

GREENWOOD CITY COUNCIL

April 16, 2007 - 5:34 p.m.

MINUTES

PRESENT

Council Members: Mayor Nicholson, Niki Hutto, Linda Edwards, Betty Boles, Herbert Vaughn, and Johnny Williams; City Manager; Assistant City Manager; City Clerk; City Attorney; Phil Lindler; and Chris Trainor of the Index Journal.

Barbara Turnburke entered the meeting at 5:35 p.m.

CALL TO ORDER

The meeting in Council Chambers was called to order by Mayor Nicholson at 5:34 p.m. and he welcomed everyone to the meeting.

The Mayor asked for a moment of silence for the tragedy at Virginia Tech of 32 students confirmed dead and 29 injured and then gave the invocation.

STATEMENT AND
QUORUM

Mayor Nicholson read the following statement, "In accordance with the Freedom of Information Act, Chapter 4, Title 30, Code of Laws of South Carolina, 1976, an agenda has been posted on the front door of City Hall and notification of this meeting has been given to the news media."

The Mayor then asked the City Clerk, Steffanie Dorn, if a quorum was present. She said, "Yes, Mr. Mayor, we have a quorum present."

APPROVAL OF
CONSENT AGENDA

Mayor Nicholson asked for a motion to approve the consent agenda.

Motion to approve the consent agenda was made by Betty Boles, seconded by Linda Edwards.

The Mayor asked, "Is there any discussion or questions? All in favor raise your right hand. So moved."

Motion passed unanimously.

CONSIDER

Ordinance No. 07-011 Amending the City of Greenwood's Official Zoning Map (Ordinance No. 04-020) by Rezoning Property (Approximately 0.13 Acres) Located at 403 Graydon Avenue, from R7 (Moderate Density Residential) to GC (General Commercial).

(1st reading)

Under public hearings, Mayor Nicholson said, "The format that we employ at the public hearings is, if there are individuals that would like to speak, we ask that you come to the podium, state your name and address for the record and try to limit your comments to no more than three or four minutes."

The Mayor then read the first item and asked, "Mr. Brown, do you have any comments?"

STEVEN BROWN

"I would like for Phil to come forward, Mr. Mayor, and give you an explanation of the request and action that was taken by the Planning Commission."

MAYOR NICHOLSON

"Okay. First of all, where is this location?"

PHIL LINDLER

"The property is located on Graydon Avenue at the southern part of the shopping center shown in red (pointing). It is currently zoned R7, Moderate Density Residential, but is requested to be used for general commercial. This is currently used as a storage area for Mr. Timmerman's party shop and bar.

Like you said, the property is 0.13 acres. To the north, is the shopping center. The residential piece of property between Mr. Timmerman's property and the service station on Montague Avenue is to the east. To the west is an additional piece of property that we will be looking at in just a minute as another request. On the back side of Mr. Timmerman's property is a residential neighborhood."

STEVEN BROWN

"Where does the Ballentines live on this property?"

PHIL LINDLER "The Ballentine's live to the West. The Comprehensive Plan shows most of this area on the southern part of Graydon Avenue as Residential, Moderate Density. Everything on the north side of Graydon Avenue is for commercial development. There are plans by Lander, who has purchased all the property in the shopping center, for their sports complex. The Planning Commission requested staff get in touch with Ms. Horne to see if she was interested in having her property rezoned to Commercial and she is not in favor of doing that at this time."

LINDA EDWARDS "First of all, how many houses are on Graydon?"

PHIL LINDLER "Two."

MAYOR NICHOLSON "Across from it is Timmerman's Party Shop, right?"

PHIL LINDLER "Yes, sir."

MAYOR NICHOLSON "What was the Planning Board suggestion?"

PHIL LINDLER "The Planning Commission recommended denial."

MAYOR NICHOLSON "Can I ask why?"

PHIL LINDLER "They felt that without Ms. Horne's property being included in the request, the Comprehensive Plan showing residential on that side of the street and no specific or detailed plans yet for the Lander site, this needs to stay residential at this time."

