



**SPECIAL MEETING OF FLORENCE CITY COUNCIL  
TUESDAY, JUNE 20, 2023 – 4:00PM  
CITY CENTER – COUNCIL CHAMBERS  
324 WEST EVANS STREET  
FLORENCE, SOUTH CAROLINA**

**MEMBERS PRESENT**

Mayor Teresa Myers Ervin, Mayor Pro Tempore George Jebaily, Councilwoman Lethonia Barnes, Councilman Chaquez T. McCall, Councilman Bryan A. Braddock, Councilwoman LaShonda NeSmith-Jackson, and Councilman J. Lawrence Smith, II

**ALSO PRESENT**

Mr. Randall S. Osterman, City Manager; Mr. Scotty Davis, Deputy City Manager; Mr. Benjamin T. Zeigler, City Attorney; Mrs. Casey Moore, Municipal Clerk; Mr. Clint Moore, Assistant City Manager of Development; Chief Allen Heidler, Florence Police Department; Chief Shannon Tanner, Florence Fire Department; Mrs. Jennifer Krawiec, Director of Human Resources; Mr. Michael Hemingway, Director of Utility Planning and Economic Development; Mrs. Amanda Pope, Director of Marketing/Communications and Municipal Services; Mr. Chuck Pope, Director of Public Works and Mr. Kevin Rawlinson, Chief Financial Officer

**MEDIA PRESENT**

Mr. Curtis Graham of WBTW News Channel 13, Mr. Christian Smith with the Florence Morning News, Mr. Seth Taylor with the Post and Courier and Ms. Shawnia Butler with WPDE News Channel 15 were present for the meeting.

Notices of this special meeting of City Council were provided to the media and individuals requesting a copy of the agenda informing them of the date, location and time of the meeting.

**CALL TO ORDER**

Mayor Ervin called the June 20, 2023 special meeting of Florence City Council to order at 4:00 p.m.

**INVOCATION**

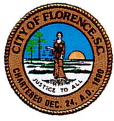
Mayor Ervin gave the invocation for the meeting. The pledge of allegiance to the American Flag followed the invocation.

**ORDINANCES IN POSITION**

**Bill No. 2023-21 – Second Reading**

**An Ordinance to raise revenue and adopt a budget for the City of Florence, South Carolina, for the Fiscal Year beginning July 1, 2023 and ending June 30, 2024.**

Councilwoman NeSmith-Jackson made a motion to adopt Bill No. 2023-21 on second reading and Councilman Braddock seconded the motion.



## FLORENCE CITY COUNCIL SPECIAL MEETING – JUNE 20, 2023

Mr. Kevin Rawlinson, Chief Financial Officer, reported the total budget for all funds is unchanged at \$115,246,530. An amendment was made at first reading for the disbursement of community programs.

Pro tem Jebaily said a request came in today from the airport regarding funding and he distributed the request letter to Council. (A copy of this letter is attached to and made part of these minutes.) Over the past couple years, the airport has been utilizing CARES funding to embark on a significant marketing campaign; however, those funds will not be available after December 31, 2023. The airport has requested \$20,000 to assist in continuing their marketing efforts in 2024. Pro tem Jebaily made a motion to amend the budget to add an extra \$20,000 expenditure to go towards the Pee Dee Regional Airport from the fund balance to assist the airport in their marketing efforts in their 2024 budget year. Councilwoman Barnes seconded the motion.

Mayor Ervin expressed concern with this request coming in at this late date post budget considerations. She asked the airport commission to be mindful of due dates when requesting funding from the City. Council voted unanimously (7-0) in favor of the amendment.

Council voted unanimously (7-0) in favor of the motion. Bill No. 2023-21 was adopted, as amended.

### **Bill No. 2023-24 – Second Reading**

#### **An Ordinance to amend Section 8-3 of the City of Florence Code of Ordinances to allow fireworks on private property on July 4-5 and December 31-January 1 in the City of Florence.**

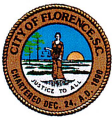
Councilman Braddock made a motion to adopt Bill No. 2023-24 on second reading and Councilwoman NeSmith-Jackson seconded the motion.

Council voted unanimously (7-0) in favor of the motion. Bill No. 2023-24 was adopted.

### **2023 WATER AND SEWER REVENUE BOND WORKSHOP**

Mr. Randy Osterman, City Manager, said there has been ongoing discussion regarding the need to upgrade the water treatment plant, the wastewater treatment plant and other infrastructure. At the workshop today, these projects and funding mechanisms will be discussed.

