

MINUTES
Town of Lexington
Executive Session and
Council Work Session

February 22, 2022

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Town Council held an Executive Session followed by the Saxe Gotha – Lexington Public Facilities Corporation Board of Directors Meeting (See separate Minutes) and the Council Work Session on February 22, 2022 which started at 6:20 p.m. in the Municipal Complex Conference Center. The meeting was attended by: Mayor Steve MacDougall, Mayor Pro-Tem Hazel Livingston and Council Members Todd Carnes, Ron Williams, Steve Baker and Todd Lyle. (Council Member Kathy Maness was absent.)

Staff members present were: Town Administrator Britt Poole, Assistant Town Administrator Stuart Ford, Assistant to the Town Administrator Wesley Crosby, Municipal Attorney Brad Cunningham, Transportation Director Randy Edwards, Police Chief Terrence Green, Building and Technology Director John Hanson, Utilities Director Allen Lutz, Utilities Supervisor Billy Gunter, Finance Director Kathy Pharr, Parks and Sanitation Director Dan Walker, Communications Manager Laurin Barnes, Downtown Venue Promoter Walker Brewer, Assistant Municipal Clerk Karen Hanner and Municipal Clerk Becky Hildebrand.

There were two (2) citizens present and no news media members were present.

OPENING STATEMENT

Mayor MacDougall welcomed everyone to the Council Work Session and introduced the Councilmembers. He read an opening statement to explain the procedures of a Council Work Session which stated: *“Work Sessions are less formal business meetings that enable Council to obtain and discuss information regarding Town issues from Staff members and/or consultants. Like Regular Council Meetings, citizens are encouraged to attend and observe Work Sessions; however, they do not include Public Hearings, but do allow for public comments at the end of the Work Session unless otherwise called on by Council. Council does not take an action vote on items during a Work Session other than to vote to place an item on Council’s next Regular Council Meeting agenda for consideration and an official vote. Council Work Sessions are taped for use by the Municipal Clerk only and Minutes are taken and posted on the Town’s web page following approval of Council.”*

INVOCATION, PLEDGE AND CALL TO ORDER:

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Councilmember Carnes gave the invocation. Mayor MacDougall led in the Pledge of Allegiance. Mayor MacDougall called the Council Work Session to order at 6:20 p.m.

EXECUTIVE SESSION REPORT

Mayor MacDougall reported the *Executive Session* was called to order at 5:48 p.m. after a motion was made by Councilmember Baker and seconded by Mayor Pro-Tem Livingston to go into *Executive Session*. The motion was unanimously carried by all those present (4). (Councilmember Maness was absent and Councilmembers Carnes and Lyle were absent for the vote.). Council adjourned from *Executive Session* at 6:09 p.m. after a motion was made by Councilmember Baker and seconded by Councilmember Williams. The motion was unanimously carried by all those present. Mayor MacDougall reported that pursuant to SC Code §30-4-70(a) (1) and (2), Council met in *Executive Session* to discuss: one routine personnel matter; two legal items regarding pending litigation and advice regarding an agenda item; and two contractual items regarding an economic development contract and a transportation contract. No vote was taken. A motion was made by Councilmember Baker and seconded by Councilmember Williams to ratify the Mayor's report. The motion was unanimously carried by all those present.

DELETIONS ON AGENDA: None.

APPROVAL OF MINUTES: A motion was made by Councilmember Williams and seconded by Councilmember Baker to approve the Minutes as submitted for the Council Meeting held on February 7, 2022. The motion was unanimously carried by all those present.

PRESENTATIONS

1. **Mr. Randy M. Cooper, CPA, CFE, The Brittingham Group, LLC – 2021 Audit:** Mr. Cooper presented the Town's Audit results as of June 30, 2021. He gave an Executive Overview for Council and distributed a copy of his seven page presentation. (Copy attached.) He commended the Town for their strong financial position. Mr. Cooper's summary included:

- The Town received the GFOA's Certificate of Excellence in Financial Reporting award for 23 consecutive years.
- The Town received an unmodified or "clean" audit opinion which is the highest level of reporting an organization can receive from its independent auditors. It is also an unlimited scope opinion meaning the Auditors had full and complete access to the Town's records.
- The Town ended 2021 with a total net position of \$143 million, an increase over 2020 which was \$131 million mainly due to an increase in water and sewer revenue, hospitality taxes, operating

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grants, capital grants and additional contributions of infrastructure by developers.

- General revenues totaled \$13,642,998 which includes property taxes, business license taxes, hospitality taxes, unrestricted state aid, and investment earnings.
- No internal control findings were noted in the audit.

