

**City Council Minutes**  
**August 13, 2024**

Orangeburg City Council held its regularly scheduled August 6, 2024, on Tuesday, August 13, 2024, at 6:00 PM in Council Chambers, 933 Middleton Street with Mayor Michael C. Butler presiding. This meeting was rescheduled due to potential severe weather.

**PRESENT:**

**Michael C. Butler, Mayor**

**Annette Dees Grevious**

**Jerry Hannah**

**Dr. Kalu Kalu**

**L. Zimmerman Keitt, Mayor Pro Tem**

**Sandra P. Knotts**

**Richard F. Stroman**

A motion was made by Councilmember Stroman, seconded by Councilmember Kalu to approve the June 18, 2024, minutes. The motion was unanimously approved.

A motion was made by Councilmember Stroman, seconded by Mayor Pro Tem Keitt to approve the July 9, 2024, City Council Budget minutes. The motion was unanimously approved.

A motion was made by Councilmember Kalu, seconded by Councilmember Stroman to approve the July 26, 2024, City Council Special Meeting and Budget Workshop minutes. The motion was unanimously approved.

Mayor Butler recognized "Hopeful" as the August 2024 Orangeburg County Community of Character trait.

Ms. Tracy Golden with Family Solutions appeared before Council to update on Infant Mortality, Maternity Mortality and family services provided to the community.

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Stroman to approve a resolution in appreciation of City employees, sponsors, and volunteers for the Diamond Youth Baseball World Series July 25-30, 2024.

A motion was made by Councilmember Stroman, seconded by Councilmember Grevious to approve the amended City of Orangeburg Budget Calendar 2024-2025 to change the Public Hearing to September 3, 2024. The motion was unanimously approved.

City Administrator Evering addressed Council concerning first reading of an ordinance authorizing the execution and delivery of a Fire Service agreement and contract to purchase real and personal property with Orangeburg County, authorizing the termination of individual fire contracts. He stated, "We are still negotiating with the County on an agreement. We have a structure in place that has not been finalized. As it currently stands, it would allow the City to provide fire service in the fire tax district (donut hole), instead of having the individual fire contracts that can be administratively burdensome and can be confusing for our citizens. This will allow millage to be placed, which in many regards would be less than the fire contract most people are currently paying. Again, we are continuing to work with the County and have not reached the final agreement yet, but to keep the ball rolling, we are asking that you give first reading to this ordinance."

Councilmember Stroman asked, "What real estate will be purchased as stated in the ordinance?"

City Administrator Evering stated, "Part of the agreement will allow the County at the end of the agreed upon term, currently we are looking at a 10-year term, to purchase some of the City's equipment. Again, that is subject to negotiations."

Councilmember Stroman stated, "We have next to the best, if not the best, fire department in the state. I think Battalion Chief Winningham should be involved in this process."

City Administrator Evering stated, "Absolutely, we will get both Chief Austin and Battalion Chief Winningham's sign off before we proceed."

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Knotts to approve the first reading of an ordinance authorizing the execution and delivery of a Fire Service agreement and contract to purchase real and personal property with Orangeburg County, authorizing the termination of individual fire contracts. The motion was unanimously approved.

City Administrator Evering addressed Council concerning first reading of an ordinance amending the budget for the City of Orangeburg, SC for the Fiscal Year October 1, 2023, through September 30, 2024. He stated, "This is the annual amendment we bring before you every year. This year we are requesting the budget be amended from its previous number of \$24,037,012 to \$29,053,962. There are several items that have contributed to the overall amended number including certain increases from grant funds, use of ARPA Funds and an increase in expenditure of grant funds received for the Gateway Project. Also, there is expected to be \$2,000,000 - \$2,600,000 draw down because we had budgeted for a \$2,000,000 federal grant that has not been received yet."

A motion was made by Councilmember Stroman, seconded by Mayor Pro Tem Keitt to approve the first reading of an ordinance amending the budget for the City of Orangeburg, SC for the Fiscal Year October 1, 2023, through September 30, 2024. The motion was unanimously approved.

City Administrator Evering addressed Council concerning first reading of an ordinance to raise revenue and adopt a budget for the City of Orangeburg, SC for the Fiscal Year October 1, 2024, through September 30, 2025. He stated, "There are several things I want to point out as discussed in the Budget Workshop. We are not recommending an increase in property taxes or millage for this fiscal year. We will be assessing operations to ensure we are providing services in the most efficient and cost-effective manner for our citizens. We want to reiterate to you and the public; current projects are all grant funded except for the new City Hall. We have requested \$3 month increase in the cost of residential sanitation. This will help offset inflation and the rising cost of services. The budget allows \$400,000 a year to be used from the hospitality tax funds to go toward our general fund revenue. We are currently faced with rising insurance costs. We will continue to put out RFPs and assess the best return on our investments. Included is a Master Fee Schedule for your consideration and to inform the public. We will continue to pursue grant funds. This is a lean budget, and we will continue to operate in that fashion to make sure we are being good stewards of taxpayers' dollars."

