

North Augusta



South Carolina's Riverfront

MINUTES OF MAY 18, 2020

Robert A. Pettit, Mayor

*J. Robert Brooks, Councilmember
Pat C. Carpenter, Councilmember
Fletcher L. Dickert, Councilmember
David W. McGhee, Councilmember
Eric H. Presnell, Councilmember
Kevin W. Toole, Councilmember*

ORDER OF BUSINESS

VIRTUAL STUDY SESSION

The virtual study session for the City Council meeting of the City of North Augusta of May 18, 2020, having been duly publicized, was called to order by Mayor Pettit at 6:00 p.m. using GoToMeeting online conferencing software and streamed online for public viewing at the City Facebook page: "City of North Augusta – Public Information" and City YouTube page: "City of North Augusta Public Information" and adjourned at 6:59 p.m.

Per Section 30-4-80(e) notice of the meetings was sent out by email to the current maintained "Agenda Mailout" list consisting of news media outlets and individuals or companies requesting notification. Notice of the meetings was also posted on the outside doors of the Municipal Center, the main bulletin board of the Municipal Center located on the first floor, and the City of North Augusta website.

Members present were Mayor Pettit, Councilmembers Brooks, Carpenter, Dickert, McGhee, Presnell, and Toole.

Also in attendance were Rachelle Moody, Interim City Administrator; Kelly F. Zier, City Attorney; Cammie T. Hayes, Director of Finance and General Services; Lillian E. (Libby) Hodges, Director of Planning and Development; J.D. McCauley, Manager of Human Resources; Ricky Jones, Manager of Information Technology and Sharon Lamar, City Clerk. The members of the public and the media were provided access to the meeting via live-streaming video.

ITEM 1. CITY COUNCIL AGENDA: Items on the May 18, 2020 Council Agenda- Council Discussion

Interim City Administrator, Rachele Moody, led Council's discussion of the May 18, 2020 meeting agenda.

ITEM 2. ECONOMIC DEVELOPMENT: Riverside Village at Hammond's Ferry - Council Update

Cammie Hayes, Director of Finance and General Services, shared a quarterly update with Council on the financial status of the Riverside Village at Hammond's Ferry project. This voluntary financial quarterly update is also posted on the EMMA portal and will be updated after the June 1 Audit review. The COVID-19 outbreak has created many unknown and unplanned circumstances. She explained the City is conducting regular discussions with bond counselors, the developer, etc. The City's bond payment obligation of May 15, 2020 was paid with accumulated revenues from sources designated in the budget for bond payments. Please see ATTACHMENT #2 for information that Ms. Hayes discussed.

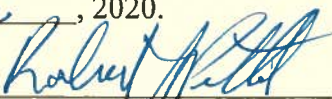
ITEM 3. ADMINISTRATION: Small Business Program Proposal – Presentation to Council

Rachele Moody, Interim City Administrator, presented to Council a proposal for a Small Business Program. She suggested Council re-allocate currently budgeted Façade Improvement funds to a Small Business Program micro grant. Please see ATTACHMENT #3 for a draft of the proposal. There was general support of Council to focus these funds to locally owned, "Mom and Pop" businesses. Ms. Moody will prepare the proposal for Council's review and approval at the June 1, 2020 meeting.


ITEM 4. FINANCE: Utility Payments during COVID-19 – Council Update

Cammie Hayes, Director of Finance and General Services, updated Council on utility payments during the COVID-19 pandemic. She reported the South Carolina Office of Regulatory Staff announced on May 13, 2020 Governor McMaster has requested that cities return to normal business operations and no longer practice the suspension of disconnections. The City of North Augusta will resume utility cutoffs for non-payment on Tuesday, July 7, 2020. Automated calls will be used to remind customers to start making payments now. There is a payment plan option in place for qualifying residents and there are local organizations available to aid those in need of assistance.

APPROVED THIS 1st DAY OF
June, 2020.


