

CITY COUNCIL MINUTES

June 4, 2020

Orangeburg City Council held a special meeting on Facebook Live via Zoom on Thursday, June 4, 2020 at 12:00 Noon with Mayor Michael C. Butler presiding. 2895

PRESENT:

Michael C. Butler, Mayor

Dr. Kalu Kalu

PRESENT BY TELEPHONE:

Bernard Haire

Jerry Hannah

L. Zimmerman Keitt

Sandra P. Knotts

Richard F. Stroman

ABSENT:

None

A motion was made by Councilmember Stroman and seconded by Mayor Pro Tem Kalu to approve the May 14, 2020 City Council minutes. The motion was unanimously approved by roll call vote.

A motion was made by Councilmember Keitt and seconded by Councilmember Knotts to approve the Emergency Ordinance and Proclamation Extension which would have expired June 15th. The vote was unanimous.

Mr. Grant Davis of Mauldin & Jenkins addressed Council regarding the audit for FY 2018-19 for the City of Orangeburg and the Department of Public Utilities. He stated, "On page 1, is the independent audit report and it gives you a clean unmodified opinion which is the best you can get. On page 4 is the Management Discussion and Analysis which compares 2018 to 2019. If you read nothing else, please read this. On page 16 is the General Fund Balance Sheet which shows 9.2 million (\$9,200,000) in Fund Balance which equates to 53% of your 2019 expenditures of 17.3 million (\$17,300,000) which is ½ years' worth of operations or 6.3 months of spending which is a good place to be. Assets are showing 3.4 million (\$3,400,000). On page 18 is your income statement which shows revenues of 11 million (\$11,000,000) and expenses of 17.3 million (\$17,300,000) showing an excess of 6.2 million (\$6,200,000) before transfers from DPU of 6.1 million (\$6,100,000) and capital lease proceeds of \$600,000 shows an increase in fund balance of \$503,591. On Page 67 is the summary of the General Fund from Budget to Actual. There was 10.8 million (\$10,800,000) budgeted in revenues and your revenues came in at 11 million (\$11,000,000) before transfers from DPU. Your Expenses were budgeted at 18.3 million (\$18,300,000) and were actually 17.3 million (\$17,300,000), so you spent less than was anticipated. All in all, it was a very positive year for the General Fund. On page 20, is the primary enterprise fund, DPU. DPU has cash and investments of about 66 million (\$66,000,000) and operating expenses of 90 million (\$90,000,000) and has capital assets of 253 million (\$253,000,000). The net position has increased 9 million (\$9,000,000) from the prior year. On page 22 shows the Statement of Cash Flows, DPU has about 5 months of operating cash on hand of 6.9 million (\$6,900,000). Continuing through the Cash flows, there is a 15 million (\$15,000,000) negative balance due to the acquisition of capital assets and also 9 million (\$9,000,000) negative balance for the purchase of investments. In the back of the document on page 91, is the Independent Auditor's report on Internal Control Over Financial Reporting and on Compliance and other matters based on an audit of Financial Statements performed in accordance in Governmental Auditing Standards. This is one of three reports we have issued, the first one we talked about earlier on page 1. This report is designed to say that we have tested the internal control for grants. The third and final report is on page 93 which is a report on Major Federal Programs. DPU received some Federal Funding which is passed through the State and DPU was included on this. The audit is summarized on page 97. All in all, it is a good audit and I will answer any questions."

Mayor Pro Tem Kalu asked, "What you did, is it under Generally Accepted Accounting Principles (GAAP) and not a forensics audit?"

Mr. Davis stated, "Yes"

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Councilmember Haire asked, "There is a note on Cyber Security. What has the City done regarding that and the suggestions on stronger passwords?"

Finance Director Johnson answered, "In FY 19-20 we purchased a new Firewall and Firewall Analyzer, this notifies us of abnormal traffic as well as two factor authentication and we have passwords that expire every 60 days. We have extensive virus protection; however, nothing is foolproof. We have increased our threat testing and will continue to do this in FY 20-21."

Councilmember Keitt asked if Council could talk to the auditors if needed.

Mr. Grant stated, "Yes".

Councilmember Haire made a motion seconded by Councilmember Stroman to accept the Audit for Fiscal Year 2018-19 as presented by Mauldin & Jenkins, CPAs & Advisors. The motion carried. The vote was 6-0. Councilmember Knotts did not vote on this matter.

