

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

February 24, 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 6:32 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 6:30 p.m.

INVOCATION

Invocation was given by Councilwoman Belle Coxe Mercado.

SWEARING IN CEREMONY

Mayor Danner swore in Lee Dumas as the District 4 Councilmember. He was accompanied by his mother Linda Dumas.

PUBLIC FORUM

No one signed up to speak.

MINUTES OF February 10, 2009

Councilman Wryley Bettis made a motion that the minutes of **February 10, 2009** be received as written. Councilman Jay Arrowood seconded the motion.

Motion carried unanimously 6-0.

SPECIAL RECOGNITION
Retirement of June Hawkins

Mayor Danner presented June Hawkins with a proclamation in honor of her retirement proclaiming February 27, 2009 as "June Hawkins Day". She was also presented with a gift.

PRESENTATION
Police Department Annual Report

Dan Reynolds, Chief of Police presented his Annual Report. (Report attached)

Brief discussion followed.

ADMINISTRATOR'S REPORT
Ed Driggers, City Administrator

DEPARTMENTAL REPORTS

Building and Development Standards, Finance Report, Fire Department, Municipal Court, Parks & Recreation, Police Department, Public Services January 2009 Monthly Activity Reports and the February 16, 2009 Planning Commission Minutes were included in packet for informational purposes. The Engineering and Stormwater report was disseminated at the meeting.

David Seifert presented the Financial Report for the period ending January 31, 2009.
Revenues: \$4,184,641. YTD \$8,012,188.
Expenditures: \$1,255,072. YTD \$9,568,022.

The City is currently 8% under budget for this time period.

Brief discussion followed.

Information:

Construction Projects Update – We are very close to closing out all of the last minute details regarding the Police / Courts Building it appears at the point that we were able to bring that project in under budget and we will have some cost savings on that to report to you in the near future. We are continuing to do some punch list items here in this building (City Hall) SYS is on site trying to complete those items as quickly as possible. We continue to finalize our work at the lower end of City Park. I want to bring to your attention; we are having some concern with our pond in that area. As you are aware we experienced and reported during the summer we had a good deal of unsuitable soil in that area and we were required to use a goodly amount of our contingency funds to deal with the bad soil. We have two (2) forty-two (42) inch stormwater pipes that run on the City Hall side of the pond and as we were installing the pipe we got into the bad soil and we had to install about forty-eight (48) inches of stone to stabilize the pipe. What we have

discovered recently is that stone is now functioning as a French drain around the pond, the pond walls, by design, leach out because we are on a natural spring in that area and this pond serves as a detention pond for the entire twelve (12) acre site. That water is getting into the stone and is running parallel to the pond and discharging on the creek side of Line Street. This is important because the pond is not holding water. We are confident that that issue can be resolved, we are working with our geotechnical engineers, with our construction folks (SYS), we have reviewed several options to remedy the situation. At this point there are three (3) options for them to consider. We are looking at the economics of those and a path forward. I bring that information to you because I have been questioned on the delay in the pond area. Also, we have stopped installing irrigation and we've stopped installing the landscaping in that lower end as we resolve how we deal with this leakage around the pond area. Again, our engineers are confident that that can be resolved. On the Cannon Street side we are waiting on the gazebo to arrive and that is the reason the sidewalks have not been installed. SYS is confident they can complete that work in the time frame which is what we have been shooting for. We are still looking at a July 4th Grand Opening of the park with a concert series and different events in that area, finalizing that night with a fireworks display in City Park.

Discussion followed.

Special Election Runoff Update – A copy of the February 17th Runoff Election Certification form is attached. There were no contested ballots. Julie Barnes received one hundred and ninety-six (196) votes and M. Lee Dumas received two hundred forty-eight (248) votes.