Mr. Cooper explained why the report is no longer called a CAFR. He stated that CAFR is a derogatory term in another language, therefore the GFOA changed the report to ACFR. Mr. Cooper thanked the Town Staff and particularly Finance Director Pharr and the Finance Department Staff for their cooperation and assistance during the audit.

2. **Mr. Bill Ellen, Midlands Authority for Conventions, Sports and Tourism:** Mr. Ellen thanked the Mayor and Council for extending \$40,000 to the Midlands Authority and explained how those marketing efforts had performed. He summarized how things are going with tourism. He stated that since he is in the convention business, everyone came to a halt with no business during the pandemic. He was excited to say that the regional trends are up and during January 2022 hotels were at 51% occupancy, compared to 58% during January 2019. He added that all hotels have exceeded pre Covid numbers for their weekend counts and leisure business numbers are through the roof. He thought people were rediscovering their own backyards after Covid. Mr. Ellen stated that business travel is not back to normal and is 60% off. All the reports he read indicate that corporate business will be back to normal around September.

Mr. Ellen stated that the Town's \$40,000 was used for various things and they worked closely with Mr. Crosby. They replaced billboards in Charleston, Greenville, Augusta and Charlotte plus did some GO Fencing and retargeting. He added that is important because as people search things on the web, the Town's ad would pop up. He added that they also did some content development and professional photography for on-line. Mr. Ellen stated that they do a lot of billboards across the state and place a lot of advertisements in publications, and social media, etc. so they are able to get better rates. For example, the Town may have to pay 25% more for a billboard when they can get it for less with their purchasing power, which they are happy to share. Mr. Ellen stated that they also did a recovery marketing strategy targeting outdoor events and sports instead of convention marketing because they knew things were going to come back slow. He thanked the Mayor and Council for trusting them to help with the Town's marketing. Mr. Ellen introduced Mr. Sammy Hendrix as someone from Lexington who is also on his Board. He asked if the Council had any questions.

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Councilmember Williams asked if they had done any number tracing on the ads. Mr. Ellen responded that they do have some click through numbers which he would be happy to send to Council. He added that everything is not trackable. Mr. Poole stated that Staff has been working with Mr. Ellen's Staff and in approximately four months they would have a presentation ready for Council with all the information. Mr. Poole wished to add that the Town has a great working relationship with the Midlands Authority as well as with Lexington Chamber. He stated that he would be making a presentation at the next Lexington Chamber Breakfast regarding the impact of the numbers being reported at the Icehouse Amphitheater. Mr. Poole stated that he would have some great numbers to share. He added that the numbers are not yet complete but it looks like the Icehouse Amphitheater is going to be the number three tourist attraction in the Midlands only behind the Riverbanks Zoo and Williams Brice Stadium.

BUSINESS ITEMS: (For discussion and recommendation for Council's March 7, 2022 Regular Council Meeting.)

1. **Habitat for Humanity Fee Waiver Request – Town Administrator Britt Poole:** On February 1, 2022 a meeting was held with the new Executive Director for Habitat for Humanity, Suzanne Brooks. She gave an update on the organization's projects within the Town of Lexington, as there have been a number in the recent past. During the discussion a request was made for Town Council to consider waiving fees for Habitat's fees within the Town of Lexington's corporate limits. Currently, business license fees are waived on all Habitat projects as they function as a non-profit. They do pay building permit fees, impact fees and capital contribution fees (CCF) for water and sewer connections. The Town's Ordinance on impact fees does not offer an option to avoid paying the fees and obligations to bond holders require the payment of CCFs. Council does have the option to waive building permit charges. Building permit fees are calculated on the value of construction. It is estimated that those fees would be \$650 to \$1,000 per home. Council was asked to considering waiving future building permit fees for Habitat for Humanity projects.

Councilmember Williams stated that he would recused himself from the discussion and vote regarding Habitat for Humanity as he serves on their Board of Directors. (Recusal form attached.)

A motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Lyle to place the request on Council's March 7, 2022 agenda for consideration. The motion was carried with a vote of five (5) in favor and one (1) recused (Williams).

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2. **Boards and Commissions Application – Municipal Clerk Becky Hildebrand:** The Town received applications from Mr. Jeremy Addy and Mr. J. T. Stephenson, III, who both expressed an interest in serving on the Town of Lexington’s Planning Commission which currently has one vacancy. (Copy of applications attached.)

A motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Williams to place the requests on Council’s March 7, 2022 agenda for consideration. The motion was unanimously carried by all those present.