BETTY BOLES "Ms. Horne and Mr. Lyle's properties are adjoining?"

PHIL LINDLER "Yes."

MAYOR NICHOLSON "Were they in opposition?"

PHIL LINDLER "Ms. Horne was not in opposition of this piece of property but she did not want her property included in the request. I don't believe Mr. Lyle was opposed to it but he is considering a change to his property as well."

STEVEN BROWN "Is this Lyle's property right here (pointing)?"

PHIL LINDLER "No sir. It's 123."

MAYOR NICHOLSON "What about the little piece of property between there and the service station?"

PHIL LINDLER "That's Ms. Horne's property."

- JOHNNY WILLIAMS "Does it join the commercial property?"
- PHIL LINDLER "This property doesn't, but Ms. Horne's does."
- NIKI HUTTO "Is Mr. Lyle requesting rezoning to General Commercial as well?"
- PHIL LINDLER "His application that originally included Mr. Ballentine's property requested General Commercial. He has now modified his request to remove Mr. Ballentine's property and rezone his property to R15."
- NIKI HUTTO "So he switched to R15 which is Residential High Density that allows 15 units per acre, as compared to 7 units?"
- PHIL LINDLER "That's right."
- MAYOR NICHOLSON "Thank you, Phil. Are there others to speak?"
- LYNN TIMMERMAN "I'm Lynn Timmerman."
- BEN TIMMERMAN "I'm Ben Timmerman and these are letters from neighbors saying that they welcome us. I own a construction company and just recently signed a contract with Fulton Building Systems to sell metal buildings. I will build their model building to be used as my office and shop and there is not going to be a lot of traffic there.
- I've talked with Ms. Horne and she's fine with us coming next door. The reason she don't want to rezone her property to commercial is she's elderly and scared that the rezoning will run her out of her house. The original reason Mr. Lyle changed from commercial to R15 was he planned on building units all the way down the Ballentine property as well. Well, when he found out that the Ballentine property won't percolate and couldn't build lots there, he contacted me about buying his lot. If he and I can come to terms, I am going to buy his lots as well. Across the street, Lander has planned a baseball field 50 feet from this property. My dad will never sell his property as residential for somebody to build a house there."
- LYNN TIMMERMAN "The Ballentine's have their house for sale by owner."
- BEN TIMMERMAN "Yes, because they don't want to be living there. This property was originally residential when my father bought it. The house burned down and was changed back to commercial property after it was vacant for 180 days. The zoning office rezoned it back to residential when we thought that it was commercial."

I have included some pictures of the lot now and surrounding properties. In the back is a picture, or a sketch, of what my shop will look like on the property. It's going to be well kept, clean and maintained. I'm not going to store any equipment on the property but somewhere else in the County. This is basically going to be a good office for me to bring clients to go over plans for houses and commercial buildings and to keep certain tools in town versus going out to the warehouse in the County."

BETTY BOLES "Is this your merchandise?"

BEN TIMMERMAN "All that right now is where my father stores things from his fireworks business. It's kind of an eyesore."

BETTY BOLES "Will this be removed?"

BEN TIMMERMAN "All of that will go away with my father. It'll be cleaned up and well maintained. I have letters from Ms. Horne and Mr. Ballentine who is selling his property. I contacted Lander and, due to them being a college, they wouldn't sign anything but the President and Board all welcomed us being across the street. If you had any questions, you can call them."

MAYOR NICHOLSON "Are there any questions for Ben?"

STEVEN BROWN "With this remaining residential, I just want to clarify the buffering requirements and make sure that Mr. Timmerman understands them. If he becomes commercial and on either side of him is residential, then he would have to buffer his commercial use from those two residential uses. Phil can explain that buffer."

MAYOR NICHOLSON "Are you aware of that, Ben?"

BEN TIMMERMAN "I'm just curious about how far."