Spartanburg County Council – I joined many of our neighbors and our Mayor at Spartanburg County Council last night (Monday, February 23, 2009) Mrs. Anderson was also with us. Mayor Danner stated he felt it was a very productive meeting. Mayor Danner stated a good group of twenty-five (25) to thirty (30) people went as well. Dr. McAbee (Victor Community Association Chairman) had gone over earlier in the day and spoken with the committee and had another opportunity to address the Council as a whole. I was able to address Council as well too to convey the concerns of the citizens of that area in regards to cleanup. We were quite pleased that Mrs. Jane Hall, the newly elected representative of the bulk of the Spartanburg side of Greer had apparently worked hard in committee and the committee brought a recommendation to the full Council that they proceed in entering into a memorandum of agreement with Regensis and another developer to begin at least at this point determining a path for the cleanup at the mill. The Council will be moving forward in that regard.

Budget – We received a communication last week that a subcommittee of the House Ways and Means Committee was considering a proviso that would reduce the aid to political subdivisions by forty-two percent (42%). State wide that was one hundred and twenty-two million dollars (\$122,000,000.) that was being reduced out of local government funds by the state. The committee reported it was a split vote at subcommittee level, it followed party lines. To our surprise the full House Ways and Means Committee remained in Columbia on Thursday and met into the late hours and the committee reported favorably on a budget utilizing the one hundred and twenty-two million dollars (\$122,000,000.) of local government funds to assist in balancing this state budget. We have been working very diligently since Thursday when we received this

information and communicated to our legislative delegation what that means to us. I wanted to share with you, I received a memo from the Municipal Association looking for how communities were going to be impacted by this and what does it mean to individual communities. I share this with you not to say this is what we will do or how we will handle this situation but I gave it back as an example of what the impact to a community like Greer is when this happens. Reba's comment was we are trying to gather specific stories about how the one hundred and twenty-two million dollars (\$122,000,000.) aid to subdivision cut will affect your city or town, please give us specific information. My response back to them was two hundred and thirty-one thousand dollars (\$231,000.00) to Greer is equivalent to three (3) mills of tax or the elimination of seven (7) entry level police officers, or seven (7) firefighters or we could choose to eliminate some recreation services by closing three (3) community centers, and eliminating all senior programs and cultural art programs and cutting off all of the lights at all of our ball parks at night. Add the short fall we are already experiencing due to the economic downturn and related decline in housing starts and commercial development we can expect about a six (6%) percent decline in revenues with a corresponding decline in expenses. Of course there is no way to spread that across the board when you have no control of many of our expenses. Examples such as insurance, debt, land fill costs, prisoner housing expenses, etcetera therefore we must reduce personnel costs through job elimination, salary freezes, furloughs etcetera. That is how paramount what the State of South Carolina has done to local government and we are hearing that story all over the state. Mayors, Managers and administrators are responding back to the Municipal Association and communicating back to our representatives in Columbia in both the Senate and at the House that the elimination of the aid to subdivisions is crippling to local government and to balance the states budget at the expense of the services which are provided at the local level in our opinion is inappropriate because it is creating a burden back here at home with no remedy being provided to us on how to handle that shortfall. That is the number two-hundred and thirty-one thousand dollars (\$231,000.) in addition to the fifty-eight thousand (\$58,000.) that we've been cut this year already. This two-hundred and thirty-one thousand (\$231,000.) would be effective in next years budget but as you are aware we already experienced fifty-eight thousand (\$58,000.) cut from the existing budget. That is close to three-hundred thousand dollars (\$300,000.) for us. In a budget our size and a community our size that is a significant reduction in a revenue stream and how we deal with that, we will be looking at a number of ways but I still think it is important for you and us to communicate directly with member of the House of Representatives to let them know what the impact is to us here at home. If that budget is ultimately approved by the full House it will be interesting to see what the Senates version of that budget will be and of course going to Conference Committee. Its not a done deal but it passed sub-committee and it passed committee and it now goes to the full House for ratification.

Discussion followed.

