



## **CITY OF SUMMERVILLE SPECIAL CALLED MEETING JUNE 6, 2016 6 PM**

**CALLED TO ORDER:** Mayor Harvey called the meeting to order.

**ROLL CALL:** Mayor Harry Harvey gave roll call. Council Members David Ford, Mayor Pro Tem Lloyd "Buddy" Windle, Joe Money, Jr. and Zachary Martin were present. Council Member Earl H. Parris was absent. Also present was Interim City Manager Tony Carroll and City Attorney Albert Palmour.

**INVOCATION:** Mayor Harry Harvey gave the invocation.

**PLEDGE OF ALLEGIANCE:** Council Member Zachary Martin led the pledge of allegiance.

**AGENDA:** Mayor Harvey asked if any changes are needed to the agenda. With no changes required, Council Member David Ford made a motion to approve the meeting agenda. The motion was seconded by Council Member Joe Money, Jr. and carried unanimously.

**WELCOME GUESTS:** Mayor Harvey welcomed all guests of the June 6<sup>th</sup> Special Called Meeting. Mayor Harvey addressed the visitors stating that an opportunity to speak will be provided at the beginning and end of the meeting. Mayor Harvey requested that each speaker limit their comments to three minutes. Mayor Harvey requested each visitor state their name and give their reason for attending the meeting.

Charles Bennett stated that he is present due to his concern about the increase on the gas rate. Trey Goble stated that he is present to observe. Sonya Adams stated that she is present to visit. Butch Eleam stated that he is present due to budget concerns.

**ANNOUNCEMENTS:** Mayor Harvey stated that the Ducky Derby held this past weekend was a huge success. Mayor Harvey expressed appreciation to everyone that participated in the event. Mayor Harvey stated further that there are more events planned for the remainder of the month and encourages everyone to join in the fun by participating.

**PROPOSED 2016-2017 BUDGET – MAYOR'S COMMENTS:** Mayor Harvey stated that this will be the first reading of the proposed budget for fiscal year 2016-2017. Mayor Harvey stated that a Public Hearing will be held to provide the public an opportunity for questions and comments. Mayor Harvey stated further that the budget is balanced with revenues and expenses set at \$14,136,825.85. Mayor Harvey explained that the biggest change has to do with the base charge for natural gas service. Mayor Harvey stated that the base charge will go from \$9.00 to \$14.50. Mayor Harvey stated that while the base rate will go up the amount charged per MCF will go down; residential customer will go from \$3.75 down to \$3.50. Mayor Harvey stated that the reduction for industrial customers will not be as large. Mayor Harvey stated that the natural gas model shift will allow better stabilization of the gas revenue portion of the city's budget by reducing some volatility. Mayor Harvey also stated that there was 1.5 million dollars of capital requests for the proposed budget which has been cut to \$575,000.

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**PROPOSED 2016-2017 BUDGET MAYOR'S COMMENTS:** Mayor Harvey stated that some capital items cut may be purchased at a later date. Mayor Harvey stated further that the initial Carl Vinson Classification and Pay Plan report has been received which would take approximately \$45,000 to \$60,000 to implement. Mayor Harvey stated that the plan includes 1.25% steps. Mayor Harvey stated that he strongly suggests adopting the plan noting that it is important that the city maintain good employees as well as functional equipment.

Mayor Harvey asked if Council has any questions or comments. No comments or questions were posed by Council.

**2016-2017 PROPOSED BUDGET PUBLIC HEARING OPENED:** Mayor Harvey stated that the Public Hearing is now opened.

Mayor Harvey stated that if there is anyone from the public that wishes to make comments and ask questions they may do so at this time.

**CHARLES BENNETT:** Mr. Charles Bennett stated that he is concerned that gas prices are being raised to give raises. Mr. Bennett stated that he worked a lot of years and was told that there wasn't money to give raises. Mr. Bennett stated that he thinks that the city employees should have to do the same as he did and do without.

Mayor Harvey responded stating that gas prices were not raised to provide employees an increase in pay. Mayor Harvey explained that the change to the base rate for gas service is to shift the model for natural gas service to help reduce the volatility of the item. Mayor Harvey stated that no raises are up for consideration at this time. Mayor Harvey stated that if any raises occur that would not be implemented until around October to December. Mayor Harvey explained that there is a small pool of money set to implement the Carl Vinson study but that distribution of that money has not been set.

Charles Bennett asked why \$43,000 is needed for a police car. Tony Carroll responded stating that there isn't a police car in the budget. Tony explained that there is a pool of funds set for the acquisition of vehicles. City Attorney Albert Palmour stated that the USDA have grants allowing a 50% match to help government entities lease vehicles. Mayor Harvey interjected that police vehicles are expensive due to the specialized equipment needed. Mayor Harvey stated that in the past police departments purchased Crown Vic sedans. Mayor Harvey stated that those vehicles are no longer manufactured so it is not possible to move equipment from one vehicle to another. Mayor Harvey stated that there is the possibility of getting two or three vehicles through USDA leasing program for what one outright purchase would cost. Tony Carroll stated that the matched portion of the USDA lease is paid back over several years which provides a cash flow advantage.

