

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

January 25, 2016

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Town Council held a Council Work Session preceded by an Executive Session on January 25, 2016 at 6:00 p.m. in the Eli Mack Sr. Room located at Town Hall, 111 Maiden Lane, Lexington, South Carolina. The meeting date was changed due to a conflict in schedule with the Lexington County Night. The meeting was attended by: Mayor Steve MacDougall, Mayor Pro-Tem Hazel Livingston, Council Members Kathy Maness, Ted Stambolitis, Todd Shevchik, Todd Carnes and Ron Williams.

Staff members present were: Town Administrator Britt Poole, Assistant Town Administrator Stuart Ford, Municipal Attorney Brad Cunningham, Police Chief Terrence Green, Utilities and Engineering Director Allen Lutz, Finance Director Kathy Roberts, Parks and Sanitation Director Dan Walker, Parks and Sanitation Foreman Johnny Dillard, Planning, Building and Technology Director John Hanson, Transportation Director Randy Edwards, Assistant Municipal Clerk Karen Hanner, and Municipal Clerk Becky Hildebrand.

There were thirteen (13) citizens present and no members of the news media were present.

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**CALL TO ORDER:** Mayor MacDougall welcomed everyone to the Council Work Session. He read an opening statement to explain the procedures of a Council Work Session which stated: *“Work Sessions are less formal business meetings that enable Council to obtain and discuss information regarding Town issues from Staff members and/or consultants. Like Regular Council Meetings, citizens are encouraged to attend and observe Work Sessions; however, they do not include Public Hearings, but do allow for public comment at the end of the Work Session unless otherwise called on by Council. Council does not take an action vote on items during a Work Session other than to vote to place an item on Council’s next Regular Council Meeting agenda for consideration and an official vote. Council Work Sessions are not tape recorded, but Minutes are taken and posted on the Town’s web page following approval of Council.”*

Councilmember Maness gave the invocation. Councilmember Williams led in the Pledge of Allegiance. Mayor MacDougall called the Council Work Session to order at 6:11 p.m.

**EXECUTIVE SESSION REPORT**

Mayor MacDougall reported that the *Executive Session* was called to order at 5:30 p.m. after a motion was made by Councilmember Carnes and seconded by Councilmember Williams to go into *Executive Session*. The motion was unanimously carried. Council adjourned from *Executive Session* at 6:08 p.m. after a motion was made by Councilmember Shevchik and seconded by Mayor Pro-Tem Livingston. The motion was unanimously carried. Mayor MacDougall reported that Council met in *Executive*

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*Session* to discuss: three legal issues related to a Freedom of Information Act request and issues related to sewer service; one added contractual issue involving a proposed sale of Town property; and one personnel matter regarding an appointment to a Board and Commission. (All pursuant to SC Code 30-4-70(a) (1) and (2)). No vote was taken. A motion was made by Councilmember Maness and seconded by Councilmember Carnes to ratify Mayor MacDougall's *Executive Session* report. The motion was unanimously carried.

**ADDITIONS/DELETIONS TO AGENDA:** None.

**APPROVAL OF MINUTES:** A motion was made by Councilmember Maness and seconded by Councilmember Stambolitis to approve the Minutes from Council's Regular meeting held on January 4, 2016. The motion was unanimously carried.

**PRESENTATIONS**

2. **WACS (Women and Children Succeeding) Program, LRADAC (Lexington/Richland Alcohol and Drug Abuse Commission) – Ms. Allison Atkins, Director of Public Relations:** Ms. Atkins introduced Gayle Aycock, President and CEO and Cynthia Franklin, Counselor. She stated that Jeremy Martin, Vice President could not attend due to illness. Ms. Atkins thanked the Mayor and Council for the time to explain their program. She stated that the WACS was first started in Anderson, S.C. and in 2013 they were allowed to expand the program through LRADAC and Sisters of Charity to provide free service for treatment and support to women with substance abuse. She stated that since they do not turn anyone away, they have a long list of applicants. They provide many services including transportation, assistance to return to school, job skills, and help women be good moms while providing an income and future for their family. Ms. Atkins asked Council to help connect them with community partners for transportation and housing so they could continue to provide free assistance for these families.