As you are aware we continue to monitor our revenues on a week to week basis. Of particular interest and concern to us are certain line items, areas directly related to development that we are being impacted by and we continue to watch that on a week to week basis. Unfortunately, as I report this to you on a continued basis that number is continuing to grow those revenue items that are directly related to economic conditions within our community. We now see that we are seven hundred sixteen thousand and four hundred and fifty seven dollars (\$716,457.) behind where we were last year at the exact

same time. Whether or not we will see this trend continue between now and June 30th I don't know, but as you look through the reports that were in your package today you saw something that we've not seen in about eighteen (18) years I believe and that was that we had zero (0) housing starts in this community in January. That is a bit frightening. Are we going to see that turn, those of us that were at the Municipal meeting last week we heard some economic forecast we believe we are at the bottom, but the question was how long does the bottom last? That's an unknown for us, from a staff perspective in forecasting the budget we don't know. We are going to spend some time looking at these numbers at your Council Retreat. But year to date for the period February 20th we have collected fifty-four percent (54%) of those funds needed to fund our budget. In relation to last years budget at the exact same time we were at forty-nine percent (49%). So that is very good news and very encouraging. Our tax revenues are coming in at rate where we would have expected those to come in; we are not seeing a decline in those areas. We are receiving revenue of one million six hundred ninety-one thousand seven hundred and thirty-nine dollars (\$1,691,739.) collected more that the same period last year and our budget grew one million four hundred thirty-one thousand four hundred forty-five dollars (\$1,431,445.). We will talk more about this on Thursday and Friday. What is important is, that as David reported, our budget is eight percent (8%) under budget. If we were not bringing the budget in under on expenses we would be in a very, very critical situation. It is still my projection that we will operate this year in a deficit I think we will spend more money than actually comes in, we budgeted for some of that deficit to be used from our fund balance we reported a very favorable fund balance at our last meeting with our audit we are in a good financial position but the thing that concerns me most is that the comment made by the Chairman of the House Ways and Means Committee is that the reason that municipalities can absorb this forty-two percent (42%) decrease in aid to local subdivision is because they (we) have the ability to use our cash reserves to balance our budgets. As you well know, you cannot fund recurring expenses with reserves. Reserves are to pay for those things that are unexpected to get you over a hump. You cannot fund long-term recurring expenses with that. I think that is the misconception that many of the members of our State Legislature have is that local governments have the ability to take this on the chin this year or next year. As we know the State does not taketh and give back, it will not come back to us if we loose that funding source. That recurring expense will cause to literally have to reexamine some of the services we provide.

Council Planning Retreat – Reminder, the Council Retreat is scheduled for this Thursday and Friday February 26th and 27th. We will start Thursday at 2:00 p.m. until 9:00 p.m. and Friday at 9:00 a.m. until 2:00 p.m.

DHEC – We have received notification from DHEC that they have received and reviewed the annual report of activities conducted in support of our MS4, part of our Stormwater management program that is regulated by EPA and DHEC. They letter states "Based solely on content of the annual report no deficiencies were noted for the Stormwater management program currently under development." That is very, very important for us that the state is not recognizing any deficiencies in our program. What is particularly important to us is that we know that not every county and municipality that is a permitted MS4 community is receiving this letter. There are many communities that are in non-compliance and are at risk of being fined by DHEC. We are very pleased that our Engineering Department, Our Building and Development Standards Department through

Phil Rhoads and Don Holloman and Lillian Handley are doing an excellent job in managing that program.

Reminder:

State Ethics reports are due by April 15th.

Steve Owens gave a live demonstration on the updated capabilities of the cable channel to Council.

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

APPOINTMENTS TO BOARDS AND COMMISSIONS
Planning Commission

No nominations were made for the District 4 seat.

Recreation Association Board of Trustees
District 6

Councilwoman Mercado nominated John Banning for appointment to the District 6 seat on the Recreation Association Board of Trustees. Councilman Bettis seconded the motion.

Motion carried unanimously 7-0.

No nominations were made for the District 3 seat.

