

**MINUTES**  
***Town of Lexington***  
***Executive Session and***  
**COUNCIL WORK SESSION**

January 22, 2013

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Town Council held an Executive Session followed by a Council Work Session on January 22, 2013 in the Eli Mack Sr. Room. The meetings were attended by: Mayor Randy Halfacre, Councilmembers Kathy Maness (arrive 6:40), Ted Stambolitis (depart 6:12), Todd Shevchik (arrive 5:45), Danny Frazier and Steve MacDougall. Mayor Pro-Tem Hazel Livingston was absent (excused).

Staff members present were: Town Administrator Britt Poole, Assistant Town Administrator Stuart Ford, Municipal Attorney Brad Cunningham, Police Chief Terrence Green, Director of Planning, Building and Technology John Hanson, Utilities and Engineering Director Allen Lutz, Finance Director Kathy Roberts, Director of Parks, Streets and Sanitation Dan Walker, Events and Media Coordinator Jennifer Dowden, Assistant Municipal Clerk Karen Hanner, and Municipal Clerk Becky Hildebrand.

There were approximately eight (8) citizens present for the Council Work Session. There were no members of the news media present.

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**EXECUTIVE SESSION REPORT**

Mayor Halfacre reported that the *Executive Session* was called to order at 5:33 p.m. after a motion was made by Councilmember Stambolitis and seconded by Councilmember Frazier to go into *Executive Session* to discuss two routine personnel issues; two contractual issues related to an economic development on Main Street; and, one legal issue related to an in-town sewer matter. The motion was unanimously carried by all those present (Frazier, Halfacre MacDougall, Stambolitis). Council adjourned from *Executive Session* at 6:10 p.m. after a motion was made by Councilmember Stambolitis and seconded by Councilmember Frazier. The motion was unanimously carried by all those present (Frazier, Halfacre, Shevchik, Stambolitis). Councilmember MacDougall was not present for the vote. No vote was taken during the Executive Session. A motion was made by Councilmember MacDougall and seconded by Councilmember Shevchik to ratify the Mayor's *Executive Session* report. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Shevchik).

**INVOCATION, PLEDGE OF ALLEGIANCE AND CALL TO ORDER:** Mayor Halfacre introduced the Council Members and welcomed everyone to the Council Work Session. Mayor Halfacre gave the invocation and led in the Pledge of Allegiance. Mayor Halfacre called the meeting to order at 6:15 p.m.

**MINUTES**  
**COUNCIL WORK SESSION**  
January 22, 2013

**APPROVAL OF MINUTES:** A motion was made by Councilmember Frazier and seconded by Councilmember Shevchik to approve the minutes as submitted for September 4, 2012 Council meeting, November 5, 2012 Council meeting, and November 19, 2012 Council Work Session. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Shevchik).

**PRESENTATIONS**

1. **Comprehensive Annual Financial Report FY 2012 – Mr. Ken Prince, CPA Brittingham, Brown, Prince and Hancock:** Mr. Prince thanked the Mayor and Council for again allowing him to be the Independent Auditor for the Town. He also thanked Finance Director Roberts and her staff for preparing the documents. He added that the Town is in “good shape” and it is a pleasure to work with a Finance Director that is also a CPA and understands and protects the financial wellfair of the Town.

Mr. Prince gave a brief summary of the Comprehensive Annual Financial Report. He stated that net assets of the Town exceeded its liabilities at year end by \$96,937,532 of which \$14,349,580 was unrestricted and available to meet the ongoing obligations and operations of the Town. Total net assets increased by \$4,127,051 as revenues of \$24,538,924 exceeded expenses of \$20,411,873. Governmental activities contributed \$673,177 and business-type activities contributed \$3,453,874. Government Funds ending balance was \$4,046,859, a decrease of \$204,996. Approximately 62% of the ending balance is available for spending at the Town’s discretion. The Town has \$60,722,045 in bonds, notes, contracts and capital leases payable at year end, a decrease of \$2,893,326 from the prior year. The decrease occurred due to principal repayments, plus paying off the General Obligation Bond Anticipation Note of \$1,542,037. He concluded that they did not find any deficiencies in internal control over financial reporting that they would consider to be material weaknesses.

Mayor Halfacre thanked Mr. Prince for his report and asked if there were any suggestions for the Town to be more transparent. Mr. Prince stated that many Town’s now place a monthly report on their web page, but the Town of Lexington was already transparent in methods of reporting financial information to the public.

**BUSINESS ITEMS:** (For Discussion and Recommendation for Council Meeting on February 4, 2013.)

1. **Sale of Property on North Lake Drive – Municipal Attorney Brad Cunningham:** The Town received an offer for the triangular piece of property which fronts on North Lake Drive and is behind the Liverman Hospital. It was formerly the home of the LICS food pantry and a structure still stands on the property. The parcel consists of .303 acres. The offer on the property is \$225,000 and the prospective buyer would like to close on the property as soon as possible.

