

**Minutes**  
**Town Council Meeting**  
**May 17, 2005**  
**PROSPERITY, SC 29127**  
**7:00 pm**

Council Attendance: Mayor Bruce Connelly, Councilmen Larry Spotts; Derek Underwood; Allen Gallman; G.W. Dawkins (absent)

General Attendance: Andrea Cantrell, Town Administrator; Missy Grubbs, Clerk/Treasurer; Fred Sexton, Public Works Director; Hank Bufkin, Town Attorney; Sabrina Manning, Recreation Director; Benji Sease, Chief of Police; Mark Bowers; Herbert Payton; Heather Hawkin; Paul Gable; and Theresa Rikard

Mayor Connelly called the meeting to order. Councilman Gallman opened the meeting with prayer.

**APPROVAL OF MINUTES:**

Mayor Connelly presented the minutes of the April 19, 2005 council meeting to Council for approval.

**A MOTION** by Councilman Gallman to approve the minutes of April 19, 2005; Seconded by Councilman Underwood and so approved unanimously.

Mayor Connelly stated that he needed to request some changes in the agenda under New Business. He stated that Attorney Margaret Pope is advising the Town on the loan/bond issues. She has advised that Council vote on each issue separately. He stated that item "b" under New Business will be omitted and we will add "First Reading of Ordinance for Issuance and Sale of General Obligation Bond" and "First Reading of Ordinance for Issuance and Sale of Revenue Bond". This will help the Town to stay within the standards that she has recommended.

**A MOTION** by Councilman Underwood to approve the changes under New Business; seconded by Councilman Gallman and so approved unanimously.

**WELCOME NOTE – MAYOR CONNELLY:**

Mayor Connelly welcomed everyone to the meeting. He thanked all in attendance for coming.

**OPEN SESSION**

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No one had signed up to speak tonight.

**REPORT OF COMMITTEES:**

**Electrical, Fire Department, & Parade:** Councilman Underwood stated that he had nothing to report at this time.

**Sanitation and Street:** Mayor Connelly stated that Councilman Dawkins is absent tonight. He spoke with Councilman Dawkins and he had nothing to report at this time.

**Building, Recreation and Parks:** Councilman Gallman stated he had a few things to report. He stated that he had talked to the owner of the Peking Chinese Restaurant and he stated he would be opening in about 12 more days. He encouraged everyone to go over and look at the building. He stated that they are doing a great job.

Councilman Gallman stated that he had also went over and looked at the Post No Bills building. He reported that it is looking great.

Councilman Gallman stated that recreation is going well. Baseball and soccer are both in full swing. He encouraged everyone to get out and support the recreation program and the kids. He recognized Ms. Manning to speak on additional activities to come this summer. Ms. Manning stated the summer activities are as follows: Soccer Camp June 13-17, Art Camp during the weeks of July 11-15 and July 18-22, and Cheerleader Camp July 15. She also stated that she is presently talking with some people interested in helping the Town with Baseball and Basketball Camp but these dates have not yet been finalized.

**Police Department:** Chief Sease stated he had no reports at this time. Councilman Underwood questioned if everyone on the police force was now certified in radar. Chief Sease stated that all officers are now radar certified. Councilman Underwood asked if this had led to more tickets being issued than normal. Chief Sease stated that they are running right on schedule for this year's budget. He stated all officers are very lenient when writing tickets.

**Water and Sewer Department:** Councilman Spotts stated that on the weekend of the May 7<sup>th</sup> and 8<sup>th</sup> the Utility Department had several calls for a sewer stoppage on Circle Drive. This was corrected by Monday. He stated that there was also another sewer stoppage on Wheeler Street. Councilman Spotts reported that there is a problem with one of the motors on lift station number three. The seal is leaking, the shaft is worn on it and the motor is going to have to be sent off for repairs. He also reported that on May 13<sup>th</sup> all taps were completed for David Bedenbaugh's apartments above the Napa store.

