

July 7, 2008

A Special Meeting of Sullivan's Island Town Council was held on the above date at Town Hall, all requirements of the Freedom of Information Act having been satisfied:

Present were: Carl J. Smith, Mayor
Patrick O'Neil, Mayor Pro-Tem
Buddy Howle, Councilman
Jerry Kaynard, Councilman
Mike Perkis, Councilman
Everett Presson, Councilman
Mary Jane Watson, Councilwoman

There were nine members in the audience, and one member of the media.

Mayor Smith stated that the press and public were notified in accordance with State Law, and that the purpose of the meeting was a public hearing to discuss the proposed water and sewer rates and budget.

Mr. Steven Steinert, 1301 Cove Avenue, inquired how the Town's rates compare to other municipalities, and if the water/sewer should be contracted out with another municipality. He asked that before implementing a rate increase, determine if it is cost effective to operate; and the liability of operating the sewer system. Councilman Perkis responded that Council has the same questions. A rate study will be completed and an expert hired to help answer those questions. He added that the primary purpose of the rate increase was due to the capital expenditures of the Charleston Water System and the Town's internal infrastructure. The water bond payment of approximately \$200,000 principal and interest per year has been paid by property tax funding in the past, but should be paid through the Water/Sewer Department. Although this expense will no longer be taken from general expense, property taxes will not decrease because in the past the Town has been using its reserve fund to pay for the water bond. Also, the Town is receiving \$140,000 less in property tax revenue, projected by Charleston County, in FY08. The water rates relative to other municipalities are at the high-end, however, the Town is a small system that is essentially built-out, and impact fees would not be effective at Sullivan's Island. Bobby Thompson, 2917 Iron Avenue, spoke in favor of what the Town has done with the water system in the past; and that it is basically a small island versus a large economy of scale. Marge Cantwell commented on why a vacant lot should be charged the minimum rate, as currently proposed. Mayor Smith received a letter from Dr. Jack Simmons regarding this same question. Mayor Smith responded that the Charleston Water System capital expenditure increase is to maintain the entire water system, and everyone will receive the same long-term benefit. Larry Middaugh, 2420 Raven, stated he has a vacant lot and is in favor of the increase. Susan Middaugh added that articles report increases in several municipalities; and Island residents receive good value for their money. Water and Sewer Manager Greg Gress reported that there are approximately 90 vacant lots on the island.

Motion was made by Councilman Perkis, seconded by Councilman Howle, to approve Seconding Reading of An Ordinance to Amend Chapter 18 Sewers and Sewer Disposal Sections 18-6, 18-10, 18-29, and 18-31, carried unanimously.

Motion was made by Councilman Perkis, seconded by Councilwoman Watson, to suspend the rules to have Third Reading of An Ordinance to Amend Chapter 18 Sewers and Sewer Disposal Sections 18-6, 18-10, 18-29, and 18-31, carried unanimously.

Motion was made by Councilman Perkis, seconded by Councilman Kaynard, to have Third Reading of An Ordinance to Amend Chapter 18 Sewers and Sewer Disposal Sections 18-6, 18-10, 18-29, and 18-31, carried unanimously.

Motion was made by Councilman Howle, seconded by Councilman O'Neil, to have Second Reading of An Ordinance to Amend Chapter 20 Water Supply Sections 20-1, 20-6, 20-7, 20-8, and 20-11, carried unanimously.

Motion was made by Councilman Perkis, seconded by Councilwoman Watson, to suspend the rules to have Third Reading of An Ordinance to Amend Chapter 20 Water Supply Sections 20-1, 20-6, 20-7, 20-8, and 20-11, carried unanimously.

Motion was made by Councilman Perkis, seconded by Councilman Kaynard, to have Third Reading of An Ordinance to Amend Chapter 20 Water Supply Sections 20-1, 20-6, 20-7, 20-8, and 20-11, carried unanimously.

Motion was made by Councilman Howle, seconded by Councilman O'Neil, to have Second Reading of An Ordinance to Adopt Water and Sewer Budget, July 1, 2008 through June 30, 2009, carried unanimously.

Motion was made by Councilman Perkis, seconded by Councilwoman Watson to suspend the rules to have Third Reading of An Ordinance to Adopt Water and Sewer Budget, July 1, 2008 through June 30, 2009, carried unanimously.

Motion was made by Councilman Perkis, seconded by Councilman Kaynard, to have Third Reading of An Ordinance to Adopt Water and Sewer Budget, July 1, 2008 through June 30, 2009, carried unanimously.

Councilman Kaynard apologized for the operational mistakes in the Cove Avenue area experienced by Mr. Steinert, and stated the matter will be discussed at the Committee meeting as a learning example.

Motion was made by Councilman Howle, seconded by Councilwoman Watson, to adjourn at 7:00 p.m., carried unanimously.

Respectfully submitted,

Ellen McQueeney