PHIL LINDLER "If it is just that property, the sides will require a buffer of 100 feet and a 15 feet rear buffer. (inaudible)"

BEN TIMMERMAN "Can you build a house and run a business out of it the way it's zoned now?"

NIKI HUTTO "As a home occupation."

LINDA EDWARDS "I need some clarity. I thought I heard him say something about the people wanting to sell that wider piece of property. Now, if they buy it or Ms. Horne agrees to rezoning her piece of property, will he still do all of what you just finished saying?"

PHIL LINDLER "If you rezone Ms. Horne's property, he would not have to put any buffer on the property line that says #104."

LYNN TIMMERMAN "What would that do to Ms. Horne?"

PHIL LINDLER "She will be a nonconforming residential use in a General Commercial zoning. We would not force her out of her home. She can live in perpetuity and remain as a residential use until it becomes commercial. Once it changes to commercial, the property cannot go back to residential."

STEVEN BROWN "What if there was a fire and the house was damaged?"

PHIL LINDLER "She'll be able to rebuild. She can also extend her residential use and add on another building or wing to that home as long as it doesn't exceed 15%."

LYNN TIMMERMAN "Tax-wise, what is that going to do to her?"

PHIL LINDLER "She would still maintain her percentage. Only if there was a change to commercial use would there be a moderate or similar change."

STEVEN BROWN "So nothing will change."

BEN TIMMERMAN "Let's say when she dies, turns ownership to her son or decides to sell, it's just until the property is lost that it can be turned into a commercial use?"

NIKI HUTTO "Or if someone purchases and uses it as a commercial use."

MAYOR NICHOLSON "Is it possible that we postpone this? We don't have to take action this evening because I think Ben is not aware of the buffering. We'll give him a chance to get with Phil and postpone any action tonight."

LYNN TIMMERMAN "Well, explain the Ballentine property."

NIKI HUTTO "You'd still have to put up a buffer."

LYNN TIMMERMAN "But does it already have a buffer?"

STEVEN BROWN "He's surrounded by residential uses and they wouldn't need a buffer."

LYNN TIMMERMAN "Because this house is there?"

STEVEN BROWN "Right; plus the property is zoned residential."

LYNN TIMMERMAN "So you're going to postpone until..?"

MAYOR NICHOLSON

"Okay. Is there anyone here to speak in the public hearing on rezoning the property on 403 Graydon Avenue? Okay. Seeing and hearing none, we will close the public hearing.

Now, do I have a motion from Council?"

Motion to postpone action was made by Johnny Williams, seconded by Linda Edwards.

"Are there any questions or further discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

- attach -

CONSIDER

Mayor Nicholson read the second item and recognized the City Manager.

Ordinance No.
07-012 Amending
the City of
Greenwood's
Official Zoning
Map (Ordinance
No. 04-020) by
Rezoning
Property
(Approximately
0.29 Acres)
Located at 134
Wells Avenue,
from GC
(General
Commercial) to
PDD (Planned
Development).

(1st reading)

STEVEN BROWN

"Mr. Mayor and Council, as you are aware the Self Regional Healthcare periodically purchases property adjacent to their campus. In the past, they've asked you to add or annex properties to their existing PDD and that's what they're asking for this property."

MAYOR NICHOLSON

"Okay. Is there anyone here to speak in reference to this rezoning change? Is there anyone in opposition? Okay. Seeing and hearing none, we will close the public hearing.

Do I have a motion from Council?"

Motion was made by Niki Hutto, seconded by Linda Edwards.

"Are there any questions or discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

- attach -

CONSIDER

Ordinance No.
07-013 Amending
the City of
Greenwood's
Official Zoning
Map (Ordinance
No. 04-020) by
Rezoning
Property
(Approximately
0.3+ Acres)
Located at 405
Graydon Avenue,
from R7
(Moderate
Density
Residential) to
R15
(Residential -
High Density).