Mr. Bufkin questioned when the Town sends off a motor from a lift station to be repaired are there extra motors to keep the lift station running. Councilman Spotts answered that each lift requires two motors, and that if one is gone the other one will work by itself. Mr. Bufkin also asked how long it would take for the motor to be fixed. Councilman Spotts replied that it only takes a couple of weeks.

**Town Administrator:** Ms. Cantrell stated that she had no report at this time. Councilman Spotts asked if she had put the Town's audit back out for bid yet. Ms. Cantrell stated that they have not put it out for bid at this point, but it can still be done. Mayor Connelly stated that this needed to be done. Ms. Cantrell stated that the contract would be up July 1<sup>st</sup> and that she would start obtaining bids.

**Town Attorney:** Mr. Bufkin stated that he had no report at this time.

**Old School Renovations:** Mayor Connelly stated that most everyone is aware of what is going on in this area. The Town is in the process of completing the contract and the loan. Renovations should start soon on the new Town Center.

## **NEW BUSINESS**

**First Reading of the 2005/2006 Fiscal Year Budget:** Mayor Connelly stated that the Town's administration has done a super job in controlling the budget for the next fiscal year. He stated that all of Council has a copy of the budget and it is very close to balancing. He stated one issue that might keep it from balancing is the millage rollback. Balancing the budget is based on the tax millage remaining at 49 mills. He stated that with reassessment the millage would rollback to around 45 to 47 mills. He stated that Council would have to make the decision whether to rollback the millage or call a special meeting to discuss increasing the millage. Ms. Cantrell stated that the Town is mandated to roll the millage back to around 45 mills due to reassessment, because the value of the mill has to stay consistent during reassessment. She stated that the expenditures in the Town budget have been cut back as much as possible. One way to balance the budget with the recommended expenditures is to raise the millage to 49 mills, which will be over the rollback amount. Mr. Bufkin stated that the differences is that with the reassessment each mill will be worth more, and so even though we will have a fewer number of mills we will raise more or the same dollars in theory. Mayor Connelly stated that Town is in need of more revenue. Ms. Cantrell stated the number of mills would be lowered to maintain the existing revenue that you were bringing in last year. Last year the mill was bringing in about \$1800.00 per mill. Based on the reassessment your mill will be bringing in about \$2000.00 per mill. She also stated in order to keep the revenue at the same rate the millage will have to be lowered to 45 mills. Mayor Connelly asked if the budget included any additional rate or fee increases. Ms. Cantrell stated that no rates or fees have been increased at this time. Councilman Underwood stated that the state mandates that the Town cannot increase taxes over 15% of what you generated last year in millage. Councilman Underwood asked Mr. Bufkin if he had ever seen any information to verify this. Mr. Bufkin stated that he had never looked it up, but that it was his understanding that as a result of the increase of the value of a mill the municipality could not receive a windfall in increased taxes because of the reassessment otherwise municipalities would be upping the value of all the property and raising the taxes. If the value of the mill goes up then the number of mills must come down so that the town cannot generate an excessive amount of money as a result of increases in value. Ms. Cantrell stated that council could vote to increase the millage rate to balance the budget if expenses have

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increased. Councilman Spotts questioned if the budget presented had any kind of increase in any service fees or anything else. Ms. Cantrell stated again that they have not increased any rates. Ms. Cantrell stated the only other charge that was discussed was the demand charge under electrical services. Mayor Connelly stated that they discussed the demand charge and pole charges but no decisions were made on either item. Councilman Underwood stated that he hated to see property taxes go up because of a property reassessment, but he also stated that if the budget is going to be met then Council might have to consider not rolling the millage rate down. This is something that state law will allow Council to make a decision on. He stated that the Town might generate more money just from an increase in people in Town. He again stated that he did not want a huge tax increase based on property reassessments. Ms. Cantrell stated that Town has no choice but to roll the millage back because of reassessment, if you don't the overage will be held for future escrow on taxes. She stated that Council has a choice to make a special exception during a special called meeting and go over and above that rollback amount to balance the budget. Mr. Bufkin stated there are no automatic windfalls as a result of the enhanced value of a mill.