Robert A. Pettit, Mayor

Respectfully submitted,


Sharon Lamar
City Clerk

ATTACHMENT #2

Continuing Disclosure Requirements North Augusta Public Facilities Corporation/City of North Augusta Series 2017B Voluntary Filing for the Fiscal Quarter Ended March 31, 2020

Assessed Value of Taxable Property

The assessed value of all taxable real and personal property in the City for each of the last five years available is set forth in the following table (record will be updated with the 2019 audit):

Assessed Value of Taxable Property				
Fiscal Year Ended December 31	Tax Year	Real Property	Personal Property ⁽¹⁾	Total
2018	2017	\$ 82,341,248	\$ 27,375,296	\$ 109,716,544
2017	2016	79,819,959	26,336,665	106,156,624
2016	2015	73,065,987	21,623,421	94,689,408
2015	2014	70,710,810	20,984,447	91,695,257
2014	2013	69,161,813	19,735,545	88,897,358

⁽¹⁾ Due to a law passed in 1980 by the S.C. General Assembly that provided for the billing and collection of personal property taxes on motor vehicles on a staggered basis according to expiration of the license tag, the City uses different tax years for real and personal property taxes.

Tax Rates

The millage imposed in the City in each of the last five tax years is set forth below:

Tax Rates				
Fiscal Year Ended December 31	Tax Year ⁽¹⁾	Operating Millage	Debt Service Millage	Total City Millage
2020	2019	73.50	-	73.50
2019	2018	73.50	-	73.50
2018	2017	73.50	-	73.50
2017	2016	70.50	-	70.50
2016	2015	74.21	-	74.21

⁽¹⁾ Due to a law passed in 1980 by the S.C. General Assembly that provided for the billing and collection of personal property taxes on motor vehicles on a staggered basis according to expiration of the license tag, the City uses different tax years for real and personal property taxes.

(continued)

City General Fund Budget

The General Fund Budget for the fiscal year ending December 31, 2020 was adopted on December 2, 2019 by City Council and is shown in the following table:

Annual General Fund Budget for Fiscal Year Ending 12/31/20	
Revenues	
Ad valorem property taxes	\$ 7,498,967
Licenses and Permits	6,351,000
Fines and forfeitures	1,120,000
Charges for services	1,371,963
Intergovernmental	750,648
Miscellaneous	713,323
Transfers	1,308,967
Total Revenues	\$ 19,114,868
Expenditures	
General Government	\$ 5,711,790
Public Safety	8,843,667
Public Works	1,650,089
Parks, Recreation and Tourism	2,909,322
Total Expenditures	\$ 19,114,868

Ten Largest Taxpayers in the City

The ten largest taxpayers in the City, the assessed value for the fiscal year ended December 31, 2018 of the taxable property of each located within the City, and the amount of 2018 taxes paid to the City are as follows (record will be updated with the 2019 audit):

Ten Largest Taxpayers in the City 12/31/2018		
Taxpayer	Assessed Value	Taxes Paid
S.C. Electric & Gas Co.	\$ 3,467,500	\$ 254,861
Allnex Industries, Inc.	2,702,970	198,668
Wal-Mart, Inc.	2,421,283	177,964
SRP Federal Credit Union	1,181,710	86,856
SUSO 3 Augusta, LP	1,111,260	81,678
Halocarbon Chemicals, Inc.	1,003,940	73,790
CVS SC Distribution, Inc.	733,160	53,887
The Kroger Company	644,160	47,346
Lowes Home Centers, Inc.	594,072	43,664
Trailer Train-Hamburg Industries	555,950	40,862

(continued)

Tax Collection Record of the City

The following table shows the amount of taxes levied for City purposes, including additions and abatements, taxes collected as of December 31 of the year following the year in which the levy was made, and the amount of delinquent taxes collected in the City for the fiscal years shown (record will be updated with the 2019 audit):

Tax Collection Record of the City								
		Collected within the Fiscal Year of the Levy			Total Collections to Date			
Fiscal Year Ended December 31	Tax Year ⁽¹⁾	Taxes Levied for Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy	
2018	2017	\$ 8,064,166	\$ 8,018,222	99.43%	\$ -	\$ 8,018,222	99.43%	
2017	2016	7,484,042	7,446,013	99.49%	5,716	7,451,729	99.57%	
2016	2015	7,026,901	6,992,988	99.52%	7,676	7,000,664	99.63%	
2015	2014	6,804,705	6,762,260	99.38%	18,741	6,781,001	99.65%	
2014	2013	6,597,073	6,565,216	99.52%	12,362	6,577,578	99.70%	

⁽¹⁾ Due to a law passed in 1980 by the S.C. General Assembly that provided for the billing and collection of personal property taxes on motor vehicles on a staggered basis according to expiration of the license tag, the City uses different tax years for real and personal property taxes.