Mr. Michael Hemingway, Utility Planning and Economic Development Director, said the City is seeing a lot of growth and with that growth comes a cost. The City will need to have revenues in place to handle current capacities in place as well as future growth. In the 10-year, 2020 rate plan, the goals and objectives were to pay down debt, build cash reserves, tackle the Jeffries Creek Project and increase annual operation and maintenance projects within the annual budget. Also included in the 2020 rate plan was to begin planning an expansion of the surface water plant and the wastewater facility and to decommission the Timmonsville wastewater plant in 2028. However, the Envision/AESC project was announced in the summer of 2022. The development of AESC has three potential phases of growth. If all three phases are to occur, AESC will use approximately 3.3 million gallons of water and 2.9 million gallons of sewer per day. The industrial park which will house AESC is also planned for additional growth; therefore, the capacity increases for both treatment plants must be able to serve the entire park buildout and not just AESC. Mr. Hemingway then spoke of general growth in and around the City. The proposal also includes system-wide water and sewer upgrades within its service area. The known permitted development to occur in the near future alone will put the surface water treatment plant over capacity and the wastewater treatment plant near capacity. The proposed expansion will increase the water treatment plant's capacity to 20 million gallons per day and allows excess for future growth.



**FLORENCE CITY COUNCIL  
SPECIAL MEETING – JUNE 20, 2023**

Pro tem Jebaily expressed concern on the timeline. Mr. Hemingway said the City moved forward and work began on the water treatment plant design last year. Presently, the City is half way finished with the expansion design of the surface water facility. The proposed revenue bonds will be going before Council for consideration over the next couple months. If approved, the City will then have the financing and funding in place to move forward with the projects. Construction at surface water will begin next year and is expected to be completed by December 2026. Mr. Hemingway clarified that the City’s current capacity should be sufficient for the next 4-5 years. The proposed expansions will place the City into excess capacity that will be able to meet the needs of future economic development prospects. The expansion will increase its capacity to 20 million gallons per day and set up to expand to 30 million gallons per day. Also proposed is an expansion of the wastewater treatment plant from 22 million gallons per day to 33 million gallons per day and it is the hopes that this design will be complete by next year as well.

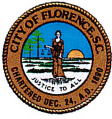
Councilman Braddock asked if there is anything in the proposed bond to mitigate present issues citizens are facing regarding sewer and water quality. Mr. Hemingway said the Jefferies Creek sewer project is ongoing with hopes to finish that design later this year. Mr. Hemingway also spoke of annual maintenance to the elevated tanks, the water treatment plant and groundwater treatment plants that all assist to improve water quality.

Councilman Smith inquired on the capacities necessary for this area. Mr. Hemingway spoke of wastewater first. Once the wastewater facility reaches 80% capacity, DHEC requires that a performance engineering report be completed. At 90% capacity, DHEC requires that construction begin to increase capacity or a moratorium will be placed until capacities get below 90%. He spoke of water production next, saying the City produces water from both groundwater and surface water and they are utilized based on the demands of the system. The surface water plant is typically producing base line flow and groundwater is producing peak flow on a daily basis.

Mr. Walter Goldsmith and Ms. Amy Vitner with First Tryon Advisors presented an overview of the water and sewer revenue bonds to Council. The topics for discussion at this workshop are upcoming projects, assumptions for future system operations, proposed rate increases and impacts on financial projections.

Capital needs have grown significantly since the last rate study in 2020. The total cost of all projects is approximately \$450 million to be paid off over a 30-year time span, and it is proposed to phase these borrowings over several years. The first bond issuance would total \$33,500,000 , the second being \$183,000,000 and the third being \$230,000,000. It is also anticipated that funding in the amount of \$91 million will come from other sources such as the South Carolina Rural Infrastructure Authority (SCRIA), the Economic Development Administration (EDA), or the State Revolving Fund (SRF).

<b>First Bond for Current Major Projects – Summer/Fall 2023</b>	
<b>Project:</b>	<b>Amount:</b>
Surface Water Treatment Plant Expansion (Planning/Design)	\$ 7,000,000
AESC Economic Development Project	18,000,000
Utility System Engineering Master Planning	4,000,000
Automated Water Meters for Billing	4,500,000
<b>Total</b>	<b>33,500,000</b>
<b>Second Bond for Future Major Projects</b>	
<b>Project:</b>	<b>Amount:</b>
Surface Water Treatment Plant Expansion (Construction)	143,000,000
PFAS(TBD)	40,000,000



**FLORENCE CITY COUNCIL  
SPECIAL MEETING – JUNE 20, 2023**

<b>Total</b>	<b>183,000,000</b>
<b>Third Bond for Future Major Projects</b>	
<b>Project:</b>	<b>Amount:</b>
Wastewater Management Facility Expansion	180,000,000
Florence East Industrial Park (East Palmetto Sewer)	50,000,000
<b>Total</b>	<b>230,000,000</b>

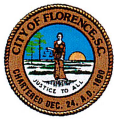
<b>Other Future Projects (SCRIA,SRF,EDA,Cash)</b>	
<b>Project:</b>	<b>Amount:</b>
Jeffries Creek Sewer Interceptor Phase I	\$ 45,000,000
Timmonsville Pump Station & Force Main	25,000,000
Pye Branch Sewer Interceptor	5,000,000
Middle Swamp Sewer Interceptor	5,000,000
Woody Jones Sewer Interceptor	5,000,000
Police cabin Lift Station Upgrade	6,000,000
<b>Total</b>	<b>91,000,000</b>

Mr. Goldsmith went over the proposed rate increases. These proposed increases will allow the City to meet minimum target metrics that stay in line with rating agency expectations and its peers around the state. When the 2020 water and sewer rate study was conducted, water rates were expected to increase 2% and sewer expected to increase 3% per year. The proposed new rates are expected to be a 9-10% increase each year until 2028, at which point they are anticipated to return to back to the annual increases of 2-3% once the higher debt levels are absorbed into the budget. Florence’s current rates are average among other cities in South Carolina. Mr. Goldsmith said he expects Florence to remain average even after the new proposed increases and keeping rates affordable is important when attracting new industries to Florence. Mr. Goldsmith went over the financing calendar for the first issuance of the bonds with the proposed closing date being September 27, 2023.

