

**City Council Minutes**  
**September 3, 2024**

Orangeburg City Council held its regularly scheduled meeting on Tuesday September 3, 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**  
**L. Zimmerman Keitt, Mayor Pro Tem**  
**Sandra P. Knotts**  
**Richard Stroman**

**ABSENT:**

**Dr. Kalu Kalu**

Mayor Butler opened Public Hearing 1: Consideration 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. No one spoke Public Hearing 1.

Mayor Butler opened Public Hearing 2: Consideration of an ordinance to adopt a budget for the operation of the Department of Public Utilities of the City of Orangeburg, SC for the Fiscal Year October 1, 2024, through September 30, 2025, (2) adopt amended Electric rates effective October 1, 2024, (3) adopt amended Water rates effective October 1, 2024, and (4) adopt amended Wastewater rates effective October 1, 2024. No one spoke at Public Hearing 2.

A motion was made by Councilmember Stroman, seconded by Mayor Pro Tem Keitt to approve the August 20, 2024, minutes. The motion was unanimously approved.

A motion was made by Councilmember Stroman, seconded by Councilmember Knotts to approve the June 27 and June 28, 2024, DPU Budget Workshop Minutes. The motion was unanimously approved.

Mayor Butler recognized "Self-Awareness" as the September Orangeburg County Community of Character Trait.

City Administrator Evering addressed Council concerning third 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 we ask Council to pass to end the fiscal year with a balanced budget. This year's budget is currently \$24,037,012. We are asking to amend it to \$29,053,962. The primary difference is the receipt and expenditure of grant funds for the new City Hall, the Gateway Project, and DYB. We are also asking that \$2 - \$2.5 million in reserves be expended. That is primarily because of a U.S. Department of Justice Community Oriented Policing Services (COPS) grant DPS that we are not accepting. We are in the position now that we do not think it would be prudent to accept that grant."

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Grievous to approve third 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 third 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 is one item I want to point out that changed. We originally proposed \$26,914,205 budget. We are changing to \$29,560,812 because previously we had not included the expenditures and receipt of grant funds to include FEMA Grant \$479,100, \$700,000 State Museum Grant to the Civil Rights Museum that comes through the City, and DPS grant for the replacement of the law enforcement complex roof of \$193,000. Included in this budget is an updated Master Fee Schedule. As a reminder, we are requesting that residential sanitation rates be increased from \$17 to \$20. We are also requesting that some fees, for example fingerprints, be raised from \$5 to \$10 and that the opening and closing of graves for our cemeteries

be raised from \$420 to \$500. Medical and Health insurance in this budget is \$2,210,900. As a reminder, we are not requesting a property tax increase.”

Councilmember Stroman asked, “Is there an employee cost of living increase in the budget for employees? Is there any way to work that out?”

City Administrator Evering stated, “It is up to Council. We are not requesting it this year as we are trying to be as conservative as possible given the physical constraints that we find ourselves in.”

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Grevious to approve third 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.

