## City Council Minutes August 5, 2025

Orangeburg City Council held its regularly scheduled meeting on Tuesday, August 5, 2025, at 6:00 pm in Council Chambers, 933 Middleton Street with Mayor Butler presiding.

## PRESENT:

Michael C. Butler, Mayor Annette Dees Grevious Jerry Hannah Dr. Kalu Kalu L. Zimmerman Keitt, Mayor Pro Tem Richard Stroman

## PRESENT VIRTUALLY:

Sandra P. Knotts

A motion was made by Councilmember Stroman seconded by Mayor Pro Tem Keitt to approve July 1, 2025, minutes. The motion was unanimously approved.

Mayor Butler recognized Responsibility as the August Orangeburg County Community of Character Trait.

Mr. Paul Miller, 562 Pike Street appeared before Council. He stated, "I was here a couple months ago to address Council about the house being built on Columbia Road. Mr. Beach is with me tonight to address Council."

Mayor Butler stated, "Our City Attorney will address this."

City Attorney Kozlarek stated, "I am happy to have a conversation with Mr. Beach. He is not on the agenda, and I also think there is an ethical consideration under the rules of professional conduct about Mr. Beach speaking with represented members of City Council without my consent."

Mr. Miller stated, "I was not told this when I called and stated Mr. Beach would be with me to speak."

City Attorney Kozlarek stated, "I am sorry, you did not speak to me. I am the City Attorney and rule 4.2 of Rules of Professional Conduct prohibit a lawyer who is representing another person from speaking to another representative's party without the lawyer's consent. I have not consented."

Mr. Miller stated, "I would not be here tonight and would not have been here on the 20<sup>th</sup> had it not been that I observed a situation that did not appear to be proper. In the conversations that I have had about the matter a lot of things have been uncovered that do not make sense. I would like to be reimbursed for legal expenses that I have incurred trying to protect our neighborhood. I feel I would not have been involved if things that Mr. Epting gave Mr. Green were not in error."

Mayor Butler stated, "At this point, we cannot give a response. We need to speak with our attorney, and we need to see the bills."

Mr. Miller stated, "It continues to amount every day that this goes on. It has been two months. I contacted Mr. Epting in early May, and he said that all these things met the criteria, but it did not. The City issued a stop work order. You stopped it and now you are back working. People in the neighborhood and our community ask me every day about this. The City has had plenty of time to solve this. If it was in your neighborhood and you had to hire an attorney to help you untangle the situation you would do the same."

Councilmember Kalu asked, "Can we take this under advisement and discuss this with the City Attorney?"

Councilmember Stroman asked, "What is the amount?"

Mr. Miller stated, "I do not know as it is continuing."

Councilmember Stroman stated, "I make a motion we go into executive session to talk about this."

Mr. Miller asked, "Will you give me an answer tonight?"

Mayor Butler stated, "No, we will need to talk to our attorney, and he talk to your attorney."

