

CITY OF HARDEEVILLE
SPECIAL CITY COUNCIL MEETING
AND PUBLIC HEARINGS
MINUTES
OCTOBER 21, 2008
2:30 PM

Present: Mayor Bronco Bostick, Mayor Pro Tem Roy Powell, Council Members A. Brooks Willis, Michael Foskey and Bill Horton, City Manager Kevin Griffin, Assistant City Manager Jeff Slocum, City Attorney David Tedder, Finance Director Dennis Averkin, City Clerk Lori Pomarico and Public Information Director Jason Rogers.

I. CALL TO ORDER

Mayor Bronco Bostick called the meeting to order at 2:30 p.m.

II. INVOCATION & PLEDGE OF ALLEGIANCE

Council Member Brooks Willis gave the invocation

III. NEW BUSINESS

- A. FIRST READING OF AN ORDINANCE MAKING PROVISION FOR TAX ANTICIPATION BORROWING BY THE CITY OF HARDEEVILLE, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$600,000, IN ANTICIPATION OF THE COLLECTION OF AD VALOREM TAXES FOR THE FISCAL YEAR BEGINNING THE FIRST DAY OF JULY, 2008 AND ENDING THE 30TH DAY OF JUNE, 2009; TO PRESCRIBE THE TERMS AND CONDITIONS OF SUCH BORROWING AND THE FORM OF NOTE TO BE EXECUTED EVIDENCING THE SAME; AND TO MAKE PROVISION FOR THE PAYMENT THEREOF. **(2008-10-21A)**

PUBLIC COMMENT

City Manager Kevin Griffin stated that this is a Tax Anticipation Note as discussed at last week's workshop; the final version was sent to Mayor and Council today via email. The City is asking to borrow up to six hundred thousand dollars (\$600,000). A few minor changes were made by the bond attorneys. City Manager Griffin deferred to City Attorney David Tedder. Mr. Tedder stated that as discussed in the workshop, this is a single purpose Tax Anticipation Note Ordinance. A RFP has been put out to different lending institutions to get an interest rate; those rates to be negotiated between first and second readings. A calculation needs to be done to make certain we are within the IRS regulations based on a multi stage calculation; the finance director will be working with bond council to make sure this is done correctly. Mr. Tedder stated that this ordinance is similar to one used several years ago. It allows the City Manager to do all the incidental certifications and other paperwork necessary to close the loan when it is time; it is set up to be taken in a single draw or multiple draws; a

term to be negotiated with the banks. Mr. Tedder stated that tax bills will begin to go out next week and the City will begin to receive monies, but the bulk will not be received until after the first of the year.

Mayor Pro Tem Roy Powell asked if there was a Tax Anticipation Note last year or when the last TAN was done. City Manager Griffin responded that the City has not done one in the last couple of years; the reason was not because there wasn't a need but rather because there was another vehicle, a line of credit, which was being used at that time. In reviewing the line of credit, there was a question as to the legality of how that credit was attained and it was decided to move forward with the TAN. The last Tax Anticipation Note was done in December 2004 for the 2004 to 2005 fiscal year. City Attorney Tedder added that there was another instance where there was a contingency fund that was available, an inter-general account transfer ledger, which allowed the City to move forward at that particular time; when the ad valorem came in that ledger account was reimbursed so that the internal accounts balanced.

Mayor Bronco Bostick asked how much the City is worth. City Manager Griffin responded that the calculated assessed value with personal and real property is \$14.217M. Mr. Griffin added that from the assessed value we will receive \$1.26M in taxes.

There was no public comment. A motion was made by Mayor Pro Tem Roy Powell to accept Ordinance No. 2008-10-21A at first reading. The motion received a proper second by Council Member Mike Foskey and carried unanimously.

IV. EXECUTIVE SESSION

- A. THE RECEIPT OF LEGAL ADVICE WHERE THE LEGAL ADVICE RELATES TO A PENDING, THREATENED, OR POTENTIAL CLAIM OR OTHER MATTERS COVERED BY THE ATTORNEY-CLIENT PRIVILEGE IN ACCORDANCE WITH S.C. CODE OF LAW SECTION 30-4-70(A)(2).

A motion was made by Council Member Bill Horton to recess for five minutes then move into executive session. The motion received a proper second by Council Member Mike Foskey and carried unanimously.

A motion was made by Council Member Bill Horton to return to regular session from executive session. The motion received a proper second by Council Member Mike Foskey and carried unanimously.

Council Member Bill Horton stated that having received an interim draft report regarding a special audit, Council Member Horton made a motion that the appropriate law enforcement agency be contacted by the City and a review by them be requested. The motion received a proper second by Council Member Foskey and carried

unanimously.

V. ADJOURNMENT

A motion was made by Mayor Pro Tem Powell and seconded by Council Member Horton to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 5:20 p.m.

Lori Pomarico, City Clerk

Date

SEAL