Councilmember Stambolitis stated that he asked Ms. Atkins to come to Council and explain their program. He hoped that Council could help the program and to help educate the public. He added that we have drug and alcohol problems in Lexington and we should not hide it. Councilmember Stambolitis stated that we need to be a leader and find a way to give them every opportunity to form a foundation for them to succeed. He encouraged Council and Staff to come up with ideas for additional resources for the WACS Program.

Mayor MacDougall thanked Ms. Atkins for her presentation and added that the Town would like to partner with them. He requested that Town Administrator Poole come up with some ideas and bring the item back to Council's next Executive Session. He added that the Town would keep the ladies in the loop on questions and ideas.

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3. **2015 Audit – Mr. Ray L. Williamson, CPA, CIA with The Brittingham Group, LLC:** Mr. Williamson introduced Randy Cooper, CPA, CFE, and Supervisor who assisted with the Town’s audit. Mr. Williamson announced that the Town has received an unmodified (or “clean”) audit opinion and the financial position of the Town is strong with a net position of \$89.5 million as of June 30, 2015. He explained that the adoption of GASB 68, a new accounting standard effective this year, had a significant impact on the Town’s net position reducing it by \$13.6 million; however the Town had an increase in net position of \$1.9 million. He stated that GASB 68 deals with the recognition of the State’s unfunded pension obligation at the agency level and the Town is required to report its share of the State’s unfunded pension obligation on its financial statements. He added that the Town had no internal control findings noted in the audit. He commended the Town on receiving the GFOAs “Certificate of Excellence in Financial Reporting” Award for 17 consecutive years. He added that the Finance Department submits a CAFR (Comprehensive Annual Financial Report) each year as part of the GFOA process. (Copy of presentation attached.)

Councilmember Stambolitis stated that the Town’s share of the State’s unfunded pension is large. Mr. Williamson stated that the unfunded obligation is for future amounts and the contribution amounts are recommended and set by public officials. Finance Director Roberts stated that the amount is big, but it is manageable. She added that the Town cannot pay more toward the unfunded amount and can only pay what the State requests. Councilmember Carnes confirmed that the government board installed the regulation and now we just have to put it on paper. He added that this is much like the Federal government does with Social Security. Assistant Town Administrator Ford stated that the liability fluctuates with the market and the State has increased the rate for the past three years to minimize the liability. Mr. Williamson explained that if a municipality failed, like Michigan, there would not be enough money to pay the retirees. He added that the State has a plan to increase funding levels which now has to be explained and can be found on pages 70 through 80 in the Town’s CAFR. Councilmember Stambolitis asked if the plan had started yet. He also confirmed that the Town’s Bond obligations were met. Mr. Williamson responded that the State increased the plan rates for the last three years.

Mayor MacDougall thanked Mr. Williamson for his presentation and he would look forward to having him back next year for the 18<sup>th</sup> consecutive year award. Mr. Williamson stated that it is good to work with good people. He added that Lexington is not your typical small town and the Finance Department does a great job.

1. (Delayed for arrival of presenter.) **Cost Participation for Pleasant Springs Subdivision – Mr. Wade McGuinn and Mr. David Parr.** Mr. McGuinn stated that he had applied for a participation discount in an upgrade of the Prescott Glenn Pump station which would increase capacity for the Pleasant Springs subdivision which had cost \$150,000. He stated that he did not know

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exactly how the discount would work and the Town Engineer could not explain it to him. He added that the upgrade would also help others, not just them and would help the Town with sewer capacity later on.

Utilities Director Lutz explained that he had an item on Council's agenda tonight for their consideration of 25% participation (\$55,500).

**BUSINESS ITEMS:** (For Discussion and Recommendation for Council's February 1, 2016 Regular Council Meeting.)

1. **Talent Bank Application – Municipal Clerk Becky Hildebrand:** Mr. Patrick Montgomery submitted a Talent Bank application to serve on a Board or Commission. He indicated an interest in the Accommodations Tax Advisory Committee. Mr. Montgomery is a Town resident. (Copy attached.)

Councilmember Carnes asked if the applicant had been interviewed. Municipal Clerk Hildebrand responded that the committee's Staff liaison, Wesley Crosby, had reviewed the application and determined that the applicant qualified for the open position. Councilmember Shevchik stated that he was the Council liaison and he would insure that the applicant was brought up to speed.