Mayor Connelly stated that the recommended Town expenditures are around \$420,000.00 and the revenues are around \$414,000.00. With these figures as they are Council is looking at about \$6,000.00 needed in revenue. Ms. Grubbs stated that the exact amount needed is \$5,475.00. Mayor Connelly stated this shows what little revenue taxes actually bring into the Town. Ms. Cantrell stated that the budgeted revenue is around \$400,000.00 and the town only brings in about \$95,000.00 in taxes. Mayor Connelly stated that the Town needs to bring in at least \$100,000.00 in taxes. Mayor Connelly stated that you could raise a rate somewhere else. Mr. Bufkin stated that we have to realize that we are in extraordinary times, and the events that are going on right now are a result of a chain reaction of several events. The Town is committed to moving down to the Town Center, and that is triggering the renovations to the Town Center and construction of the Utility Office. These will be one-time expenses. He stated that he is not encouraging a raise in taxes, however Council has the burden of paying for these projects that they have agreed to do. Mr. Bufkin stated that the Town is entering into a \$700,000.00 upgrade to a Town facility, some of which is being paid by the One Cent Sales Tax funds, and the Town is going to have to pay for the remainder. He stated that he realizes that Council does not want to raise taxes, but Council does need to realize the one time expense in completing these projects. Mayor Connelly stated to get this far without raising taxes has been a tremendous achievement. He also stated that in the last eight years Council has cut millage two mills. Mr. Bufkin stated that putting things into perspective the Town of Prosperity charges 49 mills the Town of Newberry charges 94 mills. It is obvious from the rate the town is charging that Council is working hard to keep the millage down. Ms. Cantrell stated that before the Council would meet to discuss the millage she would sit down with Nancy Owens and look at the numbers very carefully before we made any firm decisions on what the exact millage would be.

**A MOTION** by Councilman Gallman to approve the First Reading of 2005/2006 Fiscal Year Budget; seconded by Councilman Underwood and so approved unanimously.

**Discussion of the Ordinance Authorizing Loans/Bonds:** Mayor Connelly stated we omitted the First Reading of Ordinance Authorizing Loan/Bond, and replaced it with the First Reading of Ordinance for Issuance of Sale of General Obligations Bond as part of the Town's loan. Mayor Connelly asked Mr. Bufkin to please explain this to Council. Mr. Bufkin stated the utility bond would be discussed separately. Mr. Bufkin stated that Council has agreed to move forward with completing renovations on the Town Center, and the construction of a new Utility building on Langford Street. In order to do this part of the process was to figure out how the Town would pay for that. Margaret Pope who is a bond attorney is advising the Town. This has been a learning experience for all of us. He stated that when a municipality is speaking of borrowing money for more than one year it is called a bond. The first item for consideration is the renovations of Town Center. He stated that it has been calculated that the renovations of the Town Center will cost approximately \$428,000.00. The other project will be the Utility building, fencing and offices at approximately \$204,000.00. This amount includes the price voted on earlier by Council and the fencing that goes around the building for security purposes. The options available to the Town are a general obligations bond and the other is a utility service bond. The utility service bonds are supported by the flow of revenue that is provided by the utility system, and those bonds can be used with the assets that are in utility system. What we have tried to figure out in general terms is how much of these projects can be allocated towards the Utility department. He stated that it has been figured that approximately half of the Town Center renovations or about \$214,000.00 can be allocated towards the Utility department. This is justified by the cost of administration, the paying of the bills, the record keeping and all of the duties that relate to the Utility department that will done by staff in the Town Center.