(1st reading)

- STEVEN BROWN "Mr. Mayor this is the adjacent property that City Council was just discussing with the Timmermans. The difference is the Timmermans requested their property to be rezoned to Commercial. This property is requested to change from R7 to R15. The Planning Commission has recommended denial."
- MAYOR NICHOLSON "Okay. Phil, do you have anything you would want to share?"
- PHIL LINDLER "The only thing I would add is, not taking into consideration whether the lot will percolate, under the current density of R7 he would be allowed to do two dwellings on the property. If you rezone the property to R10 or R12, he can get three units on the property. With R15, he can get the maximum of four. That will be as many as we will be able to allow whether it met his design criteria or any other standards. It's certainly debatable as to whether he could get that on the property."
- NIKI HUTTO "Wouldn't you hook up to sewer?"
- PHIL LINDLER "He would want to. I believe that sewer is available on Montague so I'm sure they can extend that line."
- LYNN TIMMERMAN "There's sewer on our lot but there was no house. I don't think there was a house on this lot. There was a dump behind the Ballentine's property about 50 to 60 years ago and that's why it won't percolate."
- MAYOR NICHOLSON "Okay. So the Planning Board denied it. Is there anyone else who would like to speak in reference to this zoning change from R7 to R15?"
- STEVEN BROWN "I thought I heard Mr. Timmerman state that he was in negotiations to purchase this property? It is my understanding that if you deny this request, no one can request rezoning of this property for two years unless you bring it back up. If there is some question about the purchase or whatever, you may want to postpone this until a later date when somebody can give you additional information."
- LYNN TIMMERMAN "Mr. Lyle was going to buy the whole piece of property all the way down past the Ballentines to build several different apartment complexes. When that land didn't percolate he had to renege on the Ballentine's House, so he's sort of stuck with these two lots that have been made into one lot. He's trying to sell it to us, or Ben, at not a nice price. But like I said, he's not going to do too much with it."

Anybody who builds apartments or dwellings will not want the Lander ball field shining lights on you during the Spring season. So, if you could put it off, it would be nice."

MAYOR NICHOLSON

"Thank you, Ms. Timmerman. Is there anyone else to speak? Seeing none, we will close the public hearing.

Do I have a motion from Council?"

Motion to postpone was made by Linda Edwards, seconded by Niki Hutto.

"Are there any questions or any further discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

- attach -

CONSIDER

Mayor Nicholson read the second item and recognized the City Manager.

Ordinance No.
07-014 Amending
the City of
Greenwood's
Official Zoning
Map (Ordinance
No. 04-020) by
Rezoning
Property
(Approximately
0.67 Acres)
Located at 609
and 611 East
Durst Avenue,
from R7
(Moderate
Density
Residential) to
R15
(Residential -
High Density).

(1st reading)

- STEVEN BROWN "Mr. Mayor and City Council, this residential property is located on East Durst. Some of the surrounding properties are condos, apartments, rental property and single family homeowners. These two properties (pointing) were inherited by the individual. She stated at the Planning Commission meeting that if it's zoned General Commercial, she'll increase the ability to sell it at a higher price.
- The two houses are rental property right now. She made a statement to me that she has become aggravated with having rental property and would like to dispose of it. It has been recommended by the Planning Board for denial."
- LINDA EDWARDS "Did you have any residents within the area that attended the meeting?"
- PHIL LINDLER "We had a letter sent into the Planning Commission from one of the property owners on Melody Lane requesting opposition to the request. We also had a spokesperson from the Municipal Federal Credit Union to request denial as well."
- STEVEN BROWN "Please note that the property line nearest the Credit Union properties has been a good delineation between commercial and residential. If a commercial property was placed there then you may have traffic coming onto Melody Lane from a commercial business. If any of you been by Melody Lane, it will not support a lot of commercial traffic. Even though they might have some ingress and egress from Durst, the traffic will be subject to go on Melody Lane. It is a dead end road."
- BETTY BOLES "The area that you're circling right now is residential property, not rental property?"
- STEVEN BROWN "I know there are some homeowners in here (pointing) especially on Gary Court."
- MAYOR NICHOLSON "Okay. Is there anyone else that would like to speak in reference to the rezoning of property on East Durst? Is there anyone for or against? I will close the public hearing.
- Now, do I have a motion from Council?"