It was the consensus of Council to have Special Projects Manager Crosby interview the applicant and bring the item back to Council's February Work Session for discussion and to be considered for a vote at Council's March 7<sup>th</sup> meeting. The committee would not meet until mid-March.

2. **Pilgrim Point Streetlights – Finance Director Kathy Roberts:** Historically the Town has paid a portion of the street light bill for Pilgrim Point residents. In accordance with the Town's Residential Street Light Ordinance, the Pilgrim Point Homeowner's Association requested that the Town again pay a pro rata share of their streetlight bill. (Copy of request letter attached.) There are 48 lots in Pilgrim Point and the Town Ordinance stated that the Town would be responsible for one (1) street light per six (6) lots, which equals eight (8) lights. The total requested is \$1,669.00 (\$17.39 x 8 x 12).

Town Administrator Poole gave a brief overview of how the Town calculated street lights for a private gated community. He added that Pilgrim Point made their original request approximately five years ago.

A motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Williams to place the item on Council's February 1, 2016 agenda for consideration. The motion was unanimously carried.

3. **Lease Purchase Resolution – Finance Director Kathy Roberts:** As part of the Fiscal 2016 Budget Ordinance the Town elected to pursue lease purchase financing for selected Capital items in the General Fund. Proposals are due to the Town on January 29, 2016 at 2:00 p.m. and the funding date is expected to be on or about

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February 15, 2016. A Resolution is often required by the financing institution. Council was provided a sample Resolution for review (copy attached) and the final Resolution would be provided at the February Council meeting.

A motion was made by Councilmember Maness and seconded by Councilmember Shevchik to place the item on Council's February meeting agenda for consideration. The motion was unanimously carried.

- 4. Request for Cost Participation for Pleasant Springs Subdivision – Utilities**  
**Director Allen Lutz:** Rawl Road Land, LLC was required to participate in an upgrade of the Prescott Glenn Pump Station to increase capacity for their subdivision. Wade McGuinn requested that the Town participate with his investment in the station. Per the Town's participation policy, the Town could agree to 25% of the Capital Contribution Fees (CCF's) not to exceed the cost of the offsite construction cost. Since this site is out of town, CCF fees are \$3,700 per lot. Total build out of 60 lots at \$3,700 equals \$222,000. Town participation at 25% of \$222,000 would be \$55,500 and does not exceed the \$150,000 invested into the pump station upgrade. The upgrade, along with the Town's installation of a new force main into Town, would allow additional growth in the area and allow the Town to wait approximately seven (7) years before building a new regional pump station in the area. (Copy of request letter attached.)

A motion was made by Councilmember Stambolitis to place the request on Council's February 1, 2016 meeting for consideration. No second to the motion was made. There being no second, the motion failed.

- 5. Request for Cost Participation for Willow Creek Subdivision – Utilities**  
**Director Allen Lutz:** D. R. Horton-Crown, LLC is developing Willow Creek Subdivision off of Mineral Springs Road and requested cost participation for the offsite sewer. Per the Town's participation policy, the Town could agree to 25% of the Capital Contribution Fees (CCF's) not to exceed the cost of the offsite construction cost. Build out of the subdivision would be 188 lots with 111 certificates at \$2,500 and 76 at \$3,700 each for a total of \$558,700. The Town's possible participation would be 25% of the CCF total, which would be \$139,675 based on the estimated offsite cost of \$266,217.50. The new offsite sewer would allow the Town to continue to grow the sewer system East of I-20 on Mineral Springs Road. (Copy of request letter attached.)

A motion was made by Councilmember Stambolitis to place the request on Council's February 1, 2016 meeting for consideration. Councilmember Carnes confirmed the rate differences. No second to the motion was made. There being no second, the motion failed.

**FOR YOUR INFORMATION**

- 1. Emergency Procurements – Finance Director Kathy Roberts:** A summary of emergency purchases made in the fourth quarter of 2015 was provided to Council.

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It was requested that Council accept the summary and direct it be recorded in the minutes of the Work Session.

