

City of Anderson
Regular Meeting
March 28, 2016

The regular meeting of City Council was held this date in City Hall Council Chambers at 6:00 pm. In attendance were Mayor Roberts, Mayor Pro Tem Chapman, Council Members Kirven, Thompson, Laughridge, Stewart, Buck Roberts, and Harbin. Councilman John Roberts was not in attendance. Also in attendance were City Manager, Linda McConnell; Assistant City Manager, David McCuen; Utilities Accountant, Margot Martin; and City Attorney, Frankie McClain. The invocation was given by Mayor Roberts with respects to the flag by Councilman Kirven.

APPROVAL OF MINUTES

A motion by Councilman Harbin seconded by Councilman Stewart carried unanimously (8-0) to approve the minutes of the March 14, 2016 meeting as presented.

REQUEST CONSIDERATION OF MEDICAL CONTRACT FOR THE DETENTION CENTER

City Manager, Linda McConnell said the Detention Center houses both male and female detainees for the City of Anderson, the United States Marshall Service, Bureau of Prisons and some sentenced inmates, generally having sentences of less than 3 months. The average daily population of the jail over the past 12 months has been at or around 109.6, and the average length of stay for city inmates is less than 30 days while a federal prisoner may be longer.

The Detention Center must provide health care for detainees including initial screening, dispensing medications, acute care, etc. with a physician available 24/7. These services are being provided currently with city staff. Staff began evaluating options to provide these services more efficiently.

The Anderson Police Department advertised for and accepted Requests for Proposals for a comprehensive health care delivery system. Southern Health Partners (SHP) was the only respondent. The City did reach out to local providers who were not interested in this level of specific care within a detention facility.

SHP is an experienced provider of Detention Medical Services including care for Detention Centers in Anderson County, Greenwood County, Beaufort County, Newberry County, Abbeville County, Aiken County, Laurens County, Pickens County, and more.

SHP will be responsible for all medical care for all inmates at the Detention Center, including the purchase of medicines. This responsibility of Provider for the medical care of an inmate commences with the commitment of the inmate to the custody of the administration of the Detention Center and ends with the discharge (or temporary release) of the inmate from the custody of the City at the Detention Center.

Inmates held in the Detention Center for other jurisdictions such as other counties or the US Justice Department will be included in the count, and the on-site care for these inmates will be the responsibility of the Provider for nursing and physician care, any supplies used, and for over-the-counter medications. Other medical costs which can be identified for specific inmates such as prescriptions, x-rays, dental procedures, and all off-site medically related consultations and procedures will be billed back to the originating agency, either by the City, the actual community agency providing the care, or by the Provider.

The contract amount is \$137,979.96 for a 1-year period with the ability to extend for a 2nd and 3rd year. Prior to the expiration of the 1-year contract, staff will assess how to proceed with SHP and/or other providers.

The benefit rests in the total turnkey health care delivery being provided by SHP.

The Public Safety Committee and staff met March 18, 2016 and recommend approval of the 1-year contract with Southern Health Partners in the amount of \$137,979.96 and funding for the contract will be from the Detention Center budget. The contract will start April 15, 2016.

A motion by Mayor Pro Tem Chapman seconded by Councilman Buck Roberts carried unanimously (8-0) to approve a 1-year medical contract with Southern Health Partners in the amount of \$137,979.96 for the Detention Center.

REQUEST CONSIDERATION OF A REFERRAL TO THE PLANNING COMMISSION A PETITION TO ANNEX AND ZONE TO GC, GENERAL COMMERCIAL, APPROXIMATELY 5.4 ACRES LOCATED AT 624 HIGHWAY 28 BY-PASS, AND AN ADJACENT 1.41 ACRE CITY-OWNED PARCEL

City Manager, Linda McConnell said the applicant proposes to construct a grocery store named Aldi, on the 5.4-acre parcel and annex the property to receive City services. An adjacent City-owned parcel, which contains a sewer trunk line, is requested by the staff to be annexed as well. The proposed zoning classification of GC, General Commercial is consistent with surrounding properties that have been annexed in recent years.

The Planning Commission meets on April 5, 2016.

A motion by Councilman Laughridge seconded by Council Member Thompson carried unanimously (8-0) to approve referral to the Planning Commission a petition to annex and zone to GC, General Commercial, approximately 5.4 acres located at 624 Highway 28 By-Pass, and an adjacent 1.41 acre City-owned parcel.

REQUEST CONSIDERATION OF A REFERRAL TO THE PLANNING COMMISSION A PETITION TO
REZONE 407 CONCORD ROAD FROM R-15, SINGLE-FAMILY RESIDENTIAL TO NP,
NEIGHBORHOOD PROFESSIONAL

City Manager, Linda McConnell said the applicant proposes to rezone the subject property in order to operate a massage therapy office. The structure is currently vacant, but was previously used as a rental house. The requested zoning classification of NP, Neighborhood Professional was created and adopted by the City Council in 2003 to accommodate low intensity professional and business offices and health services (no retail) that are compatible with residential areas.