Mr. Grant Davis, Mauldin and Jenkins CPAs & Advisors addressed Council concerning the Audit for Fiscal Year Ending September 30, 2024, for the City of Orangeburg and Department of Public Utilities. He stated, "We have ultimately issued two documents. One is the audited financial statements, and the other is the auditor's discussion analysis. The purpose of that analysis document is to communicate to you all the things that we must communicate at the conclusion of our audit. I will mention some of those verbally tonight, those that I think are more important. Again, you can find the long version of those in our auditor's discussion analysis document. Within the City's financial statements, there are three reports with our letter head. The first one at the beginning is our independent auditors report. We have issued an unmodified opinion on the City's Financial Statement for fiscal year ending September 30, 2024. It talks about our responsibilities in conducting the audit, the City's responsibilities for providing us with information and having a system of internal controls. It also discusses our responsibility under government auditing standards and generally accepted auditing standards. The report on the financial statements is a clean or unmodified opinion. The second of the three reports is our report on internal controls and compliance (laws, regulations, and grant agreements). In accordance with government auditing standards as a part of planning and conducting our audit, if we identify any instances of noncompliance or control deficiencies, we are required to communicate that to you. We do know of any instances of non-compliance. Internal control deficiencies can be one of two types either material weaknesses or significant deficiencies. Ultimately the distinction between the two is our judgement. We had two material weaknesses in internal controls to report both are related to the same situation as in the September 30, 2023, audit. This is what we call a yearend close and reconciliation process. Ultimately everything we requested was provided. The third and final report is another compliance report. It does offer an opinion, and it is a single audit report. Anything you authorize and expend over \$750,000 in federal money in any given fiscal year triggers this compliance audit. That occurred under one program but under two separatee grants. For the City there were some remaining ARPA funds from when that was paid from the United States Treasury to the City of Orangeburg in 2021-2022. Some of that was spent and DPU has gotten a SKIP grant. Both of those are under one federal program that amounted to about \$3.7 million in federal spending in this fiscal year. We have issued an unmodified or clean opinion on compliance with the spending associated with this ARPA program for that fiscal year. I am sure you have looked at the Audited Financial Statements at this point. We did not identify anything we call past adjustments and obtained representation from management about the data that was provided. In conclusion the process was quicker this fiscal year as compared to last year."

A motion was made by Councilmember Kalu, seconded by Mayor Pro Tem Keitt to adopt the Mauldin and Jenkins audit for fiscal year ending September 30, 2024. The motion was unanimously approved.

City Administrator Evering addressed Council concerning second reading of an ordinance authorizing the transfer of approximately 0.053 acres of real property with improvements, if any, located at 1188 Russell Street, TMS #0173-13-35-008. He stated, "As you recall this is Project Top Floor. The developer is interested in purchasing this property to develop housing and retail space as discussed in Executive Session. It would be my recommendation that we move forward with this."

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Hannah to approve second reading of an ordinance authorizing the transfer of approximately 0.053 acres of real property with improvements, if any, located at 1188 Russell Street, TMS #0173-13-35-008. The motion was unanimously approved.

City Administrator Evering addressed Council concerning second reading of an ordinance amending Chapter 5 (Police Regulations) of the City Code, by adding Section 5-10.5 (Loitering). He stated, "As you may recall, we have received several complaints from local businesses

particularly downtown about the number of individuals who are loitering in public and private spaces. Currently, we do not have a loitering statute on the books. So, there is no way for our law enforcement to address that situation. This amendment would put loitering back on the books, giving our law enforcement the authority to remove individuals who are violating the loitering ordinance. It is intended to improve business operations particularly downtown and to respond to those business owners."

Mayor Butler stated, "I would like to add this is not targeting the homeless population. We are in discussions with the Samaritan House, law enforcement, mental health and all those entities to help those that are in unfortunate situations."

A motion was made by Councilmember Kalu, seconded by Councilmember Grevious to approve second reading of an ordinance amending Chapter 5 (Police Regulations) of the City Code by adding Section 5-10.5 (Loitering). The motion was unanimously approved.

City Administrator Evering addressed Council concerning first reading of an ordinance amending the budget for the City of Orangeburg for the Fiscal Year October 1, 2024, through September 30, 2025. He stated, "This is an annual amendment of the budget for this year to amend the budget to \$32.6 million. There are contributing factors that led to that increase. One is the employee group health insurance increased significantly. As you may recall, we initially budgeted for the Hillcrest Golf Course for three months as we were working on a renewal lease agreement with South Carolina State University (SCSU), so we had to address that in the budget as well. Again, this is amending the budget from \$29 million to \$32 million."

Councilmember Kalu asked, "What is the future plan for Hillcrest Golf Course?"

