

COMMISSIONERS OF PUBLIC WORKS
Minutes of February 9, 2017

The regular meeting of the Board of Commissioners of Public Works was held on Thursday, February 9, 2017 at 10:00 a.m., in the Boardroom at 121 West Court Avenue.

In attendance:

Arthur C. Bush	Steve D. Reeves, Jr.	Chris Lindley	Alethea Phillips
Michael G. Monaghan	Jeff Chapman	Jeff Auman	Bill Patrick
Henry O. Watts	David Tuck	Jerry Smith	James Bateman
	Teresa Lake	Carlos Cometto	
	Jeff Meredith	Vicki Knott	

- I. Chairman Watts called the meeting to order and Commissioner Bush gave the invocation.

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

Mr. James Bateman gave the Board an update from the Greenwood Partnership Alliance. He stated that the Partnership has been working with Greenwood County on an RFQ process for the Site Enhancement Grant that they are in receipt of from the South Carolina Department of Commerce. He said that RFQ was issued a couple of weeks ago with ten days to receive responses. Since then, some information has changed with the Department of Commerce. The County was going to meet Tuesday to make some decisions about reissuing the RFQ. He said that they have until the end of this calendar year for the expenditure of those grant funds as opposed to June 30, 2017. Mr. Bateman stated that they have submitted two sites for the Duke Energy Site Readiness Program for 2017. One site for the full program which is an assessment by McCallum Sweeney Consulting and a buildable area assessment and conceptual master plan by the Engineering Firm that Duke selects. He stated that is a process that the North Greenwood Industrial Park went through a couple years back as well as the Greenwood East Rail Park through Duke Site Readiness. Those two properties then moved forward into the Department of Commerce and Site Certification Program. Mr. Bateman shared some upcoming events for the Commissioners to be aware of. A Save-the-Date has just gone out for the next News and Networking. That will be March 27, 2017 and will have the South Carolina Economic Developers Association give a legislative update to our investor members and the next Partnership Board Meeting has been rescheduled for March 30, 2017. Mr. Bateman said that the Partnership will be going on Business Recruitment trips along with Commerce and the Upstate Alliance. He stated that once they have their calendar in place, they will share it with the Commissioners. Lastly, Mr. Bateman said that the Partnership is working on scheduling student tours of the

industries as a follow on to the industry showcase and are looking in the month of April to have those student tours. He said there were around 500 students that indicated that they wanted to take a tour. We are working with the School Districts to give them a tour of one of the thirteen companies that are offering the tours. Four of the industries have an age restriction so it's more likely that the students will tour one of the eight without the age restriction because most of the students are ninth and tenth graders.

III. Bid Opening:

- A. Montague Avenue Paving Project
- B. Generator #2 NiCad Battery Replacement
- C. High Service Pump Motor Reconditioning
- D. Class 2 150/1500 Series Truck for Water Department
- E. ¾ Ton 250/2500 Series Truck for the Water Treatment Plant
- F. Class 2 150/1500 Series Truck for Engineering
- G. (2) 550/5500 Series Trucks for the Gas Department

- IV. A. Manager Reeves recommended the Board authorize the Manager to transfer \$1,089,152.57 from the Bond Construction Fund into the Operating Account for projects completed in the fourth quarter of 2016.

A **motion** was made by Commissioner Monaghan to authorize the Manager to transfer \$1,089,152.57 from the Bond Construction Fund into the Operating Account for projects completed in the fourth quarter of 2016, seconded by Commissioner Bush and unanimously approved.

V. Other Business:

- A. Manager Reeves reminded the Commissioners of the Annual Awards Banquet on Tuesday, February 21, 2017 at the American Legion at 6:00 p.m.
- B. Manager Reeves then asked Teresa Lake to give the Board an update of new information from South Carolina Retirement. Mrs. Lake stated that the Attorney General was asked to look at whether or not the law intended for the actuaries that do the Retirement Plan to use an Open Amortization Schedule verses a Closed Amortization Schedule. She said that a Closed Amortization Schedule is more like a 30 year mortgage where you lock it in and pay the same thing and at the end of the 30 years, it's paid. An Open Amortization Schedule, in this case, is more like refinancing your house every year for

interest only so you never fully get it paid off. That is an acceptable Amortization method under the actuary's standards at this point. This is one of the things the Attorney General was asked to look at. The other was including increases of contributions into the actuary reports that has not yet been approved by the Board. In his opinion, he states that it doesn't exclusively say in the law which Amortization Schedule to use, however, the intent of the legislation was to have a sound retirement system and so in his opinion, the Supreme Court will probably rule that a Closed Amortization Schedule would have been the intent. This would require Supreme Court action or legislation change in order to change that at this point. PEBA responded back stating that they have abided by all the laws and have not done anything that is against Constitution or actuary standards within the market. Mrs. Lake said that one of the things she looked at that was also in the paper today, is that there is a joint committee on pension system reform which is made up of different House and Senate members and they have recommended several things and have unanimously approved the items yesterday and going to the House and Senate today where they are asking that the employee contribution go up to 9% as of July 1, 2017. She said it is currently at 8.66% so it will go up a little less than what was initially anticipated which was a 0.5% increase. The recommendation is to increase to 9% and then cap it there for six years. The second recommendation is to do what is called decoupling the law which says that there cannot be more than a 2.9% differential between the employee and employer contribution percentage. What that will allow them to do is to increase the employer's percentage more and go above the 2.9% differential. So what they have recommended is that instead of going from 11.6% in July to 0.5% more, which is what was anticipated, they want to go to 13.6%. Mrs. Lake said that is about a \$75,000.00 hit to us that we did not budget for because we budgeted for the 0.5% based on the information that we received from PEBA at the time. Again, this has to be approved by the House and the Senate and as of right now, it hasn't been but is going to be proposed to them today. In this proposal, they are proposing that the employer would go up to 13.6% as of July 1, 2017 but between then and 2022, it will increase to 18.6% so it will be increased in increments to get it to 18.6% within the next six years. Also, the employee contribution will be capped at 9% for six years. So once it gets to 9%, there will not be any employee contribution increases until after the six year mark.

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

Approved: 3/23, 2017



Secretary