Motion to deny was made by Herbert Vaughn, seconded by Johnny Williams.

"Are there any questions or further discussion? All in favor of denial raise your right hand. So moved."

Motion passed unanimously.

CONSIDER

Mayor Nicholson read the last item and recognized the City Manager.

Ordinance 07-015 Amending Ordinance 03-010, Zoning Ordinance, Chapter 2, Article 3, Definitions, and Chapter 3, Zoning District Regulations, Section 3.2.1.4., Accessory Uses Allowed in All Residential Districts.

(1st reading)

STEVEN BROWN

"Mr. Mayor and Council, this ordinance was generated from a concern I expressed to the staff. If you have visited other communities or possibly read magazines, there is a new fad called MODS and PODS. They are portable storage buildings that are generally 8½' by 16'. Most of the time people will put them in the driveway or front setback. We have nothing that regulates the usage of MODS and PODS and portable storage buildings.

A new phenomena is the use of shipping containers for storage. You can see them being sold at various locations and people are attempting to use them for storage buildings on residential properties. We asked the staff to make a recommendation to the Planning Commission and this is their definition of a shipping container..."

Mr. Brown read the definition of a shipping container and accessory buildings.

"I'm recommending a second definition of a portable storage container: 'A portable, weather resistant receptacle (particularly known as MODS and PODS), etc., in which a material is stored, transported, treated, disposed of, or otherwise handled. This term shall not include roll-off containers.' I think it's important that our definitions are really good. We did not have anything that addressed what a portable storage container is and I wanted to add that to give a little more strength to the ordinance.

My recommendation of a shipping or cargo container is: 'A tractor trailer, portable storage container or the like are prohibited upon a lot within a residential zoning district...' I had a real problem with their language compensating for an 'Act of God'. An Act of God can be defined many ways. This is my wording: '...within a residential zoning district except for the movement, storage of household goods, or fire and other natural disaster incidents for a period not exceeding 14 days.' My goal is to provide some relief to the person whose home has been damaged by fire. Often, fire victims need temporary storage. This ordinance would allow one of these types of containers to be placed at a residence for a period not exceeding 14 days. I believe that seven days are inadequate. I reviewed various city ordinances in South Carolina and other states. Most of them allowed 14 days as the norm. Any type of storm may result in the need to temporarily store household items. I feel that this gives people in residential communities an opportunity to protect their goods from getting wet.

A shipping and/or cargo container or a portable storage building may be used as temporary storage for an active construction project with a valid building permit. It must be removed prior to the issuance of a Certificate of Occupancy by the Building Official. I'll give an example. If you pass the ordinance, as they have recommended, the First Baptist Church would be required to remove the temporary storage units located on their property. The First Baptist Church is in a residential neighborhood in a residential zone. Our recommended language is, 'If you have an active construction project of a non-residential use (such as a church or business) within a residential district, you can use storage containers if there is a valid building permit. They may remain on the property until the Certificate of Occupancy is issued by the Building Official.' After that, they must be removed."

STEVEN BROWN "Yes, sir. We already allow it in a commercial district."

NIKI HUTTO "How about if you're doing construction on a residential site?"

STEVEN BROWN "We won't allow it on a residential site. We don't want to allow shipping containers and similar equipment there for 6, 9, or 12 months. I'm just trying to give the ordinance a little more flexibility and address some of the problems that we anticipate."

LINDA EDWARDS "This will help out if you had to use one. We're just trying to minimize how long you can place one on a piece of property because we didn't have anything in place that required the minimum of 14 days."