City Administrator Evering stated, "As of earlier this week, we have formally agreed to enter a new lease agreement with SCSU on Hillcrest to be formalized by their Board of Trustees. I was told they were calling a special-called meeting. Basically, the agreement will allow the City to continue to operate in more of a partnership role with SCSU so if there are any losses, SCSU would bear those losses along with the City if there were operation losses for two years of a five-year period. There will be several renovations. In the Capital Penny Sales Tax Referendum there was \$2.5 million allocation that would go into Hillcrest and renovate the golf course. SCSU has also agreed to put well over \$1 million into renovations as well. It is the intentions that the golf course be brought up to a certain standard that will hopefully increase and drive revenue."

Councilmember Kalu asked, "Is there a timeline for SCSU to sign the document?"

City Administrator Evering stated, "The document has been signed, it just needs to be formally approved by SCSU Trustees."

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Kalu to approve first reading of an ordinance amending the budget for the City of Orangeburg for the Fisal Year October 1, 2024, through September 30, 2025. The motion was unanimously approved.

City Administrator Evering addressed Council concerning first reading of an ordinance to adopt a budget for the City of Orangeburg for the Fiscal Year October 1, 2025, through September 30, 2026. He stated, "I want to highlight items for this upcoming budget. First as a reminder, we have the Ribbon Cutting tomorrow at 10am for the new City Hall. That project was approved with an installment purchase revenue bond for \$7 million. We also received \$2.5 million in grant funding from the state. Currently that project is at \$9.4 million. It was needed as the current building is almost 100 years old. We had several issues as it relates to bathrooms, mold, and other issues that we were dumping money into. The recommendation would be that once we leave that building to reconstitute the foundation to continue to raise money so we can continue to renovate the Stevenson Auditorium along with the vacant administration spaces. I have already had some preliminary discussions about folks who would be willing to serve on that foundation. I have also talked with the Central Carolina Community Foundation who would be willing to serve as an administrative role to help assist our foundation with raising funds. As you know the Railroad Corner project has been talked about for 20 plus years. The Civil Rights Museum will be completed by the end of the year. It will be South Carolina's first and only civil rights museum. We also have student housing and retail space that will be at Railroad Corner. Next, I will highlight some of the ongoing challenges that the City is facing for this upcoming budget year. The City has not grown in geographic area or population for some 40 plus years. We have talked about annexation, and we intend to continue to pursue annexation plans. We have deferred maintenance, infrastructure and capital needs that need to be addressed. Inflation is still a primary driver in terms of challenges. Staffing is always a challenge of recruitment and retention succession planning. We also need to continue to address our fleet management. Some things we presented in this budget are development of a structurally balanced budget. This would stabilize and rebuild our reserve funds. It is part of a five-year overall financial plan which is intended to minimize any tax increases. We are not recommending any tax increases for this year. We are implementing certain policies and procedures to ensure we stay in line with these plans and put better financial policies in place. We are asking for the overall budget to be \$25.9 million. We will continue a hiring freeze. We are not planning to fill 10 currently funded positions that are unfilled. There is no use of reserve funds planned. We do not plan on incurring any additional debt."

Councilmember Kalu asked, "As we go into the new fiscal year, I know you mentioned not filling some of the positions. Will you bring before Council, modification of your administrative department?"

City Administrator Evering stated, "We are not suggesting any change to the organizational structure. Those positions that we are not filling are currently funded positions that are not occupied that we will not fill. That will potentially save us approximately \$600,000 - \$650,000."

Councilmember Kalu asked, "What about the airport?"

City Administrator Evering stated, "The airport is making good progress especially with a lot of projects. They are working with a consultant, WK Dickson and have received federal and state grant funding. Some money was set aside from the Capital Project Sales tax that is being used to match federal and state funding. About a month ago, Airport Manager, Betty Baker spoke with you concerning potentially having a developer build hangars that could be a revenue generator."

Councilmember Grevious asked, "Can you repeat the overall budget number?"

City Administrator Evering stated, "I misspoke earlier, it is \$29.7 million."

Councilmember Stroman asked, "What is it this year?"

City Administrator Evering stated, "We just amended it to \$32 million."