NEW BUSINESS

FIRST READING OF ANNEXATION ORDINANCE NUMBER 3-2009
AN ORDINANCE TO PROVIDE FOR THE ANNEXATION OF
PROPERTY OWNED BY CAROLYN COLLINS AND
LOCATED AT 108 WOODHAVEN DRIVE BY ONE
HUNDRED PERCENT PETITION; AND TO ESTABLISH A
ZONING CLASSIFICATION OF R-12 (SINGLE FAMILY
RESIDENTIAL) FOR SAID PROPERTY

Glenn Pace presented the ordinance. Ordinance 3-2009 appeared at the 2/16/2009 Planning Commission and received unanimous approval. No one spoke in favor or opposition to the request. Neither the owner nor a representative of the property was present.

Councilman Griffin made a motion to receive First Reading of Ordinance Number 3-2009. Councilman Arrowood seconded the motion.

Motion carried 7-0.

FIRST READING OF ORDINANCE NUMBER 4-2009
AN ORDINANCE TO CHANGE THE ZONING CLASSIFICATION OF PROPERTY OWNED BY NILS ROGER STJERNVALL LOCATED AT 211 NORTH MAIN STREET FROM RM-1 (MULTI FAMILY RESIDENTIAL) TO C-1 (CENTRAL BUSINESS DISTRICT).

Glenn Pace presented the ordinance. Ordinance 4-2009 appeared at the 2/16/2009 Planning Commission and received unanimous approval. No one spoke in favor or opposition to the request. The owner of the property was present but did not speak.

Councilman Bettis made a motion to receive First Reading of Ordinance Number 4-2009. Councilman Arrowood seconded the motion.

Motion carried 7-0.

FIRST READING OF ORDINANCE NUMBER 5-2009
AN ORDINANCE TO CHANGE THE ZONING CLASSIFICATION OF PROPERTY OWNED BY CAROLYN W. AND THOMAS M. CHAPMAN LOCATED AT 116 PLEASANT DRIVE FROM R-15 (SINGLE FAMILY RESIDENTIAL) TO S-1 (SERVICE DISTRICT)

Glenn Pace presented the ordinance; he stated this is a 1.2 acre portion. Ordinance 5-2009 appeared at the 2/16/2009 Planning Commission and received unanimous approval. No one spoke in favor or opposition to the request. Neither the owner nor a representative of the property was present.

Councilman Bettis made a motion to receive First Reading of Ordinance Number 5-2009. Councilwoman Mercado seconded the motion.

Brief discussion followed.

Motion carried 7-0.

FIRST READING OF ORDINANCE NUMBER 6-2009
AN ORDINANCE AMENDING SECTION 5:7.3 USES PERMITTED BY SPECIAL EXCEPTION, C-1, CENTRAL BUSINESS DISTRICT BY ADDING BED & BREAKFAST TO THE ZONING ORDINANCE.

Glenn Pace presented the ordinance. Ordinance 6-2009 appeared at the 2/16/2009 Planning Commission and received unanimous approval. No one spoke in favor or opposition to the request.

Councilman Bettis made a motion to receive First Reading of Ordinance Number 6-2009. Councilwoman Mercado seconded the motion.

Motion carried 7-0.

FIRST READING OF ORDINANCE NUMBER 7-2009
APPROVING A FIRST SUPPLEMENT TO GROUND LEASE AGREEMENT BETWEEN THE CITY OF GREER AND BRANCH BANKING AND TRUST COMPANY AND A SECOND SUPPLEMENT TO LEASE AGREEMENT BETWEEN BRANCH BANKING AND TRUST COMPANY AND THE CITY OF GREER; AND OTHER MATTERS RELATED THERETO.

Mr. Driggers presented the ordinance.

Councilwoman Mercado made a motion to receive First Reading of Ordinance Number 7-2009. Councilman Griffin seconded the motion.

Motion carried 7-0.

EXECUTIVE SESSION

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

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

Motion carried unanimously 7-0. (8:16 p.m.)

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

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

Motion carried unanimously 7-0. (8:49 p.m.)

The meeting adjourned at 8:50 p.m.

Richard W. Danner, Mayor

Tammela Duncan, Municipal Clerk