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, “If Council recalls on our last meeting, you amended this ordinance to Option One. As a reminder, Option One, this budget only has a rate increase for the Water and Wastewater Divisions. Inside City rate will increase 2.3% on the average bill and total monthly increase of \$6.13. Outside City rate will increase 4.1% and total monthly increase of \$12.26. There will be no rate increase on Gas and Electric. This budget will generate revenue of \$2.9 million. Option One will increase our operating income by \$5.5 million from \$124 million to \$129 million. Our operating expenses will increase by \$3.7 million from \$109 million to \$112.9 million. Included is a \$2.4 million increase that is related to our cost to purchase power and gas which is a direct pass through to the customers. We are projecting a 2.5% increase in system repairs. Also, \$100,000 due to state mandated increases with retirement. We will continue funding of the employee performance merit program. We will continue the transfer to the City of \$6.1 million. We anticipate an extra drawdown of cash of approximately \$13 million. That will put us just shy of our minimum requirement reserve of \$31 million projected at the end of the year. As always, we will do our best to manage to hopefully reduce that number as best we can. Our projected largest two areas in capital investment are Water \$34.2 million and Electric \$12.4 million projects that we talked about at great length in the budget workshops. This proposed ordinance eliminates the Electric rate code 2-J as we have no customers on that rate. Also, we will add two rates. One rate that will need an amendment tonight is the addition of the Wastewater rate code 5-V, Multi-Unit dwelling rate. No customers are currently on this rate. This is an effort to match DPU system rates with the rates of the west of the Edisto system that we maintain and operate for the County, so we have matching rates on each side of invoices and remittance. The third rate is the addition of an Electric rate code 2-K. This rate impacts electric vehicle charging stations. Currently, we have two electric vehicle charging stations on 2-E rate, and we want to move them to a rate that is more appropriate for the type of operation. That way, we are appropriately billing or collecting the impact that they have on the system and not having to spread that cost to other customers on the system. These charging stations require much larger transformers, and we want to make sure we are collecting the appropriate amount to cover those costs and the investments we make. They also impact the system differently because they may have idle time and then they spike which also impacts our system and the cost to us. We do not want to be in a situation where we have the growth of these charging stations, and we are passing that cost on to the customers who are not using those. To recap, the one amendment we need tonight is an amendment to add code 5-V Multi-Unit dwellings to this ordinance.”

Mayor Pro Tem Keitt asked, “If we do not go with Option One, in two years, what will happen?”

DPU Manager Harley stated, “If we do not approve Option One, we would need to make some adjustments in our capital plan moving forward. We would put some projects on hold and slow some things down.”

Councilmember Grevious asked, “Would that effect the anticipated draw down as well?”

DPU Manager Harley stated, “Yes, but instead we would not do some projects.”

Mayor Butler stated, "DPU has been keeping things current and has had successful projects. They have been working on projects at the substations so when lights go out, they will not be out for long. Also working with Wastewater and Water to keep good drinking water. Compared to other municipalities that have utilities, our rates have been low."

Councilmember Stroman stated, "The DPU is owned by the citizens of the City of Orangeburg, and they are entitled to the lowest rates in the state. I have been on Council for about 15 years and during that time, you have hired someone to talk about rate increases. There are companies that can tell you how to cut expenses."

DPU Manager Harley stated, "When I first came on board, we hired a company to help us craft a capital and reinvestment plan. We implemented a multi-phase plan where we would do it by cash, rates, and bonds, to manage and keep pace. Council has been gracious to continue to move the rates incrementally to meet the needs of the system and we did a borrowing in this budget year that has helped, and other monies approved to borrow through the state SRF fund. Also, included in your packet shows how Option One increase moves us as compared to other municipalities. This moves us to \$267 and Rock Hill is \$266 putting us up a dollar over Rock Hill."

Mayor Butler stated, "For the public's knowledge, please give us the advantages of the rate increase."

DPU Manager Harley stated, "It is to help us continue to reinvest in the capital improvement of our system. That is pipes in the ground, the plants so we can continue producing clean water and being able to treat water and wastewater at our Wastewater plant before we put it back into the environment. All those things, if they go wrong, can be catastrophic in cost and in community resources. We are taking a prudent step in reinvesting in the DPU system. If we do not, there is no doubt in my mind that something will go wrong."

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Knotts to amend the budget for the operation of the Department of Public Utilities of the City of Orangeburg, SC for the Fiscal Year October 1, 2024, through September 30, 2025, to add Wastewater rate Code 5-V Multi-Unit Dwelling. The motion was approved 4-1-1. Councilmember Hannah opposed and Councilmember Stroman abstained.

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Knotts to approve 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 Water rates effective October 1, 2024, and (4) adopt amended Wastewater rates effective October 1, 2024. The motion was approved 4-2. Councilmember Hannah and Councilmember Stroman opposed.

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 and b) Strategic Plan. 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*  
Linda McDaniel  
City Clerk