A motion was made by Councilmember Kalu, seconded by Councilmember Stroman to approve the first reading of an ordinance to raise revenue and adopt a budget for the City of Orangeburg, SC for the Fiscal Year October 1, 2024, through September 30, 2025. The motion was unanimously approved.

DPU Manager Harley addressed Council concerning first reading of an ordinance to amend the budget for the operation of the Department of Public Utilities of the City of Orangeburg for the Fiscal Year October 1, 2023, through September 30, 2024. He stated, "For your consideration this is a request to amend the current budget year, October 1, 2023, through September 30, 2024. As always, we bring you an amended budget because over the year, our numbers change. This number can change between now and third reading. If so, we will update you with the numbers."

A motion was made by Councilmember Kalu, seconded by Councilmember Knotts to approve first reading of an ordinance to amend the budget for the operation of the Department of Public Utilities of the City of Orangeburg for the Fiscal Year October 1, 2024, through September 30, 2025. The motion was unanimously approved.

DPU Manager Harley addressed Council concerning first reading of an ordinance to adopt a budget for the operation of the Department of Public Utilities of the City of Orangeburg for the Fiscal Year October 1, 2024, through September 30, 2025, (2) adopt amended Electric Rates effective October 1, 2024, (3) adopt amended Natural Gas Rates effective October 1, 2024, (4) adopt amended Water Rates effective October 1, 2024, and (5) adopt amended Wastewater Rates effective October 1, 2024. He stated, "The recommended budget supports our strategic goals to maintain operation service levels, continue to strengthen reliability, safety, and resiliency on all four services. We proposed a rate increase that will support and continue the capital improvement plan as presented at our budget workshops. Option Two is listed in the budget. If Council wants

to back off some, it is easier to adjust. Currently as presented the income is planned to increase \$9.7 million or 7.9%. Operating expenses are expected to increase by \$3.7 million or 3.5%. Cash flow from our operations is currently projected at \$35 million. We are anticipating to drawdown about \$4 million in cash. This does not include loan proceeds. This includes the transfer to the City's General Fund of \$6.1 million. Currently as projected in the budget, our year end cash is estimated to be \$43 million compared to our minimum reserve requirement of \$41 million. On our operation side, we do not expect our customer base to grow dramatically. The budget does not include increase in positions so we will maintain our current level of staffing. The budget does not include a cost-of-living adjustment but the performance-based merit program where employees are evaluated every year is included. Operating income is due to increase 7.9% from \$124 million to \$134 million. Operating expenses are budgeted to increase from \$109 million to \$113 million. Some of the drivers are the increase in system repairs, increases in inflation, some of the state mandates related to our retirement, some of the ongoing cost increases across the board. Our capital spending is projected at \$44 million which also includes \$2.5 million debt issuance in the current budget year. The lion's share is the Electric division at \$12.4 million and the Water division at \$34.2 million. Included in Option One is an increase that kept the planned rate increase on Water and Wastewater alone. Option Two includes across the board increase on Water, Wastewater, Electric and Gas. One of the reasons we presented this option is Council may grow weary of alternating increases. If we were to go with Option Two, we would not have to revisit this for another several years until 2028. Also, if you do it up front, it is a little cheaper than spreading it out over time. Option One would generate \$2.9 million for Water and Wastewater alone. Option Two is an increase on all services, and would generate \$7 million across the board"

Mayor Pro Tem Keitt asked, "Which option is better for our constituents?"

DPU Manager Harley stated, "There are benefits and disadvantages to either plan. I will give you the numbers that impact customers. Under Option One, inside the City residents would see an overall increase on total monthly bill of 2.3% or \$6.13 per month. This is for the average customer. This option only includes Water and Wastewater increases. Under Option Two, which covers all services, would be 7.1% increase or \$18.46 per month. On Option One, the outside City residents would see a \$12.26 increase. On Option Two, 9.7% or \$29.22 increase. The third option we could present to Council would be a hybrid of the two. We could lower the Water and Wastewater rates we have in Option One as a part of Option two. There is always Option Four, Council can decide not to do anything."

Councilmember Knotts asked, "How does federal agency regulations of Water and Wastewater such as clean energy and clean water factor into DPU's costs to our customers? Is the cost passed on to the customer?"

DPU Manager Harley stated, "Anytime there is a regulation that we must manage, we have no choice but to comply. Every regulation impacts our financial resources. DPU pays for these costs, and they are passed down to the customer in rate increases. If there is no rate increase passed, DPU must absorb these costs. The Water and Wastewater rates do not cover the costs. This is why I would ask that if you cut anything, do not cut Water and Wastewater."

Councilmember Stroman stated, "A lot of businesses are like that where you make money in some departments and lose in other departments. I cannot go along with a rate increase now as people are having a tough time paying bills."

Councilmember Kalu stated, "During the workshop we went through the numbers. The most viable option we had was Option Two. We need to remember this is the first reading. At the next meeting, I would like to ask Mr. Harley to show the numbers so we have them in front of us. I think Council will absorb it better. We must look at the total picture before we decide. We need to pass the first reading and then take time to absorb and analyze the numbers to see whether we want to increase the rates or not."