STEVEN BROWN "That ordinance regulates storage containers in a residential community. If you have a non-residential use such as a church, fire station, City Hall, or Burton Center property that have an active construction project within a residential community, they can put storage containers on that property as long as it's an active project."

NIKI HUTTO "But if it's not an active project, they'll have to get rid of them. I know some commercial places that have containers in the back."

MAYOR NICHOLSON "But that is commercial; this is for residential."

NIKI HUTTO "Only residential? Okay."

MAYOR NICHOLSON "Are there any other questions? Okay. Is there anyone here who would like to speak in reference to this ordinance change? Is there anyone in favor or opposed? Alright, seeing and hearing none, we will close the public hearing.

Do I have a motion?"

Motion to accept the ordinance with the added corrections was made by Betty Boles, seconded by Johnny Williams.

"Are there any questions or further discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

- attach -

CONSIDER Under unfinished business, Mayor Nicholson read the first item and asked for a motion.

Ordinance No. 07-009 Amending Ordinance 03-010, Zoning Ordinance, Chapter 6, Supplemental Regulations, Section 6.3.5.L., Animated Signs in Core Commercial (CC).

Motion to accept the Ordinance change was made by Linda Edwards, seconded by Betty Boles.

The Mayor asked, "Are there any questions or discussion? Mr. Brown, a little discussion?"

(2nd reading)

STEVEN BROWN "Mr. Mayor, at the last meeting, City Council discussed limiting the color of the lights on animated signs in the Core Commercial (CC) Zoning District. We have added item #4 which states, 'lights are limited to one color excluding black or white'. I am informed that black and white is not considered a color. #4 should take care of our concerns."

LINDA EDWARDS "That means a sign can only run red colors, right?"

STEVEN BROWN "This is for the Core Commercial district. Phil, can you give us an example of how it would look?"

PHIL LINDLER "It would look more like the one at Jerry's Produce versus the one at Quality Chrysler or Greenwood Realty that has multiple colors. This one would only be able to use one type of color so it will be white, black and green but you can't have green and orange."

NIKI HUTTO "Because black and white are not colors or the absence of colors?"

PHIL LINDLER "Right."

STEVEN BROWN "The way this is written would not exclude the housing from being a separate color. This is just for the

lighting of the sign itself."

NIKI HUTTO "Isn't it designed to have black lighting in the background if you have red lettering?"

PHIL LINDLER "Some are and some aren't. I don't know the specifics of these types but my understanding is there are some that are digital just like a TV screen and others with individual lights that are programmed to do different colors. I think that's how South Main's (Baptist Church) is."

MAYOR NICHOLSON "Okay. We've all heard the changes that were made. Is there any further discussion? All in favor raise your right hand. So moved."

The motion passed unanimously.

- attach -

CONSIDER Under New Business, Mayor Nicholson read the first item and said, "The Board of Realtors also emphasized the month of April as Fair Housing Month. I think it's very important that we try to emphasize eliminating discrimination in the housing market and send the message throughout the entire community. So the Board of Realtors, along with the City and County, has decided to promote fair housing. There was an article in the newspaper about it and I'd like Kay Dangerfield to make a statement."

KAY DANGERFIELD "I'm Kay Dangerfield of Dangerfield Properties and the Chairman of the Greenwood Association of Realtors Legislative Committee. We just want to make the quality of life better in Greenwood for everybody so, if we all work together, it'll be better."

MAYOR NICHOLSON "A lot of you might not know Kay but she's real active. I think it's good for the realtors to promote this, not just for April, but throughout the entire year."

KAY DANGERFIELD "Like I said, we're trying to improve the quality of life for consumers who are our customers and clients. We think it's great for all of us to work together towards that. Thank you."

MAYOR NICHOLSON "Thank you, Kay. Do I have a motion that we adopt this

resolution?"

A motion was made by Betty Boles, seconded by Niki Hutto.

"Is there any discussion? All in favor raise your right hand. So moved."

Motion passed unanimously.

- attach -

CONSIDER

Mayor Nicholson read the second item and recognized Mr. Mike Willoughby.

