

North Augusta



South Carolina's Riverfront

MINUTES OF JULY 20, 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 July 20, 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 recessed at 7:03 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 Rachele Moody, Interim City Administrator; Kelly F. Zier, Cammie T. Hayes, Director of Finance and General Services; Richard L. Meyer, Director of Parks, Recreation and Tourism; Libby Hodges, Director of Planning and Development; 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.

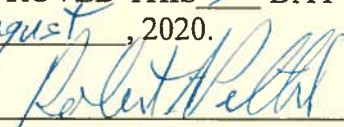
ITEM 1. CITY COUNCIL AGENDA: Items on the July 20, 2020 Council Agenda- Council Discussion

Interim City Administrator, Rachele Moody, led Council's discussion of the July 20, 2020 meeting agenda.


ITEM 2. FINANCE: Riverside Village at Hammond's Ferry – Quarterly Update

Cammie Hayes, Director of Finance and General Services, updated Council on the financial status of the Riverside Village at Hammond's Ferry project.

Please see ATTACHMENT #2 for a copy of the "Continuing Disclosure Requirements: North Augusta Public Facilities Corporation/City of North Augusta Series 2017B Voluntary Filing for the Fiscal Quarter Ended June 30, 2020."

APPROVED THIS 7 DAY OF
August, 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 June 30, 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:

Assessed Value of Taxable Property				
Fiscal Year Ended December 31	Tax Year	Real Property	Personal Property ⁽¹⁾	Total
2019	2018	\$ 83,448,499	\$ 31,654,277	\$ 115,102,776
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

⁽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.

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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

A budget adjustment has been proposed for City Council’s consideration to adopt on July 20, 2020 in response to the current outbreak of the 2019 Novel Coronavirus Disease (“COVID-19”). The proposal reduces General Fund Revenues for Charges for services to \$646,828 and Miscellaneous to \$698,323. It also reduces General Fund Expenditures for General Government to \$5,557,825, for Public Safety to \$8,716,761, for Public Works to \$1,647,218 and Parks, Recreation and Tourism to \$2,452,929. The proposed adjustment totals \$740,135 and takes into consideration the cancellations and modifications of athletic and other programs as well as cancellations to rental of City facilities.

Ten Largest Taxpayers in the City

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

Ten Largest Taxpayers in the City 12/31/2019		
Taxpayer	Assessed Value	Taxes Paid
S.C. Electric & Gas Co.	\$ 3,449,210	\$ 253,517
Allnex Industries, Inc.	2,602,230	191,264
Wal-Mart, Inc.	2,512,010	184,633
SUSO 3 Augusta, LP	1,224,300	89,986
SRP Federal Credit Union	1,111,850	81,721
Halocarbon Chemicals, Inc.	1,076,300	79,108
CVS SC Distribution, Inc.	724,870	53,278
NHC Healthcare	712,590	52,375
Lowes Home Centers, Inc.	580,550	42,670
The Kroger Company	562,320	41,331

(continued)

Tax Collection Record of the City

The following table shows the amount of taxes levied for City purposes, including additions and abatement, 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:

Tax Collection Record of the City							
Fiscal Year Ended December 31	Tax Year ⁽¹⁾	Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
			Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2019	2018	\$ 8,460,054	\$ 8,404,331	99.34%	\$ -	\$ 8,404,331	99.34%
2018	2017	8,064,166	8,018,222	99.43%	14,731	8,032,953	99.61%
2017	2016	7,484,042	7,446,013	99.49%	8,288	7,454,301	99.60%
2016	2015	7,026,901	6,992,988	99.52%	9,980	7,002,968	99.66%
2015	2014	6,804,705	6,762,260	99.38%	21,510	6,783,770	99.69%

⁽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 12/31/2019		
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		
2020	848,264	
2021	663,520	
2022	487,109	
2023	270,634	
Subtotal	2,269,527	
Interest	(113,076)	
Present Value of minimum lease payments	2,156,451	
Revenue Debt		
Water and Wastewater Bonds, Series 2014A	10,290,474	Matures February 1, 2035
Water and Wastewater Bonds, Series 2015A	8,599,506	Matures December 1, 2036

*The North Augusta Public Facilities Corporation purchased the City's 2017A TIF Obligation (\$43,412,000 outstanding as of 12/31/2019) 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 12/31/2019 equaled \$9,208,222.

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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 6/30/20 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	-
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 & 2nd Qtr ⁽¹⁾	\$ 814,135	N/A
2019	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		

(continued)

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 & 2nd Qtr ⁽¹⁾	\$ 53,473	N/A
2019	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 Increment 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 6/30/20, no funds had been disbursed to overlapping taxing entities.

Tax Increment Revenues		
Fiscal Year	City TIF Revenues	% Growth
2020 1st & 2nd Qtr ⁽¹⁾	\$ 1,464,507	N/A
2019	804,992	7%
2018	751,052	22
2017	613,831	19
2016	516,829	14
2015	453,883	9
2014	417,373	N/A
⁽¹⁾ UNAUDITED		

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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. 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 & 2nd	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 & 2nd Qtr ⁽¹⁾	\$ 9,639	N/A
2019	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. The GreenJackets Baseball 2020 season was canceled on June 30, 2020 along with all Minor League Baseball teams. 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 & 2nd Qtr ⁽¹⁾	\$ 12,294	\$ 74,894	\$ -	\$ -	\$ 100,000	\$187,188
2019	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.