The Planning Commission meets on April 5, 2016.

A motion by Council Member Thompson seconded by Councilman Laughridge carried unanimously (8-0) to approve referral to the Planning Commission a petition to rezone 407 Concord Road from R-15, Single-Family Residential to NP, Neighborhood Professional.

REQUEST CONSIDERATION OF ORDINANCE 16-05 PROVIDING FOR THE SALE AND ISSUANCE OF
WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS

City Manager, Linda McConnell said the staff is requesting first reading of Ordinance 16-05 authorizing the issuance and sale of not exceeding \$45,000,000 Water and Sewer System Revenue Bonds to refund the 2009 bond series.

The City of Anderson has outstanding principal balance of \$44,050,000 for the 2009 Water and Sewer Revenue bonds. By refunding the outstanding bonds at lower interest rates, the City could save between \$119,500 and \$139,000 annually.

There are financial thresholds that have been established to determine when or if the City should enter the financial market for advanced bond refunding.

The staff will look at the net present value savings and determine if the savings will make a material impact on lowering our debt service payments and also how the potential cash flow savings would affect the water and sewer budgets.

Based on the bond market today, the City would receive a net present value cash savings of \$1,900,000 to \$2,325,000 over the remaining life of the bonds which is 2039.

Since the bond refunding process takes 75-90 days, the staff recommends that the City proceed with first reading of the bond ordinance, so that when or if the market conditions are favorable, the City will be ready to proceed with refunding all or a portion of the bonds.

Ordinance 16-05 was prepared by McNair Law Firm, bond counsel, and reviewed by Frankie McClain.

Utilities Accountant, Margot Martin spoke to Council about the thresholds established by the guidance of the Finance Committee to be in the position to refund.

There are financial thresholds that will be used in determining when/if the city should enter the financial market for advanced bond refunding.

These factors are:

1. Net present value of savings as a percentage - this measurement is the value or net present value of savings and whether this figure is meaningful to the city and makes a material impact in lowering fixed debt service payments. Industry standard is at least 3%.
2. Annual cash flow savings - this measurement allows the city to focus on annual cash flow savings and whether these savings make a material impact in lowering the fixed debt service payments and lessening the impact on the city's budget.
3. Net present value of savings verses negative arbitrage factor - this measurement occurs in advanced refunding when the investment earnings in the escrow (escrow yield) are lower than the maximum permitted earnings under tax law (arbitrage yield). Industry standard is at least 1.00X, which would indicate that the NPV savings is greater than the negative arbitrage.

Based on the directions given by the Finance Committee on March 10th, the finance staff recommends the following as the city's threshold to enter into the bond market to refund the 2009 Water and Sewer Revenue Bonds:

1. Net present value of savings as a percentage:
 - a. 0-1 years from call date 3%
 - b. 1-2 years from call date 4%
 - c. 2-3 years from call date 5%
 - d. 3-4 years from call date 6%
2. Annual cash flow savings: minimum of \$115,000 in annual net savings
3. Net present value of savings verses negative arbitrage factor: >1.00X

The City's Financial Advisor, David Chitwood will attend the April 11, 2016 Council Meeting to discuss the refunding in more detail before second and third reading.

A motion by Councilman Laughridge seconded by Council Member Thompson carried (7-0) with Councilman Harbin abstaining to approve Ordinance 16-05 providing for the sale and issuance of City of Anderson Water and Sewer System Revenue Bonds, Refunding Revenue Bonds not exceeding \$45,000,000 on First Reading.

ADMINISTRATIVE BRIEFING

UPCOMING EVENTS

City Manager, Linda McConnell reminded Council of the following upcoming events and all meetings in March and April 2016.

March 29th – National Community Development Week Celebration Drop-In

April 7th – Block Party begins

April 14th – Fair Housing Workshop

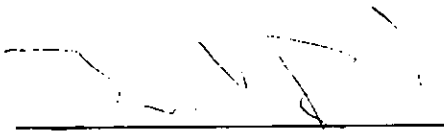
April 14th – Anderson County Municipal Association Meeting

April 29th – Art on the Town – Main St. Art Crawl

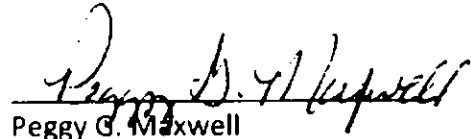
ADJOURNMENT

A motion by Councilman Buck Roberts seconded by Councilman Laughridge carried unanimously (8-0) to adjourn.

ATTEST:



Terence V. Roberts
Mayor



Peggy G. Maxwell
City Clerk Treasurer