

December 13, 2013

A Special Meeting of Town Council was held on the above date at 2:00 pm at Town Hall, all requirements of the Freedom of Information Act having been satisfied.

Present were: Mike Perkis, Mayor
Jerry Kaynard, Mayor Pro Tem
Chauncey Clark, Councilman
Susan Middaugh, Councilwoman
Patrick O'Neil, Councilman

Mayor Perkis opened the meeting at 2:10 p.m. and stated the press and public were duly notified in accordance with State law. Mayor Perkis stated the purpose of the meeting was for discussion of the Town's wastewater treatment plant and options, the Town's capital projects, and an Executive Session. There were eleven members in the audience, including two members of the media.

Motion was made by Councilman Clark, seconded by Councilman Kaynard, to go into Executive Session at 2:10 pm for the purpose of Contractual – Opening of Bids for Town-Owned Lots; and Contractual – Town Hall Construction, carried unanimously.

Motion was made by Councilman Clark, seconded by Councilman Kaynard, to come out of Executive Session at 2:35 pm, carried unanimously. Mayor Perkis stated no votes or decisions were made. Council will look at the bids for the Town lots as well as the Construction Manager at Risk for Town Hall at the Council meeting on December 17, 2013.

Mayor Perkis gave a brief overview concerning Mt. Pleasant's proposal estimate to treat the Town's wastewater, as well as the estimated cost of the Town to make repairs to its own treatment plant. He stated the three elements of concern to Mt. Pleasant are impact fees; capital cost; and cost of treatment. The two elements of concern to Sullivan's Island are how much the Town would save in operating costs; and capital avoidance (what the Town will not need to spend).

Mayor Perkis reviewed preliminary cost estimates from Mt. Pleasant Waterworks to transfer the Town's wastewater to Mt. Pleasant. There were two estimates: Cost based on treatment impact fee of 500,000 gallons, and cost based on treatment impact fee of 605,000 gallons. The Town would continue to be responsible for the collection system, and it is yet determined the Town's ability to significantly reduce inflow and infiltration (I&I). This subject will be researched and studied carefully in order to determine if the Mt. Pleasant plan is economically feasible, or if the Town should make repairs to its wastewater treatment plant which includes funding engineering studies early in 2014 in preparation to submit FEMA applications.

Mayor Perkis presented information regarding a General Obligation (GO) Bond, along with timelines, costs, and funding options of capital projects. Mayor Pro-Tem Kaynard explained that there

were two options presented – A \$3.9 million bond issue which is is the cap the Town is allowed by the State; and a \$2.5 million bond issue. The objective of Council has been to determine how to finance the projects and minimize any impact on an increase in millage.

The current budget includes \$200,000 that is being used to service the current general obligation bond that will be paid off in fiscal year 2019. Therefore, it was necessary to determine if the budget would have the cash flow from next year to 2019 if a new bond was issued. By preparing a plan for a 15-year bond, the cash flow is adequate with a small millage increase. A timeline for a \$3.9 million bond issue for 15 years at 3.5% interest was presented. It shows the use of reserve funds in the earliers years, followed by savings from Town Hall trailer operating costs, and later a one mill increase one year, followed by a two mill increase the next year. There are other savings in the budget that would be used such as from consolidated dispatch. The plan does not rely on the sale of any Town-owned lots, although this plan could change to add those sales into the funding. Another option presented for the Town Hall and Fire Truck for funding of \$2,450,000 assumes the sale of Town-owned lots in case the Town is in the position to use that funding.

Motion was made by Councilman Kaynard, seconded by Councilman O'Neil, to place on the December 17, 2013 Town Council meeting for First Reading a Bond Ordinance in the amount of \$3.9 million, carried unanimously.

Resident Ed Allen thanked Council for the detailed report distributed to members in the audience and suggested a condensed version be posted on the website.

Item 5 on the agenda, discussion regarding the appraisal and sale of additional Town-owned lots, will be postponed until the December 17, 2013 Town Council meeting.

Motion was made by Councilman O'Neil, seconded by Councilman Kaynard, to adjourn at 4:00 pm, carried unanimously.

Respectfully submitted,



Ellen Miller
Town Clerk