

**MINUTES OF REGULAR MEETING OF NEWBERRY CITY COUNCIL
HELD IN COUNCIL CHAMBERS, CITY HALL, NEWBERRY, SC
JUNE 7, 2011 – 7:00 P.M.**

Members Present: Mayor Foster Senn. Council: R. LeMont Glasgow, Edwin E. Wicker, Zebbie D. Goudelock, Thomas Louis Boyd, Gregg Summer, David E. DuBose.

Also Present: City Manager Jeff Shacker, City Clerk Tina P. Wicker, Public Works Director Mac Bartley. Others Present: Moses Groom, Sharon Lucas, Columbus Gary, and others.
News representatives: Cindy Pitts.

CALL TO ORDER

Mayor Senn called the meeting to order. Councilman DuBose led in the Pledge of Allegiance. Councilman Glasgow gave the invocation.

MINUTES

Councilman Goudelock made a motion, seconded by Councilman Boyd, to approve the minutes of the regular meeting of Newberry City Council held on May 10, 2011 as presented. Mayor Senn declared the motion carried following a unanimous vote of City Council members present.

FINANCIAL REPORT

Mayor Senn advised that members of City Council had received a copy of the Financial Report for the period ending May 31, 2011. Mayor Senn indicated that the report would be attached to and made a part of the minutes.

City Manager Shacker indicated that revenues and expenditures were tracking with the adjustments made by City Council at mid-year. He noted that revenues were behind norms for past years, but that was most likely attributable to the current economic situation. He added that there may be minor adjustments to be made at the close of the fiscal year, but he would keep Council advised of those changes.

RECOGNITION OF EMPLOYEES

Mayor Senn and City Manager Shacker recognized Moses Groom, Meter Services Supervisor, for five years of service to the City; Sharon Lucas, Customer Services Supervisor, for ten years of service; and Columbus Gary, Heavy Equipment Operator, for twenty years of service to the City. Each was presented with a certificate and a gift order packet commensurate with their years of service.

PUBLIC HEARING:

Budget for Fiscal Year 2011-2012

Mayor Senn declared a Public Hearing to receive information on the proposed budget for fiscal year 2011-2012.

Minutes of the Regular Meeting of Newberry City Council

June 7, 2011

Page -2-

City Manager Shacker provided an overview of the recommended budget for Fiscal Year 2011-2012 to City Council. He indicated that it was a challenging time not only because of the economic climate but also because of the restrictions placed on local government by the General Assembly. He thanked the department heads, the Finance Director in particular and City Council for their assistance with the budget.

City Manager Shacker stated that the total budget for the next fiscal year was \$43,452,022 representing a 1.18% increase. He summarized the proposed increases contained in the budget that might most directly impact the public starting with the property tax increase of 1.4 mills which is the amount allowable under State law. He added that a fund to provide for replacement of capital items in the General Fund Budget had been established several years ago and a 1.1 mill was needed to keep the reserve level of the Capital Reserve Fund sustained. He pointed out that on the utility side the budget contained a 7.5% electric rate increase reflecting a wholesale power cost adjustment from Piedmont Municipal Power Agency and a 3.5% sewer rate increase to begin generating revenue for the replacement of the Highway 219 sewer pump station.

City Manager Shacker proceeded with more information on the revenues and expenditures in the General Fund, the Utility Gross Revenue Fund, and the Special Funds and in so doing highlighted the major increases and decreases within each fund.

No one offered comments regarding the budget presentation and Mayor Senn declared the Public Hearing closed.

ORDINANCE (#2011-1006): Chapter 9 of City Code – Implementation of Electric and Sewer Rate Increases – First Reading

Mayor Senn introduced for first reading an Ordinance (#2011-1006) to amend certain sections of Chapter 9 of the City Code which specifically address electric and sewer rates. He reported that the increase in electric rates reflect a 7.5% wholesale power cost implemented by Piedmont Municipal Power Agency and that the increase in sewer rates of 3.5% was to begin generating sufficient revenue to replace the wastewater pump station located on SC Highway 219.

Councilman Summer made a motion, seconded by Councilman Boyd, to approve first reading of the Ordinance as presented. Mayor Senn declared the motion carried following a unanimous vote of City Council members present.

ORDINANCE (#2011-1005): Adopt Budget and Levy Taxes – First Reading

Mayor Senn presented for Council's consideration an Ordinance (#2011-1005) to adopt the budget for fiscal year 2011-2012 and to levy taxes at 86.4 mills which represents a 1.4% as allowable under State law and a 1.1 mill increase for a non-operating levy to maintain the City's reserve for capital depreciation.