Councilwoman NeSmith-Jackson asked if the City will use some of the days cash on hand monies to lower the interest. Ms. Vitner responded that \$50 million of cash is being used to downsize the third issuance of the bond and they can look at the reserve with the second ; however, there is no plan to utilize cash on hand reserves for the first issuance.

Councilman Braddock spoke of bond fatigue and inquired as to whether Council will approve all the bond issuances at once or with each issuance. Mr. Ben Zeigler, City Attorney, said they could approve all three issues at once but they way these bonds are structured it may be best to approve them separately as they move through the process. Ms. Vitner also spoke, saying the first two bond issues were originally combined, but the challenge was not knowing the cost of the surface water treatment plant and not knowing if the City will acquire other funding mechanisms to assist in the projects. The two issues were separated in order to move forward with the more immediate projects.

Pro tem Jebaily asked if the City will be in a better position to leverage for additional grant funding once the first bond issuance is secured. Mr. Osterman spoke, saying he can’t be sure the bond will help when it comes to matching grant monies. However, the bond will secure funding for these larger projects which will allow the City the ability to proceed with some smaller projects through grant or loan agencies. Pro tem Jebaily also inquired on the revenues that are projected to be generated from AESC and Mr. Osterman said they are expected to contribute \$2.6 million in revenues annually which will go towards the payment of these bonds.



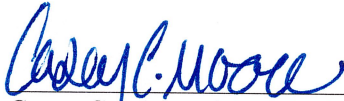
**FLORENCE CITY COUNCIL  
SPECIAL MEETING – JUNE 20, 2023**

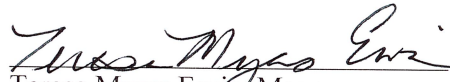
Councilwoman NeSmith-Jackson asked if a feasibility study has been completed. Mr. Goldsmith said as part of the bond issue the City will conduct a financial feasibility study, which is a third-party analysis conducted by Willdan Financial Services. Drafts of the feasibility study will be available as first and second reading of the bond ordinance come before Council. The final feasibility study will be completed just as the bonds are being sold. The feasibility study being completed will be for the entirety of the project.

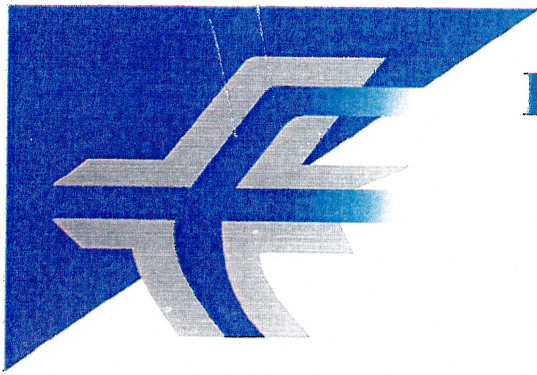
**ADJOURN**

Without objection, the June 20, 2023 Special meeting of City Council was adjourned at 4:53 p.m.

Dated this 10<sup>th</sup> day of July 2023.

  
\_\_\_\_\_  
Casey C. Moore, Municipal Clerk

  
\_\_\_\_\_  
Teresa Myers Ervin, Mayor



# FLORENCE REGIONAL AIRPORT

2100 TERMINAL DRIVE - FLORENCE, SOUTH CAROLINA 29506

(843) 669-5001 - FAX: (843) 665-4751

June 16, 2023

To: Randy Osterman, Florence City Manager, and Florence City Council:

The Pee Dee Regional Airport, DBA Florence Regional Airport, is requesting Twenty Thousand Dollars (\$20,000.00) to assist the Airport with our marketing efforts in 2024. I am sure you are aware that having an airport with commercial flights has a large economic impact for the City of Florence, and our entire Pee Dee area. Many companies make decisions on placement of new locations based on transportation availability. Florence is at the intersection of Interstates 20 and 95, and we have a commercial airport, making Florence an ideal location for new business. However, we need to draw more people to our airport to continue to have commercial service, and a marketing campaign is the way for us to accomplish this goal. In 2022 and 2023 the Airport was able to embark on a significant marketing campaign using CARES funding, but those funds will not be available after December 31, 2023.

Considering our ongoing successes with this marketing campaign, we are seeking funding from the City of Florence and others in anticipation of formulating our 2024 budget, which begins on January 1, 2024.

Thank you for your time, attention and consideration regarding this matter.

Sincerely,

Connie G. Anderson  
Executive Director  
Florence Regional Airport