Outstanding Indebtedness

Outstanding Indebtedness 12/31/2018		
General Obligation Debt	\$ -	
Tax Increment Debt	43,437,000	Includes Series 2017A Bonds *see note below
Outstanding Installment Purchase Revenue Bonds	69,450,000	Series 2017B Bonds *see note below
Outstanding Lease Purchase Obligations		
2019	936,168	
2020	577,629	
2021	392,885	
2022	216,473	
Subtotal	2,123,155	
Interest	(86,661)	
Present Value of minimum lease payments	2,036,494	
Revenue Debt		
Water and Wastewater Bonds, Series 2014A	10,862,087	Matures February 1, 2035
Water and Wastewater Bonds, Series 2015A	9,015,452	Matures December 1, 2036

*The North Augusta Public Facilities Corporation purchased the City's 2017A TIF Obligation (\$43,412,000 outstanding as of 12/31/2018) pursuant to which the City makes semi-annual payments to the Corporation from TIF Revenues. These payments are assigned to the Trustee for the Series 2017B Bonds and provide a credit against installment payments due in each year. The City's legal debt margin as of 12/31/2018 equaled \$8,777,324. This record will be updated with the 2019 audit.

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Identified Sources of Installment Payments

General Obligation Bonds The City is authorized by the State Constitution to incur general obligation indebtedness without voter approval in an amount not exceeding eight percent of the assessed value of all taxable property in the City for any corporate purpose of the municipality. As of 3/31/20 the City's entire eight percent capacity is available.

On November 6, 2018, a favorable bond referendum was held in the City of North Augusta authorizing the City to issue not exceeding \$10,250,000 of general obligation bonds as part of a favorable Capital Projects Sales Tax referendum. These bonds were issued in 2020 to construct and equip a public safety headquarters and bond payments will be made from revenues collected from the capital projects sales tax.

General Obligation Bonds	
Fiscal Year	Amount
2020 ⁽¹⁾	\$ 10,250,000
2019 ⁽¹⁾	-
2018	-
2017	-
2016	-
⁽¹⁾ UNAUDITED	

Local Hospitality Taxes City Council, pursuant to the Local Hospitality Tax Act and the Hospitality Tax Ordinance, established a uniform hospitality tax, which imposed, effective December 1, 1998, a one percent (1%) tax on the sales of prepared meals and beverages, including alcoholic beverages, beer and wine, at businesses within the City. Effective December 1, 2017, the hospitality tax rate was raised to the maximum of two percent (2%) with collections beginning in January 2018.

Local Hospitality Taxes		
Fiscal Year	City Hospitality Taxes	Increase in Collections over Prior Fiscal Year
2020 1st Qtr ⁽¹⁾	\$ 427,535	N/A
2019 ⁽¹⁾	1,788,174	11.13%
2018	1,609,103	118.67
2017	735,845	3.18
2016	713,152	7.27
2015	664,804	9.68
2014	606,121	5.86
⁽¹⁾ UNAUDITED		

Local Accommodations Taxes City Council, pursuant to the Local Accommodations Tax Act and the Accommodations Tax Ordinance established a local accommodations tax, which imposed, effective December 1, 1998, a three percent (3%) tax on furnishing of accommodations to transients within the City.

Local Accommodations Taxes		
Fiscal Year	City Accommodations Taxes	Increase (Decrease) in Collections over Prior Fiscal Year
2020 1st Qtr ⁽¹⁾	\$ 30,721	N/A
2019 ⁽¹⁾	229,047	109.96%
2018	109,092	98.70
2017	54,904	7.86
2016	50,904	3.68
2015	49,099	(11.39)
2014	55,410	9.88
⁽¹⁾ UNAUDITED		

Tax Incremental Revenues The TIF Act authorizes municipalities to incur indebtedness for the purpose of redevelopment in areas which are or which are threatened to become blighted and to fund the debt service of such indebtedness from the additional tax revenues which result from such redevelopment. Under the TIF Act, all property taxes of all taxing jurisdictions imposed and collected within the Redevelopment Project Area in excess of the amount attributable to the "total initial equalized assessed value" of all taxable real property in the Redevelopment Project Area shall be paid to the municipality which shall deposit the taxes into a special tax allocation fund for the purpose of paying redevelopment project costs and discharging the obligations incurred in the payment of such costs. Certain portions of the taxes deposited to or otherwise subject to deposit to the special tax allocation fund are disbursed to overlapping taxing entities in accordance with agreements between the City and political subdivisions pursuant to which they agreed to participate in the TIF on a modified basis. As of 3/31/20, no funds had been disbursed to overlapping taxing entities.