Mr. Bufkin read the cover page of the proposed ordinance (see attached). He stated that there is a small cushion in this amount to cover fees for the bond attorneys and what ever other cost that there might be. The second part of this obligation would be for a general obligation bond. The town is authorized constitutionally to borrow up to 8% of the assessed value of the Town. He stated that after checking with the County Auditor's Office to get these figures it was determined that the Town could borrow about \$167,000.00. We would propose that the Town enter into a general obligations bond of \$165,000.00. The Town does not have any other bonded outstanding obligations. The remaining money to do the entire project is approximately \$50,000.00. He stated that it is recommended that this amount come from the reserve fund. Mr. Bufkin stated that he has been consulting with Attorney Margaret Pope and she drafted the proposed ordinances. Mr. Bufkin recommended Council have a first reading tonight and then before second reading take time to review all of the ordinance because they are around twenty to thirty pages each. There has been a question as to whether or not these bonds would be tax-free and the answer is yes. Attorney Pope is prepared to provide the letter stating that all requirements have been met, which is required by the bank. Mayor Connelly pointed out that the payment for the loan has been included in the budget for next fiscal year. He asked for any additional questions from Council. Councilman Underwood questioned the amounts on the general obligations bond. He questioned if the amount coming from the reserve fund would be \$39,000.00. Mr. Bufkin stated that the general obligation bond

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could not be more than \$165,000.00. He stated that the difference between what is needed to do the project and what the Town can borrow is approximately \$49,000.00. That would be how much the Town would have to pull out of the reserve fund at this time to complete the project. This is a huge transition for the Town of Prosperity. He stated that it would require a significant amount of money to keep the current Town Hall in good condition. He went on to discuss how this is a great move for the Town.

Mayor Connelly stated that Council should be aware that the \$50,000.00 that will come from reserves would have been utilized anyway to get this building and the sheds back in good useable condition. Mr. Bufkin read the ordinance for the Utility System Revenue Bond (see attached). He stated that this is the obligation that will pay for approximately half of the Town Center renovation as allocated to the utility department as well as the Utility department building, shed, warehouse and fencing. Mr. Bufkin read the ordinance for the general obligation bond (see attached). He stated that within this ordinance it describes the other portion of work to be done on the Town Center, and the difference of funds needed that will come from the reserve funds. Councilman Underwood questioned if the money coming from the reserve fund includes the upgrades discussed for the Utility shed. Ms. Cantrell stated that it did not and asked if Councilman Underwood would explain this further to Council. Councilman Underwood stated that Council had discussed previously the cost to upgrade the Utility shed from a pole building to an all-steel building. The difference in costs would be around \$9,000.00. Councilman Underwood stated that Mr. Sexton had inquired about the all-steel shed. He stated that the current Utility shed is out of wood and the Town is constantly doing repairs to it. He stated that Council needs to discuss this because this would probably be additional funds that would have to come out of reserves. Ms. Cantrell stated that there might be enough cushion in the \$430,000.00 to cover this upgrade. Mr. Bufkin stated that the \$430,000.00 does have a cushion amount worked into it to pay for undetermined fees. Any amount that go beyond this amount will come out of the reserve fund. The other option would be for Council to vote to increase the \$430,000.00 to a higher amount. Mayor Connelly did not recommend increasing this amount. Councilman Underwood questioned if any extra funds would be paid back into reserves. Ms. Cantrell stated that all money budgeted will go towards paying back the loan. Councilman Spotts questioned if the type of funds that are now being discussed will still come from a local bank. Mr. Bufkin stated that when a municipality borrows money for longer than a year it is called a bond. Councilman Spotts questioned if the funds will come from a local bank. Mr. Bufkin replied that the Town currently has a proposal from a local bank and it the Towns intention to use them if possible.

**First Reading of Ordinance Authorizing the Issuance of Revenue Bond:**

A **MOTION** by Councilman Underwood to approve the ordinance providing for the issuance of the Public Utility System Revenue bonds not to exceed \$430,000.00; Seconded by Councilman Gallman and so approved unanimously.

**First Reading of Ordinance Authorizing the Issuance of General Obligation Bond:**

Mayor Connelly stated the other item is the General Obligations Bond for the Town,

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which is \$165,000.00. He stated that an additional \$50,000.00 would be coming from the reserve funds.

**A MOTION** by Councilman Gallman to approve the First Reading of the Ordinance of Issuance of the General Obligations Bond for the Town loan of \$165,000.00; Seconded by Councilman Underwood and so approved unanimously.