Councilmember Stroman asked, "It's going from \$32 million to \$29 million. Can you get it down more?

City Administrator Evering stated, "Not without potentially cutting City services."

Councilmember Grevious stated, "Do you feel with this hiring freeze, we are still able to satisfy the City's needs?"

City Administrator Evering stated, "Yes, the hiring freeze will keep us where we are, and we are still able to provide services. As a reminder, inflation does have a significant impact. About 80% of our budget is based on salaries. Council has been gracious to provide cost of living adjustments to keep up with inflation."

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Grevious to approve first reading of an ordinance to adopt a budget for the City of Orangeburg for the Fiscal Year October 1, 2025, through September 30, 2026. The motion was unanimously approved.

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Grevious to approve a resolution to establish process for conducting annual performance evaluations and compensation reviews of the City Administrator, Municipal Judges, and Department of Public Utilities Manager. The motion was approved 6-1. Councilmember Hannah opposed.

DPU Manager Harley addressed Council concerning first reading of an ordinance to amend the budget for the operation of the Department of Public Utilities of the City of Orangeburg for the Fiscal Year October 1, 2024, through September 30, 2025. He stated, "As you know, throughout

the year, there are some changes and adjustment that might be made. This ordinance more accurately reflects the year end budget numbers. The number could change before the third reading. If that happens, I will update you."

A motion was made by Councilmember Kalu, seconded by Councilmember Grevious to approve first reading of any ordinance to amend the budget for the operation of the Department of Public Utilities of the City of Orangeburg for the Fiscal Year October 1, 2024, through September 30, 2025. The motion was unanimously approved.

DPU Manager Harley addressed Council concerning first reading of an ordinance to adopt a budget for the operation of the Department of Public Utilities of the City of Orangeburg for the Fiscal Year October 1, 2025, through September 30, 2026, (2) adopt amended Electric Rates effective October 1, 2025, (3) adopt amended Gas Rates effective October 1, 2025, (4) adjust amended water rates effective October 1, 2025, and (5) adopt amended Wastewater Rates effective October 1, 2025. He stated, "I want to go over highlights and answer any questions you may have on this Fiscal Year 2025-2026 budget. This budget continues to fulfill the level of high-quality services that we have committed to our citizens. We continue our five-year rate plan to support our ongoing capital improvements. As you know our projects are planned over a five-year period. We plan and base our rates and spend on a five-year chunk. This budget includes the rate plan that we have discussed for the last several years and continues to push that forward. There is a focus on modernization addressing infrastructure needs. We are in a highly technical environment, so we need things that meet those needs as well as updating old and outdated equipment such as 60year-old substations and plant upgrades as well for both water and wastewater plants. We continue to face the inflationary pressures that cause our construction costs to be higher over time. So, we must address that with rates and fees that we are allowed to charge. There is also an ongoing struggle to hold on to well-trained and qualified employees. DPU operates in a highly technical environment to include engineers. We compete statewide if not nationwide for all our employees as they are qualified to work anywhere in the state and the country. We are also trying to maintain a stable workforce. We are focused on resiliency and being prepared for the inevitable emergency. We are forever building our system to withstand storms and events and being able to respond. Our goal is to always be on, if we are not on, to get on as soon as possible after going down and to be able to provide safe and affordable power to our citizens. As you know from our workshops, my commitment to you is to always give you options. We presented three options that will work. We built this budget on Option 1A which would plan for our capital improvement plan to continue long-term funding to address those multi-year projects. It also includes a rate increase that will impact each one of our services. We have provided a plan that spreads the rate increase throughout all four divisions water, wastewater, gas and electric. We believe that is the most effective way and it helps us keep a balance in terms of how we implement this rate increase. The budget will generate \$133 million in revenue. It is a 2.6% increase from last year of \$130 million in revenue. We plan to increase the transfer to the City from \$6.1 million to \$9.1 million, which is a \$3 million increase, 46% of our net profit and 6.8% of sales that we are transferring over to the City. We project we will be in alignment with our policy of at least \$41 million in year-end cash. We like to have more because of the kind of impact we can have because of the type of disasters we deal with. From an operational side, we do not project customers to grow tremendously over the next year. From personnel standpoint, we are not adding any new positions to this budget. It does include a cost of living and a merit program continuation that we have done for the last several years. Again, we work in a very difficult environment to recruit employees. If I cannot continue to maintain a comprehensive approach to how we handle pay, we will lose qualified employees. If I can address it through a comprehensive approach that we have planned that is a part of our strategic planning process. We are strong financially and healthy enough to do this. I would urge Council to support keeping this in this budget. Also included in this budget is capital spend of about \$52.3 million. We will do that with a portion supplied by grants, loans and cash that we collect on an annual basis from our customers. This is our comprehensive approach to maintaining our strong system. Of this \$52 million, the lion share is the electric division with \$18.3 million and the water division with \$26.5 million. The rest is spread among the other three divisions with natural gas, about \$5 million of the projects included in this number. "

