

**MINUTES
SPECIAL COUNCIL MEETING
TUESDAY, OCTOBER 26, 2010
8:00 AM**

{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).}

A special council meeting was held on October 26, 2010 at 8:00 AM at the City Municipal building with the following present:

COUNCIL: Mayor Pro Tem Keith Henderson, Councilmembers Tommie L. Hill, Sr., Orangelow Ruff and Andy Bailey. Mayor Harold Thompson was absent (attending conference); Councilmembers Robert Garner was absent (attending conference) and Councilmember Ricky Harris was absent (out of town).

CITY ATTORNEY: Billy Whitney was absent.

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

NEWS MEDIA: None

OTHERS: None

1. CALL TO ORDER

Mayor Pro Tem Henderson called the meeting to order. Invocation was given by Councilmember Ruff. The pledge of allegiance was given by all present. The roll was called by Municipal Clerk Gloria Rogers.

2. BUSINESS

A. ORDINANCE – 2ND READING – AMENDMENT TO GENERAL BOND ORDINANCE

The amendment to the City’s bond ordinance is being made in order to authorize the State Treasurer’s Office to hold and invest the Debt Service Reserve Funds for all SRF loans. Currently, those accounts are held by Bank of NY as Trustee. Problematically, BNY charges fees for their services are currently receiving little to no investment returns on those accounts. By making the transfer to the State Treasurer, the City will get similar, if not better investment returns, and not be forced to pay the management fees. BNY will still serve as Paying Agent for all bonds. This charge is simply a cost saving measure. Both BB&T and the SRF have signed off on it. City Council passed 1st reading of the amendment to the General Bond Ordinance at its October regular meeting.

MOTION by Councilmember Bailey to pass 2nd reading of the amendment to the General Bond Ordinance and authorize the Mayor to execute the required documents.

SECOND by Councilmember Ruff.

CARRIED UNANIMOUSLY.

B. **ORDINANCE – 2ND READING – TO APPROVE BORROWING OF FUNDS – STATE WATER POLLUTION CONTROL REVOLVING FUND**

City Council passed 1st reading of an ordinance to approve financing of the Meng Creek Pump Station project at its October regular council.

MOTION by Councilmember Ruff to approve 2nd reading of the ordinance.

SECOND by Councilmember Hill.

CARRIED UNANIMOUSLY.

C. **ORDINANCE – 2ND READING – AN ORDINANCE OF THE CITY OF UNION, SC AMENDING ITS FISCAL YEAR 2011 BUDGET IN ORDER TO CONFORM WITH CERTAIN PROVISIONS OF THE CITY’S GENERAL BOND ORDINANCE**

Under the terms of the City’s General Bond Ordinance dated March 16, 1991, as amended September 16, 2008 and a set to be further revised on October 26, 2010 (the “General Bond Ordinance”), the City is able to issue bonds secured by the Revenues of the System. All terms used herein and not otherwise defined shall have the meanings ascribed thereto in the General Bond Ordinance. The Revenues derived from the operation of the System shall be utilized in the following order of propriety: (1) to any Bond and Interest Redemption Funds (debt service funds); (2) to any Debt Service Reserve Funds; (3) to the Operation and Maintenance Fund; (4) to the Depreciation Fund; (5) to the Contingent Fund; and then, (6) to the extent there is a surplus, to any source the Council may determine. On the basis of this flow of funds, the City has granted a “Gross Pledge” of the Revenues to its bondholders; thusly, the City has promised that it will make its payments required to service any Outstanding indebtedness (including the Debt Service Funds and the Debt Service Reserve Funds) prior to paying for Expenses of Operating and Maintaining the System, depreciation deposits, contingency deposits and any surplus. Due to some confusion over the wording in the City’s Fiscal Year 2011 Budget Ordinance and previous Budget Ordinances adopted since the original enactment of the City’s General Bond Ordinance, it is suggested that certain language in the Fiscal Year 2011 Budget Ordinance, (paragraph 2 under Base, which is found on page 117) be amended and restated. The language of the Fiscal Year 2011 Budget Ordinance, all previous budget ordinance enacted since the due enactment of the General Bond Ordinance and any future Budget Ordinances shall provide as follows: “The City utility fee is charged to equate the franchise business license fees lost to municipal ownership. This fee shall not exceed 5% of the operating revenues as found in the most recently completed external audit of the City Enterprise Funds; however, no such funds shall be remitted under the provision hereof unless and until all amounts due and owing under the General Bond Ordinance for the City’s Enterprise System have been paid. To the extent any excess monies are available. The fee provided for above shall be paid out of the remaining revenues as surplus Revenues under the General Bond Ordinance.” The provisions of this amendment shall take effect upon the due enactment of this ordinance. City Council passed 1st reading of the ordinance at its October regular meeting.

MOTION by Councilmember Hill to pass 2nd reading amending the 2011 Budget Ordinance.
SECOND by Councilmember Bailey
CARRIED UNANIMOUSLY.

D. **AWARD BID – RIVER PUMP GENERATOR UPGRADE**

Bids were received on October 12, 2010 at City Hall for the River Pump Generator Upgrade. The recommendation from our consultant, Progressive Engineering Consultants, Inc. and a summary of the bids were presented to council. The recommendation is to accept bid from Page Power Systems in the amount of \$59,298.00

MOTION by Councilmember Ruff to accept recommendation.
SECOND by Councilmember Bailey.
CARRIED UNANIMOUSLY.

3. **ADJOURNMENT**

MOTION by Councilmember Hill to adjourn.
SECOND by Councilmember Bailey.
CARRIED UNANIMOUSLY.

Council meeting adjourned at 8:07 A.M.

Gloria J. Rogers, Municipal Clerk

Minutes approved _____ 2010