June 7, 2011

Page -3-

Councilman Glasgow made a motion, seconded by Councilman Boyd, to approve first reading of the Ordinance as presented. Mayor Senn said he would vote against the budget because he was opposed to the capital reserve tax millage.

Voting “Aye”: Glasgow, Wicker, Goudelock, Summer, Boyd, DuBose. Voting “Nay”: Mayor Senn. Mayor Senn declared the motion carried following a six-to-one vote of City Council members present.

RESOLUTION:

Financial Policies

Mayor Senn submitted for Council's consideration a Resolution authorizing the adoption of financial policies to guide the financial management of the City. He noted that the proposed policies contained nine components including: budget policies, revenue policies, expenditure policies, capital improvement program policies, capital reserve fund policies (general fund); debt policies; interfund transfers/borrowing; fund balance policies (general fund); accounting, auditing and financial reporting policies.

Mayor Senn asked that the City Manager explain any new items in the Financial Policies. City Manager Shacker reported that the explanation for funding of the capital reserve fund was a new policy statement and that a small change in the formula governing the transfer of funds from the utility fund to the general fund was included in the document. He added that the Fund Balance policy for the General Fund established a 30% balance to meet the cash flow needs of the City and set forth the five recommended categories of funds in the Fund Balance.

Councilman Wicker suggested that a cap be placed on the amount of money in the Fund Balance for the General Fund. He indicated he did not feel it was appropriate for it to be construed by the public that the City was in the business of making money.

Councilman Wicker made a motion, seconded by Councilman Glasgow, to refer the Financial Policies for further study. Mayor Senn declared the motion carried following a unanimous vote of City Council members present.

ORDINANCE (#2011-1007):

Amend Section V of FY2010-2011 Budget Ordinance

Mayor Senn introduced for first reading an Ordinance (#2011-1007) to amend Section V of the Fiscal Year 2010-2011 Budget Ordinance to give the City Manager authority to transfer appropriations within the City's various funds provided that the transfer does not increase the total budget of any fund.

Councilman Goudelock made a motion, seconded by Councilman Boyd, to approve first reading of the Ordinance as presented. Mayor Senn declared the motion carried following a unanimous vote of City Council members present.

Minutes of the Regular Meeting of Newberry City Council

June 7, 2011

Page 4

UTILITY:

Water Service – 233 Brown Chapel Drive

Mayor Senn advised that the City has received a request, along with the appropriately executed Annexation Agreement, for water service to be extended to the property of Janette G. Eichelberger and Edward Brown, Jr. located at 233 Brown Chapel Road in Newberry. He noted that the property was adjacent to an existing water line and would not require any extension beyond the normal tap.

Councilman Goudelock made a motion, seconded by Councilman Glasgow, to approve the Annexation Agreement and the request for water service at 233 Brown Chapel Drive. Mayor Senn declared the motion carried following a unanimous vote of City Council members present.

EXECUTIVE SESSION:

Councilman Goudelock made a motion, seconded by Councilman Summer, to enter an Executive Session for the purpose of discussing a contractual matter as outlined on the agenda. Mayor Senn declared the motion carried following a unanimous vote of City Council members present.

Councilman Goudelock made a motion, seconded by Councilman DuBose, to reconvene the regular meeting at approximately 9:00 P.M. Mayor Senn declared the motion carried following a unanimous vote of City Council members present.

NEWBERRY OPERA HOUSE: Reimbursement

Councilman Summer made a motion, seconded by Councilman Goudelock, authorizing the City Manager to redirect \$38,000 of the \$40,000 appropriation within the Hospitality and Accommodations Fund for repayment of the NOHF note in Utility Contingent/Depreciation toward the salary, insurance and utility expenditures within the Cultural Arts Fund and the remaining \$2,000 toward repayment of the NOHF note. Mayor Senn declared the motion carried following a unanimous vote of City Council members present.

Minutes of the Regular Meeting of Newberry City Council
June 7, 2011
Page -5-

ADJOURNMENT

There being no further business before City Council, Councilman Glasgow made a motion to adjourn the meeting at approximately 9:01 P.M. Councilman Boyd seconded the motion which was carried by a unanimous vote of City Council members present.

Foster Senn
MAYOR

ATTEST:

Tina P. Wicker, City Clerk
Newberry, South Carolina

(SEAL)