preparation of the model it was determined that after reclassifying businesses to their correct (NAICS) code that 83% would be reclassified lower and 17% higher. The aim was to make this change as revenue neutral as possible, but the result was a loss of revenue in the amount of approximately \$18,000 based on the current information. To reconcile this loss there is a proposal in the budget to increase the rate per thousand charge by \$.10 on all rate classes. The base charge will not change. Also, there is language in the amended ordinance to clarify the specific number of residential properties, with the exception of their principal residence, a person owns before they are required to purchase a business license. Currently, we require a business license for one or more residential rental properties. A survey was performed by staff of other municipalities and most do not charge a renters license unless the owner has two (2) or more rental units. One other item staff would like for council to consider rescinding

is the amendment to the business license ordinance dated July 17, 2007 that allowed any business purchasing a business license from March 30 through June 30 of the fiscal year will be charged one-half of the base rate for the current business license year. This amendment to the ordinance has been a benefit mostly to out of town contractors. For example, if an out of town contractor has a project started in March; he would only pay one-half the base rate. If the project was not complete by the time to renew July 1, he would not be required to purchase a new license. The recommendation is to pass 1st reading of the amended Business License Ordinance to adopt the 2012 North American Industrial Classification System (NAICS); include in the Ordinance the requirement that residential rental properties with two (2) or more properties purchase a business license and rescind the amendment to the Business License Ordinance date July 17, 2007 that allowed any new business purchasing a business license during the last quarter of the fiscal year to be purchased at one-half (1/2) the base rate.

MOTION by Mayor Pro Tem Garner to accept recommendation.

SECOND by Councilmember Giles.

CARRIED UNANIMOUSLY.

B. ORDINANCE – 1ST READING - PROPOSED BUDGET 2013/2014

Finance Director Walker Gallman states that the FY 2013-2014 Proposed Budget All Funds totals \$41,870,350. The General Fund proposed budget totals \$5,716,480 and includes the following tax and fee increases:

1. Property tax increase of 12.5 Mills
2. Business License Tax increase of \$.10 per \$1,000 in gross sales.
3. The cost to purchase a Channel 14 CD will increase to \$10.

Also, \$189,300 is provided to replace equipment in the General Fund. The Solid Waste Management proposed budget totals \$772,760. No capital expenditures are proposed in this budget. The monthly charge of \$14 is proposed to increase by \$1 to \$15 per month. The combined Utility Fund totals \$34,056,240. The electric rate is proposed to adjust by rolling the current (PPA) purchased power adjustment. Natural gas rates will remain unchanged. The (PGA) Purchased Gas Adjustment will continue. Water rates will increase by 10% and wastewater by 15%. \$92,000 to replace equipment and vehicle and \$1,979,000 for utility infrastructure is included. Personnel - A 2% cost of living adjustment is proposed as well as (3) additional employees. The General Fund and Utility Fund will use fund balances/cash reserves to balance. The Solid Waste Management fund will balance with a transfer from the General Fund. The following is a list of special revenue funds and their FY 2013-2014 proposed budgets:

Local Hospitality and Accommodations	\$375,000
PMPA-Promotional	16,870
Drug Fund	6,000
Community Change	25,000
Debit Service-Tax Increment District	102,000
Union Events Center	<u>800,000</u>
Total	\$1,324,870*

*All special revenues are included in the All Funds Proposed Budget of \$41,870,350. The recommendation is to pass 1st reading of ordinance to adopt the FY 2013-2014 Proposed Budget of \$41,870,350.

MOTION by Councilmember Wilson to accept recommendation.

SECOND by Mayor Pro Tem Garner.

CARRIED UNANIMOUSLY.

C. ORDINANCE – 1ST READING - ADOPT TAX LEVY – FY 2013/2014

Finance Director Walker Gallman states that the proposed Tax Levy will increase by 12.5 Mills for a total of 92.5 Mills. An increase of 3.16%, is allowed by South Carolina Code of Laws, Section 6- 1-320 that establishes millage caps for local governments. Also, the additional 10 Mill increase is an exception to the above Code of Laws that allows local government to increase taxes to recover a prior year deficit. The 10 Mills will be shown as a separate item on each tax notice and will have to be removed once the deficit is recovered. The recommendation is to pass 1st reading to adopt Tax Levy for FY 2013/2014.

MOTION by Mayor Pro Tem Garner to pass 1st reading to adopt Tax Levy for FY2013/2014

SECOND by Councilmember Giles.