**First Reading of Zoning Map Amendment for Leon's Barber Shop:** Ms. Cantrell stated that Mr. Leon Kibler came to the Town requesting that his property be rezoned from Neighborhood Commercial to Core Commercial. She also stated that Mr. Kibler wants to expand his barbershop. He has been doing some training and needs more room.

**A MOTION** by Councilman Gallman to approve the first reading of zoning map amendment for Leon's Barbershop to Core Commercial; Seconded by Councilman Underwood and so approved unanimously.

**Appoint Municipal Election Commission Member:** Mayor Connelly stated that Council needs to add another member to the Municipal Election Commission. He stated that the recommendation is Ms. Opal Kelly. She has already agreed to take the position if Council so chooses to appoint her.

**A MOTION** by Councilman Underwood to appoint Ms. Opal Kelly as an Election Commission Member; Seconded by Councilman Gallman and so approved unanimously.

**Resolution for Mental Health Month :**

Mayor Connelly stated that it had been requested that the Town pass a resolution declaring May as Mental Health Month (see attached Resolution).

**A MOTION** by Council Gallman to approve the Resolution declaring May as Mental Health Month; Seconded by Councilman Underwood and so approved unanimously.

**Ordinance Abuse:** Mayor Connelly stated that it his responsibility as Mayor to see that everyone abides by the state statutes and town ordinances. All are very important and must be obeyed. He stated that this Council does enforce these laws and will not allow a citizen or Council member to intentionally violate them. He stated that unfortunately there is one Council member that continues to disregard one of the Town ordinances. Mayor Connelly stated that he had officially advised this Council member last Tuesday night that this would not continue. He stated that this costs Town citizens a lot of money for personal gain. He thanked Council members for continuing to request that action be taken against this abuse. He stated that the ordinance that is being abused is Section 31-04. He stated that tonight he was not making a charge but is putting Councilman Spotts on public notice. He stated that if there is any further intentional violation of this ordinance an appropriate action will be levied. Mayor Connelly read the ordinance (see attached copy). He stated that Councilman Spotts did intentionally try to convince the Clerk/Treasurer to falsify the pump station line items in the budget. He stated that this would mislead the citizens as well as Council. He stated earlier Councilman Spotts did

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convince the Clerk/Treasurer to issue him a check to go to a meeting in Charleston for four days and three nights. This check, which was not approved by Council, did include meals and mileage. This was for an electrical meeting and Councilman Spotts is in charge of the water and sewer departments. This meeting costs the Town around \$600.00. Mayor Connelly again stated that there is no charge levied at this time but only a public reprimand. He stated that this would no longer be tolerated. Councilman Spotts stated that he was not aware of what the Mayor was talking about.

**Ordinances – Larry Spotts:** Councilman Spotts stated that the Town ordinances states that purchases over \$10,000.00 should be approved in advance by Town Council sitting in public session. These purchases shall be awarded to the lowest responsible bidder after publication in a newspaper of general circulation at least five days before the last day set for the receipt of proposals. The newspaper notice shall include a general description of articles or services to be purchased and shall state where bid blanks and bid specifications can be secured. Time and place for bid opening shall be specified. The Town Administrator may waive the competitive bid process in advance upon a proper determination in writing that competitive bid procedures would not be in the Town's best interest. The Town Council must approve this noncompetitive procurement determination in advance in open session. He stated that the Town took bids on the Town Hall and on both projects W.E. Baker bid \$921,000.00 and Weathers Constructions Company bid \$931,172.00. He stated that the rest of Town Council voted to take the higher contractor and not the lowest bid. Mayor Connelly asked that Ms. Cantrell read a portion of the minutes from February 15, 2005. Mayor Connelly presented Ms. Cantrell with the highlighted portion of the minutes to be read (see attached). Mayor Connelly pointed that there was a unanimous vote to change the way in which this project would be bid out. Councilman Spotts stated that between the two bids Weathers Construction was the higher bid. Mayor Connelly stated that he would address this shortly.

