

**MINUTES OF THE MEETING OF CITY COUNCIL
OF THE CITY OF GREER
SOUTH CAROLINA**

February 10, 2009

**MEETING LOCATION: 301 East Poinsett Street
Greer, SC 29651**

REGULAR SESSION

Greer City Council met in regular session with Mayor Rick Danner presiding. Council members present: Jay Arrowood, Wayne Griffin, Wryley Bettis and Belle Coxe Mercado. Councilwoman Sandra Anderson arrived at 6:45 p.m. Also present: Ed Driggers, City Administrator, Mike Sell, Assistant City Administrator, Tammela Duncan, Municipal Clerk, Steve Owens, Communications Manager and various other staff and media.

Mayor Danner called the Regular Session to order at 6:34 p.m.

INVOCATION

Invocation was given by Councilman Wryley Bettis.

PUBLIC FORUM

No one signed up to speak.

MINUTES OF January 27, 2009

Councilman Wryley Bettis made a motion that the minutes of **January 27, 2009** be received as written. Councilwoman Belle Coxe Mercado seconded the motion.

Motion carried unanimously 5-0.

PRESENTATIONS

Cities Mean Business
Proclamation Presentation

Mayor Danner presented John Kimbrell, President of the Chamber of Commerce and Vic Grout, Chairman of the Chamber of Commerce Board of Directors a proclamation proclaiming the month of February "Cities Mean Business" month.

2007-2008 Comprehensive Annual Financial Report

Presented by Toni McKinley, McKinley, Cooper & Co., LLP

David Seifert, Director of Finance introduced Toni McKinley of McKinley, Cooper & Co., LLC, certified public accountants. Mrs. McKinley presented the 2007-2008 Independent Auditors' Report for the City of Greer. Audit attached.

FINANCIAL HIGHLIGHTS

Key financial highlights for the Fiscal Year 2008 are as follows:

- The assets of the City of Greer exceeded its liabilities at the close of the most recent fiscal year by \$15,136,723.
- As of the close of the fiscal year, the City of Greer's governmental funds reported combined ending fund balances of \$11,434,637, a decrease of \$7,914,707 as compared to the prior fiscal year. This decrease primarily results from the City's ongoing completion of outstanding capital projects.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,234,235, or 20.97% of general fund expenditures. This reflects an increase in the current year of \$212,420.

Above information taken from the 2007-2008 Independent Auditors' Report.

Mr. Driggers clarified several items for Council.

Discussion followed.

Parks and Recreation Annual Report

Ann Cunningham, Director of Parks and Recreation presented her Annual Report. Report attached.

ADMINISTRATOR'S REPORT

Ed Driggers, City Administrator

Information:

Early Retirement Incentive for Employees – Deborah Loftis and David Seifert worked on this and did a very good job. Summary – We evaluated nineteen (19) employees that we believed potentially would be eligible for retirement. Nine (9) of the nineteen (19) are eligible based on their years of service under the state retirement or police retirement system. The remaining ten (10) employees of the nineteen (19) are eligible for retirement based on age. We evaluated those nineteen (19) employees based on discussion that we've had with them either individually or their department heads have had with them, communications we had through our human resources department. The employees were identified as employee A through employee S, to keep the identity of the employees from being a factor in how the issue was evaluated. A number of scenarios were run looking at what type of incentive could be used, whether or not that incentive offered us savings in the current fiscal year through June 30, 2009 and also looking at the next two years of potential savings that we could have and the estimated recurring savings over time with

those positions. We tried to evaluate whether or not those positions could be eliminated if they were to retire or whether or not we felt because the type of work the employees were involved in would those positions need to be filled. Would it happen in the current fiscal year or July 1st or further out. Mr. Seifert and Mrs. Loftis looked at a scenario of placing a cap on the amount of compensation that possibly could be paid. The analysis would have been one week of pay for every year of service capping that at seven (7) weeks. We then evaluated how many people we thought truly would potentially take advantage of the program and that number came down to four (4). The risk we saw there was that, that was indeed an unknown. We had no idea whether one (1) employee would take advantage of it, whether three (3) employees may take advantage of it or out of the nineteen (19) eligible employees could we have had five (5), six (6), seven (7), ten (10), twelve (12) we had to make hypothetical analysis based on what we know of the employees based on what has been communicated to us. Best case scenario was looking at three (3) employees that would have been eligible under years of service and one (1) employee that would have been eligible based on age. Based on what we believed the financial package could have been to offer for incentive, the best case scenario we believe would have been two (2) of those positions could have remained unfilled. Two (2) of the other positions we felt very strongly would need to be replaced based on the nature of their job. The restriction in the amount we would offer, the savings that we could potentially have in the current year and over the next couple of years and the number of employees that it would effect it is our recommendation that we not proceed with offering any type of an early retirement incentive because we actually believe in the long term that it could have a negative savings for us. We believe there could be a cost to us because of it not having a recurring benefit of the position not being filled. It is our recommendation at this time based on the financial analysis, the number of employees who would possibly be eligible that we would not proceed with developing a program for an early retirement incentive for our employees.