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**BUTCH ELEAM:** Butch Eleam asked what the price per MCF is for gas. Tony Carroll responded stating that it fluctuates and he is not certain what the current rate is but he can get the current number.

Butch asked what the MGAG Administrative Return item is for and if customers get any of that money. Tony Carroll answered that is money distributed to MGAG members and the city puts the money into the general fund.

Butch asked about the increased expense for the Mayor and Council from \$56,000 to \$75,000. Butch asked if the increase could be used to give employees a raise. Mayor Harvey stated that the bulk of that increase is for insurance and a slight increase in travel and training.

**JASON ESPY:** Jason Espy of *The Summerville News* asked if the industrial rates for gas will be changed. Tony Carroll responded stating that the industrial rates will stay the same.

Jason Espy asked if the pool of money for cars included a police car. Tony Carroll responded stating that there is \$53,700 set for vehicles. Attorney Albert Palmour interjected that there is a new USDA program that is a loan/grant program that could allow the city to get two vehicles and pay for them over three or four years.

Jason asked if there is a 1.25% pay raise in the budget. Mayor Harvey stated that no pay raises have been voted on; that will be decided later in the year. Mayor Harvey stated that the Carl Vinson plan suggested \$80,000 which has been reduced to \$55,000 for 1.25% steps and plan implementation. Jason asked if the Carl Vinson study is finished. Mayor Harvey stated that a preliminary plan has been rendered but the plan is not finished. Mayor Harvey stated that no action is mandated as a result of the study but he (Mayor Harvey) does think the plan should be implemented. Mayor Harvey stated further that he thinks the plan should be reviewed every four to five years.

Jason asked how much revenue would be generated as a result of the increase to the gas base rate. Mayor Harvey stated that it would be approximately \$270,000.

**CLOSE PUBLIC HEARING:** Mayor Harvey asked if there are any further comments or questions concerning the proposed budget. With no further comments or questions Mayor Harvey closed the budget Public Hearing.

**2016-2017 PROPOSED BUDGET:** Mayor Harry Harvey stated that he would read the ordinance to adopt the upcoming fiscal year's budget. Mayor Harvey stated further that the second reading of the budget ordinance would occur at Council's regular meeting to be held June 13<sup>th</sup> at 6 pm.

Mayor Harvey read the City of Summerville Ordinance summarizing expenditures and revenues for each fund and adopting budget for fiscal year 7/1/16 through 6/30/17. Mayor Harvey also read each revenue and expenditure summary fund dollar amount. A copy of the full ordinance is attached and becomes part of these minutes.

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**CHANGE ORDER – GAS & WATER METER PROJECT:** Mayor Harvey stated that the next item for discussion is a change order associated with the gas and water meter project. Mayor Harvey asked Tony Carroll to explain the item.

Tony Carroll stated that a meeting was held with contractors, engineers, the city attorney, and city staff concerning the gas and water automated meter project. Tony explained that all parties agreed to close out the project using city staff. Tony explained further that the money owed to the contractor is around \$40,000 and the lost revenue, labor and materials is about the same so it will be a wash. Tony stated that both the engineers and the city attorney agree with the decision. Tony stated that staff's recommendation is to execute the change orders to close out the project and use city staff for the remaining work. Attorney Palmour reviewed change order documents provided Council which are attached and become part of these minutes. Attorney Palmour stated that the remaining funds will be used to purchase materials and equipment to complete the project. Tony Carroll stated that the project should be finished by December 2016 and will be under budget.

Council Member Zachary Martin made a motion to authorize the required change orders as presented to close out the automated water and gas meter project per documents provided Council. The motion was seconded by Council Member David Ford and carried unanimously.

**EXECUTIVE SESSION:** Mayor Harvey stated that an executive session is needed to discuss personnel and compensation for the Interim City Manager.

Council Member Joe Money, Jr. made a motion to go into executive session. The motion was seconded by Mayor Pro Tem Lloyd "Buddy" Windle and carried unanimously.

**MEETING RE-OPENED:** Mayor Harvey re-opened the special called meeting.

**INTERIM CITY MANAGER COMPENSATION:** Council Member David Ford made a motion to set the Interim City Manager's compensation at \$78,000 per year with human resource staff member to calculate the weekly benefit based on the annual salary. The motion was seconded by Council Member Joe Money, Jr. and carried unanimously.

**ADJOURN:** Mayor Pro Tem Lloyd "Buddy" Windle made a motion to adjourn. The motion was seconded by Council Member Joe Money, Jr. and carried unanimously.

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**HARRY HARVEY – MAYOR**

**Attest:**

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**JILL DURHAM – CITY CLERK, G.C.M.C.**