

COMMISSIONERS OF PUBLIC WORKS
Minutes of January 24, 2013

The regular meeting of the Board of Commissioners of Public Works was held on Thursday, January 24, 2013 at 10:00 a.m., in the Boardroom at 121 West Court Avenue.

In attendance:

	Steve Reeves	Wayne Bartley	Bill Patrick
Michael G. Monaghan	Ken Barnett	Jeff Auman	John Wiseman
Henry O. Watts	Vicki Knott	Teresa Lake	Jean Martin
	Chris Lindley	Jeff Meredith	Marsha Meyer
	Jerry Smith	Jeff Chapman	Mark Warner
	Eduardo Noriega	Carlos Cometto	Chris Trainor
		Stacia May	

I. Vice Chairman Watts called the meeting to order. The invocation was given by Ken Barnett.

II. Vice Chairman Watts gave the statement of compliance with the notification provision of the Freedom of Information Act.

III. Approval of Minutes:

A motion was made by Commissioner Monaghan and seconded by Vice Chairman Watts to approve the minutes of the regular meeting on December 13, 2012, and the budget work session on December 19, 2012; the motion was unanimously approved.

IV. Financial Review:

A. Mr. John Wiseman, with Greenwood Capital Associates, provided an investment report for year ended December 31, 2012. He noted unrealized and realized gains in Investment Account 1802, including approved Municipal Bonds under the South Carolina code, U. S. Treasury Bonds, Federal Agency Bonds, and mortgage-backed securities, and ending at \$346,000. He continued with realized gains and losses in the account, and a performance report from December of 2011 to December of 2012, with a beginning value of \$5.7 million, and an ending value after contributions and withdrawals of roughly \$6.5 million. Mr. Wiseman continued with the 2007 Revenue Bond Fund that is expected to be paid out soon. He noted gains and losses in the portfolio, the last remaining investments in the account, and a 2012 performance report. Mr. Wiseman then reported on the Debt Service Reserve Fund beginning with realized gains and losses, and unrealized gains

and losses. He pointed out that the investments in the account included U. S. Treasury Bonds and Federal Agency Bonds, for a net gain or loss of around \$58,000. He referred to the performance report, noting contributions and withdrawals, and a beginning portfolio value \$2 million, and an ending value of just over \$2 million. Mr. Wiseman then reported on the 2010 Revenue Bonds Proceeds Account, beginning with realized gains and losses, bonds that had matured or been called, and continued with unrealized gains and losses, which lists the investments in the account, noting municipal bond as an approved asset class, U. S. Treasury Bonds and Agency Bonds, for a total amount \$44,500. He then noted the performance report of the account, showing a beginning value of \$12.5 million, withdrawals from the account, gains, losses, and interest, and an ending value of roughly \$11.8 million. Mr. Wiseman then reported on the Gas Rate Stabilization Fund realized gains and losses for the year; investments in the account, including one municipal bond in the portfolio, U. S. Treasury Bonds, and Federal Agency Bonds. He noted that the performance report showed a beginning value of a little over \$1 million, and an ending value of a little over \$1 million. Commissioner Monaghan asked if the Gas Rate Stabilization Fund contribution limit had been increased; Manager Reeves responded that the limit for the Electric Rate Stabilization Fund was on the agenda today for consideration. He added that after the first part of the year, they may be able to make an additional contribution to the Gas Rate Stabilization Fund. Mr. Wiseman continued with the Electric Rate Stabilization Fund noting gains and losses; investments in the portfolio, including one Municipal Bond, one Treasury, and Federal Agency Bonds, and mortgage-backed securities. He commented on performance in the account, with a beginning value of \$1.1 million, and an ending value of \$2.2 million after contributions and withdrawals. Mr. Wiseman summarized that continued Treasury yields of 1.37% were seen last fall, and those are back up to about 1.84% now. Improvement is being seen in housing across the country; domestic energy production has been positive; and private debt levels have come down. He stated that challenges certainly exist, with Federal public policy issue being the largest challenge. They anticipate positive growth for this year to reach 2.5 to 3%. He concluded that the key in this environment is not to reach for yield in a potentially rising interest rate environment.

- B. With no questions or comments, the financial statement was accepted as information.

V. Business:

- A. Manager Reeves presented a request to consider a topiary sponsorship for the 2013 Festival of Flowers, at a cost of \$2,500. He added that CPW had sponsored the lion topiary for the past number of years.

A motion was made by Commissioner Monaghan, seconded by Vice Chairman Watts, and unanimously approved.

- B. Manager Reeves presented a recommendation to approve the low bid for the CDBG project for waterline upgrades, from Young Plumbing Company, in the amount of \$360,855, contingent upon approval from the Department of Commerce.

A motion was made by Commissioner Monaghan, and seconded by Vice Commissioner Watts. Vice Chairman Watts asked if the low bidder had worked for us before; Mr. Cometto responded that they had satisfactorily completed the Augusta Fields Subdivision. Commissioner Monaghan asked about the margin between the low bidder and second low bidder; Manager Reeves responded that there was a difference of \$9,000. With no further discussion, the motion was approved.