City Audit
Presentation
from Mr. Mike
Willoughby of
Greene &
Company.

MIKE WILLOUGHBY

"It's good to be with you all this evening to make some brief comments about your audit. There are a few house keeping things that I'll highlight. If you have any questions, I'll be glad to try to answer them.

I guess the most important item the City should've received in your report is an unqualified, or clean, opinion from us. We think these were accurate financial statements. There is also a letter in the back that states we didn't find any problems, as far as how the City complied with different grants, when we were performing the audit. We did not note any problems in this area so that's good.

There are a couple of generic things I need to mention but I'll discuss the highlights. One of them is your significant accounting policies that talks about the overall way you do your accounting. The next one is accounting estimates and, basically, you don't have a lot of estimated numbers in your report. The main one is we evaluated how you figured the depreciation and how long your equipment, buildings and all that is going to last. The process seems reasonable to us so there aren't any problems.

We didn't find any adjustments that we needed to make your books accurate other than the normal things in which there are no problems there. The management cooperated as usual. We did not have any disagreements nor encountered any problems during the audit. Everybody cooperated and we could find what we needed. So, from that point of view, everything went well.

Those were the main things that needed mentioning. If you like, I can highlight some of the figures. I know you've had reports on them, but didn't know if you needed me to review them. I'll be glad to if you like. Sometimes I just like to hit the big picture."

MAYOR NICHOLSON "I know that Council has received a copy of the audit. Does anyone have any questions about any specific area while Mr. Willoughby is here this evening?"

MAYOR NICHOLSON "Okay. Thank you, Mike."

STEVEN BROWN "Mr. Mayor, Steffanie, and I want you to know that the auditors have recommended that we develop a budget for the Hospitality Tax Funds. We agree with this recommendation from the auditors and will begin preparing the budget.

The other issue relates to insurance for retirees. I don't have all the details and maybe we need to cover this in a future work session, but there are new regulations regarding the City's financial obligation of providing health insurance for our retirees. Recently, we have had a 49 year old to retire with 28 years of service. According to the our policy, the City is obligated for the next 16 years to pay his insurance. This will be done until he reaches the age of 65. We will now be required to document the costs of the benefit. This will begin to be reflected in our Financial Statement as prepared by our auditors."

MIKE WILLOUGHBY "That is an area where there will be more of an estimated number. You know you're obligated but you don't know what it's going to cost."

STEVEN BROWN "This is especially an opportunity for us to limit the financial impact. The Municipal Association is setting up a statewide trust fund which will assist us in funding those obligations. In the coming months, or the next few years, you're going to hear a lot from us regarding these changes."

- STEFFANIE DORN "We will have two years to implement the 2010 audit for our financial year but the decision needs to be made prior to that. It's not one of those things that you can wait until the last minute to do."
- MIKE WILLOUGHBY "I think right now it basically shows that you pay those premiums as expenditures. We're talking about looking at the future and estimating what you're going to pay by using some kind of present value to figure out the best estimate. You may then owe 'X' amount of money now instead of waiting until it shows on your financial statements.
- That's a change in the accounting rules for governments which ends up being a large number for some governments because health insurance continues to increase real fast. So, if you had a lot of retirees compared to the people who are working, there's going to be a lot of years you're basically promising a pretty big benefit. It's more money than what it used to be because of the health insurance premium increases."
- NIKI HUTTO "So, even though you're not making the expenditure, you're accounting for it. Won't that kind of skew the numbers?"
- MIKE WILLOUGHBY "You're reporting it as what you may owe in the future. That's a big change. Right now it doesn't show up until you pay it."
- STEVEN BROWN "Mr. Mayor, I'd be remiss if I didn't say that you have a good Finance Director. She keeps us on track and ensures to the best of her ability that we all do it the right way. That's exactly what we need, and we owe a debt of gratitude to Steffanie and her associates in the Finance Department. Mike will tell you this lady has produced many reports and documents that are for the audit. When she takes the initiative to do this, it decreases the cost of the audit. She has done a lot."
- LINDA EDWARDS "Steffanie said that this has to be implemented to show how many people we're looking at retiring at 2010?"
- STEFFANIE DORN "No, ma'am. We have begun working towards determining what those costs will be. I have been here for eight and a half years and, although I haven't met the minimum years of service, I'm working towards it. We must have an actuary (who is in my opinion a fancy accountant) to calculate the number of employees that have worked X amount of years. They'll then estimate how many will probably stay 14 years and how many will not. We'll pay

