

City Council Minutes
August 20, 2024

Orangeburg City Council held its regularly scheduled meeting on Tuesday August 20, 2024, 6:00 PM in Council Chambers, 933 Middleton Street with Mayor Michael C. Butler presiding.

PRESENT:

Michael C. Butler, Mayor

Annette Dees Grievous

Jerry Hannah

Dr. Kalu Kalu

L. Zimmerman Keitt, Mayor Pro Tem

Sandra P. Knotts

Richard Stroman

A motion was made by Councilmember Stroman, seconded by Councilmember Kalu to approve the August 13, 2024, minutes. The motion was unanimously approved.

Ms. Kennedy Banks, President, Fire Squad Drug Prevention Youth Coalition appeared before Council concerning vape shops. She stated, "We are a youth selection of the Prevention Services Department at the Tri-County Commission on Alcohol and Drug Abuse. We have youth leaders from Edisto High School, Orangeburg Wilkinson High School, and the Orangeburg High School for Health Professions that work to reduce the use of tobacco, nicotine products, marijuana, and alcohol amongst youth adolescents. We also have members from Bamberg and Calhoun County. One Orangeburg County School District principal stated to us recently that by the end of the last school year he and his staff confiscated over 200 vapes from students. We are here requesting City Council make it a priority to establish a zoning ordinance to restrict the number of vape shops that can be allowed in the City, as well as where vape shops can be located. There is no doubt that the influx of vape shops are an eyesore to our community, and they are creating a public health crisis amongst our kids. Two of the biggest risk factors that contribute to youth substance use in our community are accessibility to drugs and community laws that are favorable towards drug use. Orangeburg has over 14 vape shops, which speaks to the accessibility of drugs in our community. Also, we currently do not have any laws that restrict vape shops from being set up near schools, childcare centers, churches, or youth recreation centers. Orangeburg has 291 tobacco retailers, and 29 stores of tobacco are located too close to a school which is 9.97%. This percentage is higher than the South Carolina average of 6.9%. Also 206 of our 291 tobacco retail sellers are located less than 500 feet from each other. This includes our local vape shops, many of which are up the road and across the street from each other. In closing, we urge you to make it a priority to pass legislation that will restrict tobacco nicotine licenses and limit where vape shops can be set up in our City."

Mayor Pro Tem Keitt stated "I am glad to see high school students involved. Councilmembers are talking about how many vape shops are in Orangeburg and what can be done."

Mr. William Green appeared before Council concerning Downtown Orangeburg. He stated, "I am here requesting you revisit the two o'clock curfew ordinance for sports bars, clubs, and restaurants to sell alcohol. While traveling, I have been speaking with business owners to locate at least two sports bars downtown Orangeburg. I spoke with a developer out of Atlanta, GA about potentially building a convention center somewhere near downtown Orangeburg. You must run customers out of the sports bar around 1:30 – 2:00 AM when the sporting event is still going on because of time difference in other countries. I also spoke at the County Council meeting last night on a project that I am working on for restaurants, sports bars, and retail businesses, to have a couple of members that work in those establishments be educated by Orangeburg County EMS and have a diabetic meter and blood pressure machine on hand."

City Administrator Evering addressed Council concerning second 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 an annual ordinance that we ask Council to pass to make sure we end the fiscal year with a balanced budget. This year's budget is currently \$24,032,012. We are asking to amend it to \$29,053,962. A lot of the difference is due to the use of grant funds, ARPA funds and grants received from the state. As I indicated last week, all projects that we are working on are funded via grants, except for the new City Hall, which Council passed an installment purchase revenue bond to fund."

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Kalu to approve second 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 second 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, "We are currently assessing the City in terms of our operations and structure. We are looking for efficiency to ensure we are spending taxpayer dollars in the most effective and efficient manner. We are not asking for a tax increase. In front of you is an updated fee schedule. For your information and the public, I want to point out some proposed fee increases. Residential roll cart fee increases from \$17 to \$20 a month which is still below the market rate average of \$35 to \$40 a month. All these increases are due to inflation, and we want to make sure that we can continue to provide services that our citizens expect. Fingerprinting increases from \$5 to \$10. There are some inspection fees that we are asking to be increased. There are some new fees that we are proposing. Several from the fire department such as nuisance alarms that happen when the fire department goes out and it is a false alarm. We are proposing that on the fourth occurrence, we charge \$150 fee, so you get three chances to have a nuisance alarm in the calendar year. It costs our fire department to mobilize and go out. The fifth will be a \$300 charge, and the sixth would be a \$500 charge. We also are proposing an opening and closing cemetery fee of \$300 and a grave marker fee of \$150. I do not think we currently charge a fee for those services. Overall, we are asking for a budget of \$26,914,205."

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

A motion was made by Councilmember Stroman, seconded by Councilmember Knotts to approve the cancellation of the November 5, 2024, Council meeting due to Election Day. The motion was unanimously approved.

A motion was made by Councilmember Stroman, seconded by Mayor Pro Tem Keitt to approve the nomination of Dr. Erica Taylor to the Accommodations Tax Advisory Committee for the unexpired term ending June 6, 2025. The motion was unanimously approved.

DPU Manager Harley addressed Council concerning second 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, "This ordinance amends our current year budget to reflect more accurately any of the changes that have come up throughout the year with revenue and expenses. I would ask you consider second reading on this amendment tonight. Keep in mind these numbers, as we get closer could change until the final third reading."