Tax Incremental Revenues		
Fiscal Year	City TIF Revenues	% Growth
2020 1st Qtr ⁽¹⁾	\$ 1,328,868	N/A
2019 ⁽¹⁾	804,991	7%
2018	751,052	22
2017	613,831	19
2016	516,829	14
2015	453,883	9
2014	417,373	N/A
⁽¹⁾ UNAUDITED		

(continued)

MID Assessments The municipal improvement district (MID District) consists of certain parcels owned by the private developers within the TIF District where private improvements will be constructed. The City has imposed a special assessment on the parcels in the MID District owned by the private developers. The special assessment has been set on an annual basis at an amount equal to an estimate of the TIF revenues that will result from the private improvement specified in the Master Development Agreement. 2020 is the first year the special assessments were billed and payable. These assessments are due to the City no later than May 1 in the year the special assessments are billed to avoid penalty. As of May 1, 2020, MID special assessment receipts were as shown in the table below. Penalties have been assessed on all outstanding MID special assessments.

MID Assessments			
Fiscal Year Ended	Tax Year	MID Assessments	MID Receipts
December 31			
2020 1st Qtr ⁽¹⁾	2019	\$ 1,183,327	\$ 364,548
⁽¹⁾ UNAUDITED			

Parking Revenues Parking revenues are received from certain parking facilities owned or operated by the City including the Medac Deck, Hotel Deck and various lots owned by the City. Revenues received are netted against expenditures incurred for operations and maintenance of the parking facilities.

Parking Revenues		
Fiscal Year	Net Amount	% Growth
2020 1st Qtr ⁽¹⁾	\$ 8,218	N/A
2019 ⁽¹⁾	128,499	18%
2018	108,885	N/A
⁽¹⁾ UNAUDITED		

Stadium Revenues Stadium revenues are received from GreenJackets Baseball for performance license fees, retail space rent, corporate naming rights, and stadium rent. As of the date of this disclosure, GreenJackets Baseball is currently under suspension of play. Admissions tax payments are received from the South Carolina Department of Revenue (SCDOR).

Stadium Revenues						
Fiscal Year	Performance			Corporate		Total
	Admissions Tax ⁽⁵⁾	License Fees ⁽²⁾	Retail Space Rent ⁽³⁾	Naming Rights ⁽⁴⁾	Rent ⁽³⁾	
2020 1st Qtr ⁽¹⁾	\$ 11,377	\$ 74,894	\$ -	\$ -	\$ -	\$ 86,271
2019 ⁽¹⁾	71,244	64,884	100,000	100,000	250,000	586,128
2018	18,336	-	100,000	100,000	250,000	468,336
⁽¹⁾ UNAUDITED						
⁽²⁾ Revenue stream due 1/31/xx of each year for the prior calendar year						
⁽³⁾ Revenue stream due 4/1/xx of each year						
⁽⁴⁾ Revenue stream due 12/31/xx of each year						
⁽⁵⁾ Payments received throughout the year from SCDOR						

Please refer to the City of North Augusta's Comprehensive Annual Financial Report and Official Statement with respect to the Series 2017B Bonds for additional information about the City. Please also refer to the City's additional voluntary disclosure related to the Coronavirus (COVID-19) Outbreak.

North Augusta Public Facilities Corporation/City of North Augusta Series 2017B Bonds

**Voluntary Filing Regarding COVID-19 Outbreak
May 18, 2020**

The current outbreak of the 2019 Novel Coronavirus Disease (“COVID-19”), a respiratory disease characterized by the World Health Organization as a pandemic, is negatively impacting most, if not all, areas of the world, including the United States. Within the United States, the federal government and various state and local level governments as well as private entities and institutions have implemented a variety of efforts aimed at preventing the spread of COVID-19 including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements and facility closures.

Specifically, within South Carolina, Governor Henry McMaster has taken certain actions intended to limit the spread of COVID-19. On March 13, 2020, Governor McMaster issued Executive Order No. 2020-08 declaring a State of Emergency exists in the State of South Carolina (the “State”). Since issuing Order No. 2020-08, Governor McMaster has issued successive Executive Orders pursuant to the established State of Emergency including, but not limited to: Executive Order No. 2020-09 closing all public schools in South Carolina (but allowing modified operations to continue to effectuate distance learning), including state-supported colleges and universities including the City; Executive Order No. 2020-13 restricting gatherings of people in groups of three or more outside of private homes; Executive Order No. 2020-17 directing that certain “non-essential” businesses, venues, facilities, services, and activities be closed to the public, including recreational and athletic facilities and activities; and Executive Order No. 2020-21 directing citizens to not leave their residences unless they are engaging in essential activities or essential businesses.