**MINUTES**  
**COUNCIL WORK SESSION**  
January 22, 2013

The Town asked for earnest money in the amount of \$1,000. Customary closing costs attributed to a seller would be paid by the Town. An ordinance would be required to sell the property.

A motion was made by Councilmember Frazier and seconded by Councilmember Shevchik to place the item on Council's February 4, 2013 agenda for consideration of First Reading. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Shevchik).

2. **Architecture and Appearance Manual Update – Director of Planning Building and Technology John Hanson:** The Vision Plan recommended updating the Town's Architecture and Appearance Manual within the first year of the plan's adoption. The Architecture and Appearance Board reviewed the manual and provided an update for Council's approval. (Copy attached.) The recommended revisions include updated photographs and minor changes to the text intended to clarify language in the manual.

A motion was made by Councilmember Frazier and seconded by Councilmember Shevchik to place the item on Council's February 4, 2013 agenda for approval. Mayor Halfacre stated that this manual has been a good addition and many towns do not have such a manual. Mr. Hanson stated that the Board also recommended that the manual be reviewed each year. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Shevchik).

3. **Mid-Year Budget Adjustment – Finance Director Kathy Roberts:** The following budget adjustments are necessary for the current year. No net increase in appropriations occurs as a result of the requested change. In addition, any funds received if and when the LICS property is sold will be deposited in the Capital Improvement Projects Fund. An ordinance would be prepared for First Reading.

Enterprise Fund

(1.)	Increase in the Utilities Capital Outlay	\$75,000
(2.)	Increase Income for Sale of Assets	\$60,000
(3.)	Reduce Sewer Treatment Cost Budget	\$15,000

Other Funds

(4.)	Increase Vision Plan Fund	\$160,000
(5.)	Decrease Administration Advertising Budget	\$ 60,000
(6.)	Transfer Designated Capital Improvement Fund	\$100,000

A motion was made by Councilmember MacDougall and seconded by Councilmember Frazier to place the request on Council's February 4, 2013 agenda for approval. Ms. Roberts confirmed that some trucks and pumps were

**MINUTES**  
**COUNCIL WORK SESSION**

January 22, 2013

sold on-line for \$60,000. Mr. Poole confirmed that \$10,000 was included for an additional Façade Program award this year. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Shevchik).

4. **Temporary Capital Contribution Fee Policy – Assistant Town Administrator Stuart Ford:** Town Staff, acting at the direction of Council, met with representatives of the Home Builders Association to develop a transition plan from the temporary policy of allowing single sewer certificate purchases under the Town's Sanitary Sewer Agreements. The resulting proposed revised Temporary Capital Contribution Fee Policy extends through November 1, 2014, with a series of scheduled increases in the required minimum number of certificates to be purchased. The result is that at the expiration of the revised policy the minimum number returns to ten (10) certificates as required by our Agreements. The Home Builder Association representatives agree this is a reasonable transition plan. (Draft copy attached.)

A motion was made by Councilmember Shevchik and seconded by Councilmember MacDougall to place the item on Council's February 4, 2013 agenda for consideration. Mr. Ford gave a brief summary of the revised policy which states: One (1) certificate for sewer through May 1, 2013; two (2) certificates from November 2, 2013 through May 1, 2014; six (6) certificates from May 2, 2014 through November 1, 2014; and after November 1, 2014 the minimum purchase would be ten (10) certificates and the temporary policy would expire. Councilmember Frazier stated that since the builders met with Staff and they were all happy with the revised temporary policy they should have no excuses later. Mayor Halfacre confirmed that the revised temporary policy still met the Town's Bond obligations. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Shevchik).

5. **Street Repairs Project – Assistant Town Administrator Stuart Ford:** Town Staff, along with the Town's Consulting Engineers, evaluated the Town's road system; estimated repair costs; and, prioritized repair projects through the Town. The prioritized list was provided to Council with a proposed project budget for street repairs. (Copy attached.) The intent of the prioritization is to get the most repairs completed on the roads with the worst conditions that impact the most traffic. The Town intends to develop the RFP in a manner to maximize total repairs performed with the Town's overall project budget. The approved prioritized project list will be flexible to allow modification based upon results of the RFP process. The Project Sources and Uses Budget provides that the 2013 GO BANs will contribute approximately \$630,000 and designed Streets and Infrastructure Funds approximately \$335,680 for a total budget of \$965,680.

Mr. Ford stated that Parks, Streets and Sanitation Director Walker did the initial evaluation and graded the streets on a scale from A to F, with F being the worst streets. The engineer's estimate was \$1,715,287. Mr. Ford stated that the plan would include any funds available from the Golden Hills Special Tax District which

**MINUTES**  
**COUNCIL WORK SESSION**  
January 22, 2013

would allow for a better price on a larger project. He added that with current funds the Town would get the project done through the area highlighted on the chart in light grey. There were several items at the bottom of the chart highlighted in dark grey that Staff will make in-house repairs. Mr. Ford confirmed that a formal meeting had not taken place with Golden Hills, but he wanted to get with the committee to prioritize the roads in Golden Hills. Mr. Poole stated that the Town takes this project on every five years.