Councilmember Grevious asked, "On the Capital Spending total of \$52 million. \$18 million will be Electric Division projects and \$26.5 Water Division Projects. Looking at those numbers, what does that do in terms of the services offered to our citizens? How does that impact what our citizens are receiving?"

DPU Manager Harley stated, "It helps us improve the infrastructure that we currently have that is aging and outdated. In the Electric Division that is substations, poles, lines and transformers that serve our customers. All these things that are in use 24/7, 365 days a year that wear out of a period. As we showed you in our budget workshop, we still have a handful of substations that are 50-60 years old, meaning they have passed their useful life so that money will address those. It will help us be more resilient when storms come, when disasters occur, it will help us be able to withstand that disaster whatever it might be. When power does go out because there will be outages, it will also help us be able to get back on in a timelier manner. Likewise in the water plant, we are addressing specific needs in our water plant and lagoon. It prepares us for the growth that we anticipate over the next few years, and it also modernizes the plant. The plant is approaching 100 years old. We are doing work that has never been done. We cannot continue to put this off. If we do, I cannot promise you the outcome that you would want. This is why we make investments on a yearly and annual basis and because of the nature of our projects, we must plan in bigger windows. So, to answer your question, it does a lot for us to hold to a standard of maintaining a strong quality system."

Mayor Pro Tem Keitt stated, "If you do not upgrade those areas when it is time, it will cost you more."

Councilmember Grevious asked, "So the rate increase helps us proactively address these issues versus reactively. With the rate increase, can you tell us how Orangeburg compares to other cities in terms of rates?"

DPU Manager Harley stated, "Currently, based on the average monthly usage, inside City limits residential customers would pay \$267.44 per month on the average bill. Scenario 1A, which is what I am recommending to Council tonight, will take that to \$277.28, which is a \$9.84 increase. The outside City limits impact, current bill on average usage is \$314.64 per month and that bill would go to \$327.50 which is a \$12.86 increase. That difference is solely based on the fact water and wastewater rates are higher outside the City. If you look at what we have projected, Bamberg is the lowest, then City of Orangeburg, and then City of Rock Hill. That is our existing rate. If we move our rates according to 1A, we become the third highest. So, we move from two to three with Rock Hill and Bamberg being lower for inside City rates. When you look at it from the typical residential customer outside the City, Bamberg is number one as the lowest, City of Orangeburg currently number two and then we move to number three. Technically we will still be two and then Rock Hill follows us as number three when you compare the outside City rate and the total bill."

Councilmember Grevious stated, "It is still a reasonable rate in comparison to other cities."

DPU Manager Harley stated, "We are competitive. As I have always told you in our workshops, our goal is not to be the lowest and not to be the highest. Our goal is to get what we need to maintain our system and still be reasonably priced. It does not do any good to be the lowest and you cannot maintain your system. We do not want to overburden our customers by being the highest, that does not make us competitive with respect to economic development prospects going forward. We believe this is still a competitive rate when we compare us to our peers across the state. When we look at what we are trying to accomplish with respect to the investment that we make in our system."