Councilmember Stambolitis asked if the Town was in good standing with the water and sewer system because he had been watching the situation from Flint, Michigan. Utilities Director Lutz responded that the Town was good on both sides. He added that the City of Flint had lead pipes in their system and the Town does not. He stated that lead pipes were discontinued in the 1930's and the Town only has 26 lead pipe joints, but the joints were not in the water. Mr. Lutz stated that the Town tests for lead and copper every two years. Town Administrator Poole stated that the Town had been actively replacing lines during the last few years.

2. **Façade Improvement Grant Award – Director of Planning, Building and Technology John Hanson:** The Town of Lexington's Board of Architecture and Appearance met on January 20, 2016 and voted to award one Façade Improvement Grant to D & G Properties of Lexington, LLC. They received a \$10,000 award to restore the historic Coogler-Meetze House. The house was recently moved from the Wellmore Assisted Living site on Sunset Boulevard to 207 West Main Street. The house was originally constructed between 1790 and 1810. The estimated value of the project is \$125,000.

Councilmember Stambolitis asked where the house was going to be located and if it met the Town's architectural guidelines. Director of Planning, Building and Technology Hanson responded that it is located at 207 West Main Street, behind Jean Derrick's law office. He added that it was not completely visible, but the historic preservation aspect outweighed it not being located directly on Main Street. He stated that the house is 200 years old and was donated for removal and renovated with funds raised by the owner. Mr. Hanson stated that the house would be used for additional office space.

Councilmember Carnes asked if there is a sunset clause on the Façade Grant program and/or when would the money run out. Director of Planning, Building and Technology Hanson responded that grants would be awarded as long as Council approves funding for them. He stated that they review projects as they are submitted, not on a set cycle, and if they are in the TIF District. He added that they have only reviewed two this year. Mr. Hanson stated that when they did reviews in a set cycle, they primarily received maintenance projects and that was not the intent of the program. Town Administrator Poole stated that the original funds were from Council's budget; however, last year SCE&G approved \$50,000 for the downtown program, which was funding left over from the 1994 tornado fund. He added that in the future, the Council's budget may require funding as long as Council wanted to continue the program. He stated that it has been a positive program when the Town can help an owner improve the look of their business. Mr. Poole added that when they talk to developers this program is a good tool to have if their project meets the requirements. Finance Director Roberts stated that there is currently \$90,000 in the Façade Grant program fund. She added that the original

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funds were made available after Council approved the Vision Plan. She stated that no additional Council funds were added last year.

Mayor MacDougall stated that the return on the Town's investment far exceeded the grants that were awarded. He estimated if \$50,000 had been awarded, total projects had exceeded more than \$500,000.

Councilmember Stambolitis stated that the program helps to revitalize downtown and the grants should be continued. He stated that people will invest here when they see that they Town also invests here and that is the synergy that we want to see.

Councilmember Carnes stated that the program is catalytic and it should not subsidize businesses on Main Street and not those on Highway 378. He added that he understood the majority of the funding came from SCE&G, but when it is the Town's turn again, the program should have an ending date. Mayor MacDougall stated that the Town may have to find another source of funding.

3. **New Recycle Roll Carts – Director of Parks and Sanitation Dan Walker:** The Town signed a new agreement with Advanced Disposal to provide recycling roll carts. Recycling will be picked up every other week which should increase recycling participation and save on future landfill costs. Delivery of the new roll carts should begin this week through the first week in February. The Town, along with the contractor, will help get the word out to the public about the new system.

Director of Parks and Sanitation Walker added that the roll carts have a lime green top and a flyer, including a calendar, will be placed on each one to let the citizen know if they have a pick up on Week A or Week B. He added that additional education would be placed on the Town's web page, in the Town's newsletter, on Channel 2, and on the radio. He announced that citizens can keep the old green recycling bin or place it in the new roll cart to be recycled.

**COUNCIL/STAFF COMMENTS**

**Town Administrator Poole** announced that one of the Utilities Department employees won an award last week. Robert Campbell won the Collection System Operator of the Year from Water Environmental Systems Capital District.

**Mayor MacDougall** thanked Police Chief Green and the Police Officers for their excellent handling of a situation last week at a child care facility.

**PUBLIC COMMENTS**

Mayor MacDougall allowed comments from a citizen regarding an item from the recent Planning Commission.