3. **Special Accommodations Tax – Assistant to the Town Administrator Wesley Crosby:** The Accommodations Tax Advisory Committee met on February 10, 2022 for a review of Special Accommodations Tax applications. The special application cycle was introduced to help expend remaining funds from the 2021 A-Tax project year. Council was provided a spreadsheet listing the requested amounts and the Accommodations Tax Committee’s award recommendations for their review. (Copy attached and summarized below.) Funds requested totaled \$94,725; Funds available totaled \$64,169; Total recommendations \$55,000; remaining balance in the 65% fund \$9,169. Any funds not awarded during this special cycle will be reallocated into the upcoming annual 2022 A-Tax allocations. Council was asked to place this item on their March 7, 2022 Council agenda for consideration.

<u>Organization</u>	<u>Project</u>	<u>Amount Requested</u>	<u>Committee Recommendations</u>
Capital City Lake Murray	Marketing	\$15,000	0
Cola Museum of Art	Marketing	\$10,000	\$ 5,000
Lexington Chamber	Strategic Plan	\$19,725	0
Town of Lexington	Amphitheater Sound	\$50,000	\$50,000

Councilmember Williams asked how the Committee came about the recommended awards especially for Columbia Museum of Art and not some of the others. Mr. Crosby responded that Capital City Lake Murray submitted their standard annual request and applicants were asked to submit a special project for this special round of funding. CCLMC has reapplied for the next round of funding. He stated that the Lexington Chamber worked on the first phase of their strategic plan with funds they received last year and the Town is still waiting to review it. Mr. Crosby added that the funds they requested for this special cycle is for a second phase of their strategic plan. He stated that the Committee thought that would be a better request for the upcoming regular cycle of funding which is coming up soon. Mr. Crosby concluded, that left two applications for the special cycle of funding with one being for the Icehouse sound system and the second being the Columbia Museum of Art for a program they have starting this week. He added that the Committee thought \$5,000 was an appropriate amount for the Museum of Art, plus they will also submit

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another application for the upcoming round of funding for an additional art installation. Mr. Crosby stated that the Committee thought the Icehouse request was for a special reason and not just their regular marketing request. He added that the Committee thought it would be better to hold the remaining \$9,169 and add it to the regular cycle of funding since that amount will be much lower this year. Mr. Crosby further explained that this year's A-Tax funding is only \$94,000 and prior to COVID the amounts were almost reaching \$200,000. He added if they add the remaining balance the total funds available will be approximately \$103,000.

Councilmember Baker asked about the \$10,000 funding request from the Columbia Museum of Art and would the Town be named a sponsor at the event. Mr. Crosby responded that it is for marketing of an art installation. Mr. Crosby added that the Town's logo would probably be in any advertising brochures.

A motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Williams to place the item on Council's March 7, 2022 agenda for consideration. The motion was unanimously carried by all those present.

4. **Pilgrim Point Streetlights – Finance Director Kathy Pharr:** Historically the Town has paid a portion of the street light bill for Pilgrim Point residents. In accordance with the Town's Residential Street Light Ordinance, the Pilgrim Point Homeowner's Association requested that the Town again pay a pro rata share of their street light bill. (Copy of request letter attached.) There are 48 lots in Pilgrim Point and the Town Ordinance stated that the Town would be responsible for one (1) street light per six (6) lots, which equals eight (8) lights. Funds would come from the Transportation budget, #100-5-665-520.

A motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Baker to place the request on Council's March 7, 2022 agenda for consideration. Mayor MacDougall asked if Staff could streamline this request to make it automatic every year so Council would not have to vote on it every year. Mr. Poole responded that it is a special exception and Council has to vote on it because it cannot be budgeted. Mr. Cunningham responded that Council would not have the right to assume that the HOA will make the request each year. The motion was unanimously carried by all those present.

COUNCIL/STAFF COMMENTS: None.

PUBLIC COMMENTS

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Ms. Angelle LaBorde, Lexington Chamber President and CEO, wished to thanked Mr. Poole and Staff members, for graciously inviting the Chamber Staff to a luncheon last Friday to get to know some of the Town Staff. She added that they felt very welcomed.

Mayor MacDougall thanked Ms. LaBorde for everything she is doing at the Lexington Chamber.

NEWS MEDIA COMMENTS: None.

ADJOURNMENT: Mayor MacDougall thanked everyone for attending the meeting. There being no objection from Council, Mayor MacDougall adjourned the Council Work Session at 6:45 p.m.

Respectfully submitted by:

Becky P. Hildebrand, CMC

APPROVED BY:

Steve MacDougall
Mayor

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FOIA COMPLIANCE – Public notification of this meeting was published, posted and mailed in compliance with the Freedom of Information Act and the Town of Lexington requirements.