Councilmember Frazier asked if Carnoustie Court was included. Mr. Walker stated that Carnoustie Court backs up to Mallard Hills on the other side of the pond. Mr. Poole stated that Carnoustie Court is the only street in the subdivision that the Town owns and Raymond Circle was repaired through the Special Tax District. Mr. Ford confirmed that the estimated cost to repair Carnoustie Court was \$170,000. Councilmember Frazier stated that there are only three houses on Carnoustie Court and one more lot. Councilmember MacDougall confirmed that other roads in Golden Hills would be repaired with this road project. Councilmember Frazier stated that the roads in Golden Hills did not have much base under them. Mayor Halfacre stated that some of the golf cart paths also needed repair. Mr. Ford stated that the Town accepted Carnoustie Court, which does not have much traffic on it, but it was not built to a good condition. He added that if something was not done soon, it would wash away. Mr. Poole stated that the road was accepted in error in 2005 by the Town's in-house engineer.

**Mr. Brad Arnold**, Golden Hills resident, estimated that the Special District Fund contained \$200,000 and wanted to know how much the Town was going to add. Mr. Ford responded that the Town would not add any additional funds, but would use the funds as outlined previously, so the project would be larger in order to get the best price. Mr. Arnold requested to review the proposed project and to meet with the Golden Hills Special Tax District Committee. He added that Mr. Ford has been a pleasure to work with, which is much better than years ago.

A motion was made by Councilmember MacDougall and seconded by Councilmember Frazier to place the item on Council's February 4, 2013 agenda for consideration. The motion carried unanimously carried by all those present (Frazier, Halfacre, MacDougall, Maness, Shevchik).

6. **Appointment to the Historic Preservation Review Board – Municipal Clerk Becky Hildebrand:** Mr. Tim Privette requested to serve on the Town's Historic Preservation Review Board. (Talent Bank application attached.)

A motion was made by Councilmember Maness and seconded by Councilmember MacDougall to place the item on Council's February 4, 2013 agenda for consideration. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Maness, Shevchik).

**MINUTES**  
**COUNCIL WORK SESSION**  
January 22, 2013

7. **Appointment to the Board of Appearance – Municipal Clerk Becky Hildebrand:** Ms. Caroline S. Bryson requested to serve on the Town’s Board of Appearance. (Talent Bank application attached.)

A motion was made by Councilmember Maness and seconded by Councilmember MacDougall to place the item on Council’s February 4, 2013 agenda for consideration. Mr. Poole confirmed that this would fill the “citizens” position on the Board and Ms. Bryson had previously served on the Historic Preservation Review Board. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Maness, Shevchik).

**FOR YOUR INFORMATION**

1. **Emergency Procurements – Finance Director Kathy Roberts:** A summary of emergency purchases was presented to Council for information and requested to make the summary a part of the minutes.

Mr. Poole explained that item #1 would not be considered an emergency purchase in the future in that a purchase order was now in place for pump repairs. He added that the other two items were legitimate emergencies. He confirmed that Lee Transport is on Old Two-Notch Road.

A motion was made by Councilmember Maness and seconded by Councilmember MacDougall to accept the summary as information and direct the summary be recorded in the minutes of this Work Session. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Maness, Shevchik).

**QUESTIONS FROM THE NEWS MEDIA:** None.

**COUNCIL/STAFF COMMENTS**

**Mayor Halfacre** reminded everyone about this year’s Friends of the Lexington Museum Gala, celebrating Lexington High School’s Centennial, to be held on February 2, 2013 from 7:00 to 11:00 p.m. at the Municipal Complex Conference Center here at Town Hall. He stated that tickets were \$40.00 and he encouraged everyone to come. Mayor Halfacre stated that Senator Tim Scott visited Town Hall last Thursday. He added that he was impressed with Senator Scott’s humility. Mayor Halfacre encouraged Councilmembers and Staff to attend MASC’s Hometown Legislative Action Day on February 13 2013 in Columbia. He added that it is cheaper than going out of Town and it is a great way to network with other leaders.

**Municipal Attorney Cunningham** announced that the Town had received \$49,000 from J.P. Morgan as a result of a lawsuit regarding Bond rates. He learned about the suit at an attorney conference and subsequently contacted the SC Attorney General’s office to get the Town involved.

**MINUTES**  
**COUNCIL WORK SESSION**  
January 22, 2013

**PUBLIC COMMENTS:** None.

**ADJOURNMENT:** There being no further comments or questions, a motion was made by Councilmember MacDougall and seconded by Councilmember Frazier to adjourn the Council's Work Session at 6:57 p.m. The motion was unanimously carried by all those present (Frazier, Halfacre, MacDougall, Maness, Shevchik).

Respectfully submitted,

Becky P. Hildebrand, CMC  
Municipal Clerk

APPROVED:

T. Randall Halfacre  
Mayor

*FOIA COMPLIANCE – Public notification of this meeting was published, posted and mailed in compliance with the Freedom of Information Act and the Town of Lexington requirements.*