Councilmember Hannah asked, "Are we here because we have gone through Option Four before?"

DPU Manager Harley stated, "Yes, It is one of the reasons we find ourselves here. The amount of work that we have been doing is historic in all divisions and that is because we have negated or delayed rate increases and/or some projects because things were difficult. We have approached in the last five years, where we cannot continue to kick the can down the road."

Councilmember Hannah stated, "I asked that question because there have been hard times in the past and there will be hard times in the future, but we cannot continue to kick the can down the road. We must be more aggressive and have more foresight into the future of the City."

Councilmember Grevious asked, "Can you speak briefly on the comparison of DPU rates to similar entities as Orangeburg and DPU?"

DPU Manager Harley stated, "Currently, DPU has the lowest combined bill and that includes Rock Hill, Greenville, Columbia, Aiken, Sumter, Lexington, Charleston, Camden, and Dorchester County. Option One will move us up three spots. Option Two moves us up four spots. Those two move us in front of Rock Hill and in current position and behind Greenville, Columbia, Aiken, Sumter, Lexington, Charleston, Camden, and Dorchester County. We do not move far on either one. We would not even be in the middle of the pack. We are still comparatively, very reasonable. I will distribute to Council a comparison of inside City and outside City rate increase impact on customers for all options and the bill comparisons where we fall with other Cities/Towns as requested by Council tonight."

Councilmember Stroman asked, "Are you running water to Swansea now?"

DPU Manager Harley stated, "If you recall we acquired Bull Swamp Water at no cost. The state gave us \$15 million to make the improvements and interconnect with that system to make it a part of the DPU system. It now has the capability to sell water to Swansea, North and some of the further reaching areas on that corridor. We did not spend any money to do that."

Councilmember Stroman asked, "Are you starting to sell water to Bamberg?"

DPU Manager Harley stated, "Bamberg received a grant to have an interconnection between the City of Orangeburg's water system and the Bamberg water system. Yes, we hope to make money there."

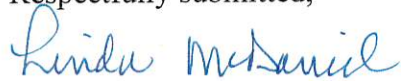
A motion was made by Councilmember Kalu, seconded by Mayor Pro Tem Keitt to approve the first reading of an ordinance to adopt a budget for the operation of the Department of Public Utilities of the City of Orangeburg for the Fiscal Year October 1, 2024, through September 30, 2025, (2) adopt amended Electric Rates effective October 1, 2024, (3) adopt amended Natural Gas Rates effective October 1, 2024, (4) adopt amended Water Rates effective October 1, 2024, and (5) adopt amended Wastewater Rates effective October 1, 2024 and to receive the analysis information for the different rate options and the comparison information from other Cities/towns. The motion was approved 6-1. Councilmember Stroman abstained.

DPU Manager Harley stated, "The public hearing and second reading is scheduled for September 3, 2024. I will put the budget item on the August 20<sup>th</sup> agenda so we can answer any questions Council may have about the information that I shared. Council does not have to vote on the reading."

A motion was made by Councilmember Stroman, seconded by Councilmember Kalu to go into Executive Session concerning discussion of negotiations incident to proposed contractual arrangements and proposed sale or purchase of property, and the receipt of legal advice for matters covered by the attorney-client privilege a) St. Matthews Road, b) Annexation, c) Railroad Corner, d) Henley Street – SC Code Sec. 30-4-70(a)(2). The motion was unanimously approved.

Council did not return from Executive Session. There being no further business, the meeting was adjourned.

Respectfully submitted,



Linda McDaniel  
City Clerk

VOID

VOID

VOID



**RESOLUTION**

**WHEREAS,** The City of Orangeburg hosted the Diamond Youth Baseball World Series July 25 – 30, 2024. Players, coaches, family members and fans traveled to Orangeburg from eleven Southeastern states and participated in the games and activities; and,

**WHEREAS,** many hours of planning, preparation and work by City employees, sponsors and volunteers were attributed, through long and faithful service, which contributed greatly to the successful event; and,

**WHEREAS,** City Council, in recognition of the fine contribution rendered the City of Orangeburg, wants to inscribe on the records its appreciation.

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor and Members of Council, in Council assembled, do officially recognize the faithful service rendered to the City of Orangeburg in the capacities in which were served the City, and we take pride in commending a job well done.

**BE IT FURTHER RESOLVED** that a copy of this Resolution, in appreciation for devotion of duty to the City of Orangeburg, be placed in the minute book of the City and a copy furnished in recognition of services.

**PASSED BY** the City Council of the City of Orangeburg, State of South Carolina, this 13th day of August 2024.



*Michael Butler*  
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MAYOR  
*L. Zimmerman Keitt*  
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*Kelvin*  
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*Robert Turner*  
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*James*  
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*James*  
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MEMBERS OF COUNCIL

ATTEST: *Linda McDonald*  
\_\_\_\_\_  
CITY CLERK