- C. Manager Reeves noted a joint effort between Greenwood Metropolitan District and CPW in an attempt to receive lower bid prices for vehicle maintenance. He stated that in comparison to last year, a benefit was seen with lower bid pricing. He provided the Commissioners with an amended recommendation, noting that this was different from the one provided in the board package. He added that although he was not fully in agreement, he was willing to amend the recommendation in the spirit of compromise and cooperation. Manager Reeves recommended the following:

Group 1 (cars, pick-ups, vans and SUV's) the low bidder, TP's Automotive; secondary would be Ballentine Ford; for oil and lube, the low bidder, Mr. Lube; and for towing service, Speedway Lube.

Group 2 (diesel trucks F350 – F550) the low bidder, TP's Automotive; second primary bidder, Burton Center, for boom trucks; secondary bidder, Ballentine Ford; low bidder for oil and lube, Mr. Lube; low bidder for towing service, Superior Automotive.

Group 3 (large dump trucks) co-primary bidders, Brooks Truck Service and Burton Center; secondary bidder, Price's Full Service; oil and lube, Burton Center; and towing service, Price's Full Service.

Group 4 (heavy, off-road equipment) co-primary bidders, Burton Center and Brooks Truck Service; oil and lube, Burton Center; and co-primary for towing service, TP's Automotive and Price's Full Service.

Commissioner Monaghan made a motion to accept the bids as recommended; the motion was seconded by Vice Chairman Watts, and unanimously approved.

- D. Manager Reeves noted that four bids were received for vehicle washes. He then recommended the low bid for hand washes from Super Suds, located on Epting Avenue, and the low bid for automated washes from Frank's Car Wash. Manager Reeves expressed some concern with Super Suds with regard to the time element with hand washing, adding that they have assured us that it should not take longer than thirty-five to forty-five minutes. He suggested monitoring the time and only using Frank's if they are taking longer.

A motion was made by Commissioner Monaghan, seconded by Vice Chairman Watts, and unanimously approved.

- E. Manager Reeves presented a proposed amendment to the Rate Stabilization Policy for consideration. He noted that the only change to the Policy previously approved by the Board was with the maximum amount allowed for collection. The initial policy had a maximum amount of \$1.1 million; the recommendation is to increase that amount to \$5 million, due to a known increase coming to wholesale charges in the next few years. He continued that it would be wise to increase the maximum amount in the Rate Stabilization Fund now in order to soften the impact on rate payers when that hits in the next few years.

A motion was made by Commissioner Monaghan, seconded by Vice Chairman Watts, and unanimously approved.

- F. Manager Reeves requested a transfer of funds for bond approved projects paid from the General Operating Fund. He requested a transfer of \$632,158.58 from the 2007 Bond Construction Fund, and \$376,924.14 from the 2010 Bond Construction Fund, for a total transfer of \$1,009,082.75 into the General Operating Fund. He noted that this would close out the 2007 Bond Construction Fund.

A motion was made by Commissioner Monaghan, seconded by Vice Chairman Watts, and unanimously approved.

VI. Other Business:

1. Commissioner Monaghan asked about the effect of the warm weather on gas revenue and prices. Manager Reeves responded that they started off slow, the same as last year; however, it looks like the next two weeks might pick up a little, adding that if gas is not sold right now, it is unlikely that it will be sold for the year. Mr. Smith added that the weather forecast still shows very little cold weather ahead. Market prices had recently moved up and could go a little higher, and the warm weather is not helping.
2. Vice Chairman Watts asked about a gas project on the Old Abbeville Highway; Mr. Noriega responded that they are on Flatwood Road, moving toward the Abbeville County line, and continuing into the neighborhood on the left. He noted a lot of interest from people in the area about converting over to gas, adding that they had also just crossed the 50 meter mark in Promised Land.
3. Manager Reeves informed the Commissioners of a cell casing at the water treatment plant that had gone bad in the last week. He noted that this was unexpected and was not budgeted, and requested \$14,043.66 to cover the cost of the casing and installation.

A motion was made by Commissioner Monaghan, seconded by Vice Chairman Watts, and unanimously approved.

4. Manager Reeves presented a request from Preserving Lake Greenwood for a continued donation in 2013. He recalled that in the past several years, the amount donated had been \$1,000.

A motion was made by Commissioner Monaghan, seconded by Vice Chairman Watts, and unanimously approved.

5. Manager Reeves reminded the Commissioners of the annual Chamber of Commerce dinner the following evening.

VII. Executive Session:

A motion was made by Commissioner Monaghan and seconded by Vice Chairman Watts to go into *Executive Session* for contractual and personnel matters; the motion was unanimously approved.

VIII. With no further business, the meeting was adjourned.

Approved: _____, 2013

Secretary