**General Information:** Mayor Connelly stated that another one of his responsibilities of being Mayor is to make sure that the facts are presented to Council. Both the good and the bad. Once facts are presented it is the responsibility of Council to digest, question and then vote their conviction. This should always be done keeping in mind, we are here for the citizens of the Town of Prosperity and should not make decisions for ourselves personally. Too many times votes are cast, right here in this chamber, because of personal vendetta and/or because we have a friend in the business. We must remember each of us takes an oath that states we will vote for the best interest of the Town of Prosperity. Our personal feelings should be left at home.

During the last meeting each of you got to experience this exercise in its truest form. Our need and desire was to select a contractor for the renovation of the Town Center and Civic Center while meeting the standards set forth by the Town. Ms. Cantrell, very professionally, outlined our request and prepared the letting of the proposals. A committee was formed to accept the proposals, to open them and give an expert rendition of how the very best two responded. Both contractors were very experienced and capable and we appreciate them giving us their offer. One of the requirements was to give us a price individually on the Town Center and then on the Civic Center knowing that the

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proposal would be accepted as a total. Next was to follow that up with how we could save some money. Again both responded and both explained that they understood they were to enter separate proposals while knowing the winning proposal would be accepted as a total. Then the proposals were received and digested by our special committee. Each Council member received a visit from Mr. Bufkin with an explanation of the committee's findings. The committee overwhelmingly scored Weathers Construction the best by a substantial margin.

In the meeting a motion was made with a second then a call for questions. Immediately after a vote was taken. The request passed four to one in favor of Weathers Construction. At this time I would like to ask each of you why you voted the way you did. This was a public vote and I feel the public should know why you selected one contractor over the other. I will ask each Council member the same questions the committee responded to. Mayor Connelly stated that he would start with Councilman Underwood. He asked the question, "How do you feel both contractors compared in ability to complete the job". Councilman Underwood responded that he felt both contractors rated highly because both were reputable companies. He also stated that he felt comfortable going with either one. Mayor Connelly asked the question, "Do you feel one contractor gave better ways to save money". Councilman Underwood responded that W.E. Baker gave several ideas that he was not comfortable with. Weathers gave a list of alternatives that would actually save the Town money. He stated when looking at the sticker price Baker was a little lower but when you add in all the alternate saving plans that Weathers suggested then Weathers actually had a lower total project price. Mayor Connelly asked Councilman Underwood about the items in one of the proposals that he did not understand or like. Councilman Underwood stated that one of the cost savings offered by Baker was to lower the tonnage in the air-conditioning system. He stated when questioned other people about this he felt that this it was not a good idea to lower the tonnage. In the Civic Center when events are taking place the larger unit will be needed. Mayor Connelly asked the question, "Do you feel one contractor did a better job of giving completion dates and schedule of work". Councilman Underwood stated that he felt Weathers did. Mayor Connelly asked the question, "Do you feel price entered into the picture". Councilman Underwood stated that of course. He stated that price always enters into the picture. You always want to save the taxpayers money and not spend money that you do not need to. He stated again that when you looked at the sticker price Baker was lower but when you consider the cost saving alternatives Weathers beat them.

He stated that there is no way to look around this, it is a fact. Mayor Connelly stated that he would ask the same questions of Councilman Spotts. Mayor Connelly asked the question, "How do you feel both contractors compared in ability to complete the job". Councilman Spotts stated that he felt both contractors could complete the job. Mayor Connelly asked the question, "Do you feel one contractor gave better ways to save money". Councilman Spotts responded not really. Mayor Connelly asked the question, "Do you feel one contractor did a better job of giving completion dates and schedule of work". Councilman Spotts responded not really. Mayor Connelly asked the question, "Do you feel price entered into the picture". Councilman Spotts responded that it did. Mayor Connelly stated that he would ask the same questions to Councilman Gallman.