A motion was made by Councilmember Kalu, seconded by Councilmember Grievous to approve second 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. The motion was unanimously approved.

DPU Manager Harley addressed Council concerning second 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, "As Council requested, I sent more information regarding the options that we discussed. I would like to review what is in the current budget. The budget continues to maintain our capital improvement plan as set by Council, as discussed in our budget retreat. The transfer to the City's General Fund of \$6.1 million is continued. We are expected to draw down cash, excluding loan proceeds, of \$4 million. We are projected, under this current proposed budget, to see \$134 million income and \$112-\$113 million expenses. The total capital project spending is estimated at \$44 million. The largest share of that would be in the electric division of \$12.4 million and water division of \$34.2 million. Some of these projects are multiyear projects. I want to give a brief explanation of the current budget options. Option One would be an increase in water and wastewater rates which continues the plan presented to Council three years

ago. Option Two would be an across-the-board increase that would include raising the rates on all four utilities. Option Three would raise the rates on all four utilities but is hybrid which includes Option One increases for water and wastewater rates and Option Two increases for the electric and gas rates. As I talked to Councilmembers, I explained all three plans work for us. I tried to give you plans that are very doable and meet the needs of the utility. The recommendation I would give Council, based on the feedback from you, is Option One. Remember, Option One continues our normal rate plan that we started three years ago, which alternates back and forth between the water and wastewater and the electric and gas utilities increases. I distributed two sheets that reflect inside and outside rates. Option One would go up a total of \$6.13 for water and wastewater inside and a total of \$12.26 for outside. Remember outside City rates are double the inside City rates. Option Two, the inside rate would be \$18.46 increase, and outside rate would be \$29.22 increase. Option Three would go up to \$13.83 for inside rate and \$19.96 for outside rate. Remember one of the reasons we talked about those two options is it gives Council some breathing room in terms of how long we have to wait before the next rate increase is visited. The initial plan, Option One, brings an increase every year for at least the next two years and is a modest increase over time. Option Two and Option Three are both larger upfront increases.”

Councilmember Grievous stated, “Please explain the capital improvements the rate increases would address.”

DPU Manager Harley stated, “The last several years we have invested a tremendous amount in our capital improvement plan. The current budget seeks to invest about \$44 million. In order to do that, we need to make sure that we can predict our revenue stream going forward to be able to manage the investment that we are making into the utility that ranges from the \$34 million projects in the water division, upgrades to our substations and continuing projects that demands the rate to be stable or revenue be stable. If we do not make those investments, we will lose control of cost and the quality of service. I want to thank Council as you have been very gracious and generous allowing us to reinvest in our system. We have spent \$220 million investing in our system over the last five years, and then we showed you the projection going forward is as big. That is why these rates being maintained at a reasonable level is so important to maintain those investments. You have a tremendous responsibility as you are the board of directors, Council, over what is the second largest utility owned by a City in the state of South Carolina. We want to make sure we are good stewards and is why we are asking for these things as we want to make sure that we can manage all that we are responsible for.”

Councilmember Stroman stated, “The citizens of Orangeburg own DPU and we built it to have the lowest rates in the state. There are ways you can cut corners. I do not think people are ready for a rate increase now as they are having a hard time paying the current bill. I am not in favor of raising the rates.”

Mayor Butler stated, “We want good drinking water. We have more houses being built; things are progressing at a fast rate for us. We have the best water in the state. To maintain the level of efficiency for our citizens, sometimes we have to raise rates. I am not for Option Two and Three, because that is a little steep. The wastewater and water rates have been down for a long time. I think you have done a good job investing in the electric division, I am not in favor of raising that now. I support Option One.”

Councilmember Grievous asked, “Option One would require a rate increase every year to get the needle where it is needed for these capital projects?”

DPU Manager Harley stated, “It was planned three years ago that we alternate back and forth over these last three years. It would call for two more increases, one in the next fiscal year for electric and gas and then one for water and wastewater the following year to get us where we need to be.”

Councilmember Hannah stated, “You cannot give great service without revenue.”

Councilmember Grievous stated, “It is alternating utilities, but there is still a rate increase every year?”

DPU Manager Harley stated, “Correct, at Council's pleasure.”

Mayor Butler stated, "We do not have to have an increase every year, it is at our discretion. We base our decision on our budget."

Mayor Pro Tem Keitt stated, "I rather not have an increase every year."

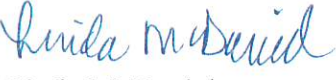
A motion was made by Councilmember Kalu, seconded by Councilmember Knotts to amend the ordinance to Option One for the budget for the operation of the Department of Public Utilities of the City of Orangeburg for the Fiscal Year October 1, 2024, through September 30, 2025, and to postpone the second reading to the September 3, 2024, Council meeting. The motion was approved 5-1-1. Councilmember Hannah opposed and Councilmember Stroman abstained.

DPU Manager Harley stated, "I will have my staff make those amendments and bring you back a budget with Option One."

A motion was made by Councilmember Stroman, seconded by Councilmember Grievous to go into Executive Session concerning discussion of negotiations incident to proposed contractual arrangements and/or the receipt of legal advice where the legal advice relates to pending, threatened, or potential claim or other matters covered by the attorney-client privilege, settlement or legal claims, or the position of the public agency in other adversary situations involving the assertion against the agency of a claim S.C. Code Sec. 30-4-70(a)(2) a) Pole Attachment Agreement b) Health Insurance Contracts c) Hillcrest Lease d) EV Charging Stations and e) Railroad Corner. 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