Recently, Governor McMaster issued Executive Order No. 2020-35 on May 12, 2020 declaring a new, separate, and distinct State of Emergency related to COVID-19. In addition to proactively preparing for and properly responding to the continued spread of COVID-19, Executive Order No. 2020-35 was also intended to confront the significant economic impacts of COVID-19, in order to stabilize and reinvigorate the State’s economy. This Executive Order, in addition to others, extended and modified prior Executive Orders to allow for the limited reopening of restaurants, recreation facilities, and other non-essential services, all with certain restrictions. By recent Executive Orders Governor McMaster is incrementally reopening businesses in order to facilitate economic recovery and revitalization. However, measures taken by world, national, and state governments in response to COVID-19 are still impacting the movement of people and global economic activity, and such impacts are expected to continue for an indeterminate period of time. Many such measures are currently impacting and are expected to continue to impact the operations of the City for an indeterminate period of time.

Over the coming months, should then prevailing data and guidance, or then in-effect governmental orders or directives, prevent or substantially limit public gatherings, the City anticipates that such result may negatively impact the realization of certain revenues associated with tourism and recreation, including but not limited to hospitality taxes, accommodations taxes, and parking and stadium revenues. Furthermore, the City is party to certain contracts, including but not limited to the Stadium License Agreement, that contain force majeure provisions which have been invoked in cases where payments of certain amounts have been delayed.

The degree of impacts to the City and its operations and finances are extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity, (iii) ultimate geographic spread, as well as actions by other governmental authorities including (iv) limitations on public assemblies and gatherings.

This notice speaks only as of its date. This notice is not made in connection with a purchase or sale of securities and accordingly is not intended to contain all information material to a decision to purchase or sell obligations of the City. In providing this notice the City makes no representation with respect to the materiality of the information herein to any investor.

ATTACHMENT #3

Grant Information:

- Total amount allocated: \$25,000
- Grant award: up to \$1,000
- Minimum number of grant awards: 25
- Grants awarded based on proof of purchase and payment
 - Purchases made between March 13, 2020 – July 31, 2020
 - 100% reimbursement grant for purchases up to \$1,000

Grant Program Timeline:

- Competitive application period: June 2, 2020 – June 16, 2020
- Application evaluation period: June 17, 2020 – July 2, 2020
- City Council grant approval: July 6, 2020 council meeting

Requirements:

- Grant requests must be related to COVID-19 related expense OR to cover City utility bills in arrears since March 13.
- Business must be open to customers to receive grant. At minimum, by June 1, 2020. If not yet re-opened, business must provide date for scheduled re-opening and be open by July 31. Reimbursement grant will be issued once business is confirmed to be re-opened.

Eligibility:

- Must have a brick and mortar store in the North Augusta City limits
- Must be current on City business license and property taxes (if building is owned)
- Business must have been open for six months prior to March 13, 2020
- Current number of employees: Minimum – 2; maximum – 25
- The following types of businesses are eligible, with the following preference rank criteria:
 1. Restaurants (must be local to the CSRA or State of South Carolina, no national restaurant chains; must be stand-alone, separate from another entity)
 2. Close-contact service providers as follows: (a) Barber shops (b) Hair salons (c) Waxing salons (d) Threading salons (e) Nail salons and spas (f) Body-art facilities and tattoo services (g) Tanning salons (h) Massage-therapy establishments
 3. Recreational and athletic facilities as follows: (a) Fitness and exercise centers and commercial gyms (b) Spas (c) Group exercise facilities, to include yoga, barre, and spin studios or facilities
 4. Retail stores and entertainment as follows: (a) Furniture and home-furnishings stores (b) Clothing, shoe, and clothing-accessory stores (c) Jewelry, luggage, and leather goods stores (d) Department stores, with the exception of hardware and home-improvement stores (e) Sporting goods stores (f) Book, craft, and music stores (g) Florists and flower stores (h) bowling alley
- Ineligible businesses:
 1. All "essential services" businesses as defined by the governor that were allowed to remain open for duration of state of emergency, with exception of restaurants
 2. All other types of businesses not listed as eligible above.