CARRIED UNANIMOUSLY.

D. ORDINANCE – 1ST READING – AUTHORIZING CERTAIN AMENDMENTS AND MODIFICATIONS TO INDUSTRIAL/ECONOMIC

Utility Director Joe Nichols states that the ability to provide utility services under a negotiated contract rate can be an important element in attracting new industrial investment to new and expanding industries. Occasionally the City is requested by industrial development officials of the state and county to assist in industrial recruitment efforts by providing utility services at negotiated contract rates as an incentive package for a prospect. Industrial customers are often high-volume users of utility services with high load factors which make them less costly to serve than other customers. Increasing the industrial load contributes to increased economies of scale and to a more efficient use of the utilities. The recommendation is to pass 1st reading of the ordinance.

MOTION by Councilmember Wilson to pass 1st reading of the ordinance.

SECOND by Councilmember Hill.

CARRIED UNANIMOUSLY.

E. AWARD BID – BUILDING STABILIZATION 107 EAST MAIN STREET

Finance Director Walker Gallman states that bids were received on May 14 to continue the stabilization of the "Super 10" building at 107 Main Street, Union. Two bids were received. Bids are from Kingsmore Construction - \$29,193.32 and Smith Backhoe & Construction - \$48,945.00. The recommendation is to award bid to Kingsmore Construction in the amount of \$29,193.32. Funding sources for the project are as follows: RIF Grant from SC Department of Commerce - \$15,577.24; City of Union - \$7,300.00 and the County of Union - \$7,300.00 (contingent upon the County transferring its half of the building to the City and the City accepting the building outright as to full ownership.)

MOTION by Councilmember Wilson to award bid to Kingsmore Construction in the amount of \$29,193.32.

SECOND by Councilmember Harris.

CARRIED UNANIMOUSLY.

MOTION by Councilmember Wilson to rescind previous motion.

SECOND by Councilmember Garner.

CARRIED UNANIMOUSLY.

MOTION by Councilmember Wilson to award bid to Kingsmore Construction in the amount of \$29,193.32 and the City accepting full ownership of the "Super 10" Building by County transferring its half of the building to the City.

SECOND by Councilmember Hill.
CARRIED UNANIMOUSLY.

F. **DISCUSSION/MOTION – SC JEWELS & SC STINGERS ORGANIZATION**

William Sims of 218 Pinetree Lane addressed Council regarding the SC Jewels and SC Stingers Organization. He states that this is a non-profit organization that has been active in the community for five years. The organization is a traveling basketball team. (March-August) that develops greater self-esteem, confidence, positive character, teamwork abilities, and social skills in young women. The community has requested that they organize a young men's program. They feel that there is a great need to get both genders involved in some positive activities this summer. The organization is requesting funding to be used for facility rentals, equipment, travel expenses and uniforms. Many of the kids that do not have the financial means to help support the operation of this organization. If Council agrees to assist this organization a motion is in order. Councilmember Wilson suggest the organization approach the YMCA about the possible use of their gym. Mayor Thompson recommends that Mr. Sims get with Councilmember Tommie Hill since he is on the YMCA Board. Also Councilmember Harris suggest that Mr. Sims check on the possible use of the old Sims High School.

MOTION by Councilmember Wilson to table item.
SECOND by Councilmember Giles.
CARRIED UNANIMOUSLY.

6. **ANNOUNCEMENT BY MAYOR & COUNCIL**

None

7. **PUBLIC COMMENT:**

A. Please address the Mayor and Council from the lectern and state your name and address for the record. (Please limit your comment to 3-6 minutes)

8. **EXECUTIVE SESSION – TO DISCUSS CONTRACTURAL MATTERS**

MOTION by Mayor Pro Tem Garner to go out of regular session into executive session to discuss a personnel matter.
SECOND by Councilmember Wilson.
CARRIED UNANIMOUSLY.

MOTION by Councilmember Harris to go out of executive session back into regular session.
SECOND by Councilmember Hill.
CARRIED UNANIMOSULY.

No action taken.

9. **ADJOURNMENT:**

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MOTION by Councilmember Wilson to adjourn.
SECOND by Councilmember Harris.
CARRIED UNANIMOUSLY.

Council meeting adjourned at 7:51 P.M.

Gloria J. Rogers, CMC
Municipal Clerk

Minutes approved _____ 2013