City Administrator Yow stated, "I would like to thank City Staff, I think it has been about 30 years now where we received a clean unmodified opinion on the City's audit. It takes teamwork to achieve that."

City Administrator Yow addressed Council concerning the Performance Pay for Full-time City Employees for Period March 17 – May 22, 2020. He stated, "This is for the performance pay for employees working full-time hours. First, I want to thank the employees that have been loyal and dedicated through all of this and who have performed with a positive attitude during this trying time. We have a lot of challenges ahead, but we have to remain focused moving forward. I wish to thank Council for the opportunity to provide a proposed one-time performance pay for full-time City employees for the period of March 17 through May 22, 2020 based on the criteria spelled out in your packets. This is a one-time performance pay. This is a period where we had employees out still getting paid. Council has a listing of the employees and the proposed performance amount. The Mayor and I have met and worked on this multiple times and reviewed information from the Department Heads. This list is also based on my and Mr. Singh's observations during this period. I want to point out, we have been here every day including some Saturdays and Sundays. We have made our very best effort to be fair and equitable considering input from our staff and our experience during this period. I want to thank Council for their input as well. My recommendation is before you and I will be happy to answer any questions or hear any comments."

Councilmember Stroman stated, "I don't know if this should be a comment or a motion, I don't know if this was an oversight, but I think one person was left off of this list. Mr. John Yow should be added. I make a motion that John Yow be added to this list for \$900."

City Administrator Yow replied, "I appreciate that very much, but I purposely left my name off."

Councilmember Stroman stated, "I think it should be put back on. You worked a lot of hours and you have been exposed to people also."

The motion was seconded by Councilmember Haire to add Mr. Yow to the list. The vote was unanimous.

Councilmember Keitt made a motion that City Council also add the Mayor to the list for \$900. She stated, "The Mayor was out there everyday as well. All of the staff has been excellent." The motion was seconded by Councilmember Stroman. The vote was unanimous.

A motion was made by Councilmember Keitt seconded by Mayor Pro Tem Kalu to accept the performance pay for full-time City employees for period of March 17 through May 22, 2020. Councilmember Haire stated before the vote on the recommendation of the list. He stated, "I have run into some concerns as it relates to some of the rationale for certain areas being included and as I have looked into those concerns, I am finding it wasn't exactly what was stated. I have not had enough time to delve into the whole aspect of this for different areas being compensated. I would like to make a substitute motion to delay this until we can vet this. I have some concerns and I

enough time to delve into the whole aspect of this for different areas being compensated. I would like to make a substitute motion to delay this until we can vet this. I have some concerns and I am finding things that have been told is not the case. Not to say that once I have an opportunity to look at it that I won't vote for it, but I need to do some more investigation. I wish to carry this over to the next meeting to allow time for Council to really look at it." There was no second, so the substitute motion died. The original motion was passed 6-0-1 with Councilmember Haire abstaining. 2897

DPU Manager Harley addressed Council concerning the Extension of policy to suspend disconnection of utilities for nonpayment. He stated, "I echo Mr. Yow's comments regarding the audit and the best practices and thank staff. Regarding the extension of policy to suspend the disconnection of utilities for non-payment, at a previous Council Meeting, we were given the end of May to come back to see what we are going to do next. The most recent statistics are as of June 1st, 2575 delinquent accounts and the balance of these accounts \$1.5 million. We wish to set a date of July 1st to resume normal operation of delinquent accounts. I would ask that you extend the current operation procedure through the end of the month to work with our customers and give them time to prepare for July 1st. We will always work with them on how to pay and it would help us to manage the number of accounts and give us time to prepare."


Councilmember Haire made a motion, seconded by Councilmember Keitt to extend the DPU policy to suspend disconnection of utilities for nonpayment through June 30, 2020. The vote was unanimous.

Mayor Pro Tem Kalu asked if he could get monthly financial reports from DPU instead of quarterly.

Mr. Josh Nexsen, Director of Administrative Division stated, "That is not a problem."

A motion was made by Mayor Pro Tem Kalu, seconded by Councilmember Keitt to adjourn. The vote was unanimous.

Respectively submitted,


Carrie Johnson
City Clerk

/lrm