Discussion followed.

Council Retreat – Reminder, the Council Retreat is scheduled for February 26th and 27th Thursday (2:00 p.m. until 9:00 p.m.) and Friday (9:00 a.m. until 2:00 p.m.). We've developed an agenda, we will be looking at two (2) issues this year, financial concerns of the City, our budgeting process and priorities and we will be looking at our planning process.

Special Election Update – A copy of the Certification of the Election form is attached. Runoff date is February 17th between Julie Barnes and Lee Dumas. Polling Places remain the same. A candidate forum will be held this Friday, February 13th at 7:30 a.m. at Southern Thymes Restaurant on Trade Street. We will video the session and broadcast the video on the City cable channel Saturday, Sunday and Monday.

Budget – We continue to monitor our financial situation, we look at our revenue streams every week on Friday of each week we run a report for the current year and compare that to the prior year. Local Business License Tax we are running about \$331,000.00 below where we were last year at the same time. We are also seeing a decrease in our building permits of \$168,000.00; our building inspection fees have decrease about \$32,766.00 and a small decrease in the zoning fees of \$17,098.00. Each of those are directly related to the slow down in development in commercial and residential development. That is about

\$500,000.00 that is the number we have been projecting. We don't know yet what our retail sales have been for the previous year, we believe those will be relatively stable as compared to last year but we don't know that. We will have to start receiving our business license, reapplications for this year for us to get a real good handle on that. But our shortage in revenue is really on tract with what we were anticipating based on business license, permits and zoning inspections. Across the board we received about \$380,187.00 more this year for the exact same time period as compared to last year. The bad news is we have a larger budget this year than last year so it is actually a smaller percentage of the budget as compared to last year. This year to date we have collected 41.7% of the anticipated revenues last year at the exact same time we were at 43%. As a percentage of budget we are a little behind where we need to be but it's not substantial. We are very hopeful that our financial issues and concerns related to this budget will indeed be related to activity for commercial and residential development. There are a lot of unknowns for us, I will continue to monitor that but we are very hopeful and that is how we are going to keep moving forward at this moment. Our departments are continuing to monitor their expenses and we are continuing to do everything we can to make sure we are bringing this current budget in under budget. We are projecting we will operate under budget, we are hoping as we get closer and closer to June 30th that we are minimizing what that deficit may be.

Our IT department needs to make some adjustment to your laptop computers. We are asking that if possible if you can leave those with the IT staff tonight they will make a memory upgrade. If you cannot leave it tonight please make arrangements with us at another time.

Mr. Driggers stated he had one item to discuss in **Executive Session**.

Mayor Danner offered congratulations to Ms. Barnes and Mr. Dumas on the election.

APPOINTMENTS TO BOARDS AND COMMISSIONS
Recreation Association Board of Trustees

No nominations were made for the District 3 or District 6 seat.

OLD BUSINESS

SECOND AND FINAL READING OF ORDINANCE NUMBER 1-2009
AN ORDINANCE TO CHANGE THE ZONING CLASSIFICATION
OF PROPERTY OWNED BY T.L. BALDREE, BALDREE
HOLDINGS, LLC LOCATED ON DEPOT STREET FROM I-1
(INDUSTRIAL) TO C-1 (CENTRAL BUSINESS DISTRICT).

Councilman Bettis made a motion to receive Second and Final Reading of Ordinance Number 1-2009. Councilwoman Mercado seconded the motion.

Motion carried 5-0. Councilman Arrowood recused himself from the vote.

NEW BUSINESS

Spartanburg County – City of Greer / East Greer Inspection Agreement

Fire Chief Chris Harvey presented the agreement.

Councilwoman Anderson made a motion to approve the Spartanburg County – City of Greer / East Greer Inspection Agreement. Councilman Arrowood seconded the motion.

Motion carried unanimously 6-0.

EXECUTIVE SESSION

Mayor Danner stated an Executive Session was needed to discuss one Personnel matter.

Councilwoman Mercado made a motion to go into Executive Session to discuss the matter as stated by the Mayor. Councilwoman Anderson seconded the motion.

Motion carried unanimously 6-0. (8:09 p.m.)

Mayor Danner stated during Executive Session they considered one personnel matter and they will take no action.

Councilwoman Anderson made a motion to come out of Executive Session. Councilman Arrowood seconded the motion.

Motion carried unanimously 6-0. (8:21 p.m.)

The meeting adjourned at 8:21 p.m.

Richard W. Danner, Mayor

Tammela Duncan, Municipal Clerk