according to their estimation.

So I'm basically costing you something towards those retiree benefits that you're going to pay me if I stay for either my 18, 23 or 28 years of service, as established by Council.

So the actuaries will come up with this estimated number and now we've got to decide how we're going to pay. That's what Mr. Brown was talking about. The Municipal Association is setting up a trust where all the municipalities put money into each year. When the insurance bill comes, then we'll pay what we have established out of that trust.

Coincidentally, I was asked to serve on that board so I have an inside track of what's going on which will work out very beneficially for me. The main thing is we'll get these numbers together and decide if we want to keep our plan like we have it or make changes. If we do change it we can move forward in that direction.

I don't really anticipate early implementation. We could implement it early like our last big GASB 34 statement where we evaluated the value of all the roads and sidewalks. It was to our benefit to implement that early, but this one isn't. Everybody in the State of South Carolina, municipality, college, governmental agency and State agency has to comply with this so we're all going to eventually need an actuary service. We won't have a choice because of the number of employees we have. So we can't wait until the last minute and then be left without an Actuary Service to choose from. That's why we'll start working in that direction so, once the year rolls around, we'll have to implement it."

STEVEN BROWN

"I am considering some recommendations regarding revisions to the City's benefit schedule for retiree's insurance. I think the 50% coverage for 15 and 18 years is a little much, considering the costs. We may need to drop the lower tier. Now, Police Officers, who retire after 15 years of service, can get 50% of their insurance premium. They can get 75% for 20 years and 100% for 25 years. For regular employees it's 18, 23, and 28. I would like to get someone to discuss with you about possibly changing the Police Department requirements to 20 years for 75% and 25 years for 100%. The regular staff could possibly be 23 and 28. Those are nice things to have but I think we must be a realist on cost.

The Police Chief asked for approval to hire a 21 year old. In 25 years he'll be 46. If he were to retire at that time and go into another profession, we could be

obligated to that individual for 19 years. Now anything recommended would not affect anybody who is presently employed by the City; only those who will be coming after whatever changes you make.

I do not want to frighten anybody, but these matter will be before you this year. Mike will tell you that we have no choice."

MAYOR NICHOLSON

"Okay. Thank you, Mike. Are there any other comments? Do I have a motion that we accept the audit?"

Motion was made by Johnny Williams, seconded by Linda Edwards.

"Are there any questions or further discussion? All in favor raise your right hand. So moved."

The motion passed unanimously.

- attach -

CONSIDER

Mayor Nicholson read the last item and asked for a motion.

Mayor Pro
Tempore o Serve
Two-Year Term.

Motion to nominate Betty Boles to be the Mayor Pro Tempore for the next two years was made by Herbert Vaughn, seconded by Niki Hutto.

The Mayor asked, "All in favor raise your right hand? So moved."

Motion passed unanimously.

Mayor Nicholson then asked, "Do we have any comments from City Council? Do we have any comments from the City Manager? I'll make a motion that we adjourn. Do I have a motion that we adjourn and enter into Executive Session?"

Motion to adjourn the meeting and enter into Executive Session was made by Linda Edwards, seconded by Niki Hutto.

The Mayor asked, "All in favor raise your right hand. So moved. Again thank you all for coming and have a nice evening."

Meeting adjourned at 6:39 p.m.

Floyd Nicholson, Mayor

ATTEST:

City Clerk and Treasurer