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**Ms. Lindsay Copelan**, 311 Saluda Springs Road, asked Council to delay first reading to annex a development at 5326 Sunset Boulevard to allow the homeowners' attorney 60 days to review the project.

Councilmember Maness clarified that all the Councilmembers were not at the Planning Commission meeting and they may not be familiar with the annexation request. She asked Ms. Copelan to briefly describe the project.

Ms. Copelan read from the Planning Commission item as follows: *The Columbia Development Company had submitted a site plan for a commercial center at 5326 Sunset Boulevard. The development encompasses 18 acres of a 24 acre site and would have 143,000 square feet of commercial space. Access from Sunset Boulevard would occur through a signalized driveway that aligns with Palmetto Park Boulevard and a secondary driveway that accesses Saluda Springs Drive. The developer submitted a traffic impact study that was reviewed and approved by the Town's Transportation Director.* Ms. Copelan stated that the secondary driveway mentioned is a private road. She requested to clear up all the issues with her attorney first because she thought the traffic study should be redone. She stated that they were okay with the Whiteford residents using the cut through, but not for all the traffic that would be generated by the new commercial center. She added that the engineer said the secondary road is crucial.

Mayor MacDougall clarified that Saluda Springs Drive is public and the connector road to Whiteford is private. He added that the secondary access does not have anything to do with the annexation, but they would look into it. He stated that if the property is not annexed into the Town, under the county rules, a development could be built almost right to their properties with no buffers. He added that the Town of Lexington has the strongest property protections which are in place for the citizens. He assured the homeowners that Council was on the same team with them. Mayor MacDougall added that the developers had also gone above and beyond by placing the retention pond at the back of the property. He asked Ms. Copelan if the secondary road could be closed since it was there for her neighborhood. Ms. Copelan responded that the road is utilized. A second citizen commented that the people get off Highway 378 as soon as possible so they turn onto Saluda Springs Drive and then use the cut through to Whiteford.

Councilmember Carnes stated that Council could not delay their decision in that the homeowners' attorney would have 37 days to make their case. He added that first reading would be February 1<sup>st</sup> and second reading would be March 7<sup>th</sup> which would include a Public Hearing. He stated that it would be premature to delay it now in that any delay could be decided in March. Councilmember Carnes stated that the Planning Commission approved the site plan and Council would probably approve the annexation unless the attorneys advised them otherwise. Director of Planning, Building and Technology Hanson stated that it would probably take longer than 37 days to obtain permitting.

Councilmember Stambolitis confirmed with Transportation Director Edwards that 90% of the traffic would go to the primary access, not the secondary access. He later

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confirmed that this area is not like the roads in Golden Hills, which is a special purpose tax district, and it recently cost \$150,000 to upgrade the roads.

Mayor Pro-Tem Livingston confirmed that the secondary road is in the county and not part of the annexations. She stated that the first house is approximately 400 feet from the road.

Town Administrator Poole stated that the owners may have to upgrade the road if they do not want to give up the private road. Transportation Director Edwards stated that it would cost approximately \$10,000 to \$20,000 to pave the road.

Councilmember Shevchik advised the homeowners to market the private road and get the developers to come to the table with an offer. He compared the road to the road that runs behind Fatz Café where ten businesses own it, but it is used as a cut through for all the apartment residents. He confirmed that 67% of the homeowners own the road and because it is private, it is not an issue for the Town.

**Mr. Lee Thomas**, 372 Saluda Springs Road, stated that they hold the cards, yet they live there and they will have to live with the decisions. He added that if they could eliminate their private road as the secondary road for the commercial center, everyone would be happy. He stated that it is a quality of life issue. Mayor MacDougall stated the Town's Ordinance requires the developer to have a secondary access.

Ms. Copelan thanked the Mayor and Council for listening and engaging in a conversation about the development because the Planning Commission Chairman had been very aggressive.

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

**ADJOURNMENT:** There being no further comments or questions, a motion was made by Councilmember Maness and seconded by Mayor Pro-Tem Livingston to adjourn the Council's Work Session at 7:35 p.m. The motion was unanimously carried.

Respectfully submitted,

Becky P. Hildebrand, CMC  
Municipal Clerk

APPROVED:

Steve MacDougall  
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.*