A motion was made by Councilmember Kalu, seconded by Councilmember Knotts to approve first reading of an ordinance to adopt a budget for the Operation of the Department of Public Utilities of the City of Orangeburg for the Fiscal Year October 1, 2025, through September 30, 2026, (2) adopt amended Electric Rates effective October 1, 2025, (3) adopt amended Gas Rates effective October 1, 2025, (4) adopt amended Water Rates effective October 1, 2025, and (5) adopt amended Wastewater Rates effective October 1, 2025. The motion was approved 5-1-1. Councilmember Hannah abstained and Councilmember Grevious opposed.

A motion was made by Councilmember Stroman, seconded by Mayor Pro Tem Keitt to go into Executive Session concerning discussion of negotiations incident to proposed contractual, arrangements and proposed sale or purchase of property, the receipt of legal advice or other matters covered by the attorney-client privilege S.C. Code 30-4-70(a)(2) a) Annexation, b) Sale of Property, c) Hate Crimes Ordinance, d) Political Signes, e) Property for Development Purposes, f) DPU Water Division, g) Columbia Road matter, discussion of employment, appointment,

compensation, promotion, demotion, discipline or release of an employee, a student or a person regulated by a public body, or the appointment of a person to a public body S.C. Code Sec. 30-4-70(a)(1) – Finance Department and discussion of negotiations incident to proposed contractual arrangements and/or receipt of legal advice S.C. Code Sec. 30-4-70(a)(2) – Duke Energy of South Carolina. The motion was unanimously approved.

Council did not return to open session. There being no further business, the meeting was adjourned.

Respectfully submitted,

inda MyDaniel

Linda McDaniel City Clerk



## RESOLUTION

TO ESTABLISH A CLEAR AND CONSISTENT PROCESS FOR CONDUCTING THE ANNUAL PERFORMANCE EVALUATIONS AND COMPENSATION REVIEWS OF THE CITY AMINISTRATOR, MUNICIPAL JUDGES, AND DEPARTMENT OF PUBLIC UTILITES MANAGER TO INCLUDE CONSIDERATION OF COST-OF-LIVING INCREASES AND MERIT-BASED ADJUSTMENTS.

WHEREAS, the Mayor and City Council are responsible for conducting the annual performance evaluations of the City Administrator, Municipal Judges, and the Department of Public Utilities Manager. These performance evaluations should be completed by the end of each fiscal year; and,

WHEREAS, the Mayor and City Council are responsible for reviewing the annual compensation of both the City Administrator, Municipal Judges and Department of Public Utilities Manager. These compensation reviews should be completed by the end of each fiscal year; and,

WHEREAS, if any merit-based compensation adjustments are recommended for these positions, the Mayor and City Councilmembers shall present those recommendations to the full Council for consideration and approval. Any such adjustments should be approved by the Mayor and City Council. These adjustments can be made anytime during the year; and,

WHEREAS, annually, the City Administrator, Municipal Judges and the Department of Public Utilities Manager are eligible to receive the same cost-of-living adjustment (COLA) approved by the City Council for other city employees. If approved, this adjustment would be effective as of its implementation date, typically October 1st of each year.

This policy may be amended or repealed at any time by a vote and approval by the Mayor and City Council.

**NOW BE IT RESOLVED**, by the City Council duly assembled do hereby authorize this clear and consistent process for conducting the annual performance evaluations and compensation reviews of the City Administrator, Municipal Judges and Department of Public Utilities Manager to include consideration of cost-of-living increases and merit-based adjustments.

ADOPTED BY the City Council of the City of Orangeburg, South Carolina on this 5th day of August 2025.

Mayor

ORANGES OF ORPORATES DEC. 24 \*\*SOUTH CAROLINE

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Members of Council

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Couvernenber Hunnah opposed

Attest:\_

City Clerk