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Councilman Gallman stated that Weathers was the best package. He stated that he agreed with Councilman Underwood's responses. He stated that Weathers gave a good time frame as well as making recommendations with materials that could save the Town money. He stated that the Fire Department is looking at getting the current Town Hall building right now and the time frame that Weathers offered was good. He stated that Baker could not give the Town a time frame. Mayor Connelly asked the question, "Do you feel price entered into the picture". Councilman Gallman stated that sure it did. He stated that he felt like Weathers price was better. Mayor Connelly stated that he would like to give his opinions because he also had a vote in this decision. He stated that he voted for Weathers as well. He stated that his decision was made on detail on proposal. He stated that there was a huge difference in detail. He stated that he felt that both contractors were very capable of completing the job. Another area that was considered was ways to cut costs. He stated that Weathers gave very realistic ways of cutting costs to meet the budget. He stated that Baker had recommended cutting down on the air conditioning unit, which he felt was not a good idea. He stated that Baker did not give practical ways of saving money. He stated that he definitely considered the price. He stated that with the cost saving measures Weathers bid came in 13% lower. He stated that Weathers also gave better detail in his proposal. He stated that he voted to save the taxpayers money. In the February 2005 minutes Council voted on the way that the contractor would be selected and this is how I selected one. Councilman Underwood stated that they needed the Civic Center broke down into stages and Weathers proposal allowed for this. He stated that the funds from the One Cent Sales Tax that will be going towards the Civic Center would not have covered either one of the proposals. Weathers broke this portion down into auditorium, gymnasium and banquet facility. This gave Council the option to choose which areas will be completed using the One Cent Sales Tax funds. This is a big part of what made Weathers bid lower. He stated that it was not suggested by Baker that this could be done this way. He stated that Weathers gave more options and alternatives, which in the end lowered their price. Mayor Connelly stated that everyone has heard the opinions of Council. He stated that everything is on file here at Town Hall for public record. He thanked Council for taking the time to explain to the public. He asked that the representatives from the Newberry Observer and WKDK take the time to interview each Council member and get their opinions and input. He stated that the reason he asked these questions is because everyone should see the reasons why a Council member makes the decisions that they make. The Town Center is a great project that will be good for the Town for many years to come. He stated that he hoped citizens respect Council for trying to save money. He thanked everyone for their input.

Mayor Connelly stated that recently the Town's auditor contacted him regarding a situation. He stated that he met with the auditor and the auditor informed him that the Town has a problem with allowing one of the Council members business, Spotts Tractor, to make repairs to the Town equipment. He stated that the auditor asked the Mayor if he was aware of this. Mayor Connelly stated that he was aware that Spotts Tractor was doing some repairs for the Town. He stated that the auditor pointed out the amount of volume that Spotts Tractor was doing with the Town. Mayor Connelly stated that he was not aware of this. He stated that this was checked into and realized that the Town is doing around \$10,000.00 a year of business with Spotts Tractor. This had been taking

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place for around at least six years. The auditor also pointed out that Town Council did not approve the repairs. Mayor Connelly stated that he researched this through the Municipal Association and they informed him that any officer or employee must make Council aware and get approval of the volume of business taking place. Council was not aware of the volume of work being done for the Town by Spotts Tractor. He stated that the former Clerk/Treasurer, Janet Chastain, confirmed these laws. Mayor Connelly pointed out that there are State Statutes and Local Town Ordinances that must be abided by. He stated that the law that is being spoken of is State Statute section 5-7-130. This Statute is regarding conflict of interest of municipal employee. He stated that it reads, any municipal officer or employee who has substantial financial interest in any business which does business with a municipality for sale or lease, equipment or services or who personally engages in such matters shall make known that interest and shall refrain from voting upon or other wise participating in his capacity as a city officer or employee in matters relating to. Any city officer or employee who willfully conceals such substantial financial interest or willfully violates the requirements of this section shall constitute malfeasance in office and upon conviction shall forfeit his seat. A person violating provisions of this section is guilty of a misdemeanor. Upon conviction will be fined at the discretion of the court and imprisoned for not more than three years. He stated immediately after understanding just how serious this law was he contacted the Town Administrator and directed her to send a letter to Mr. Sexton stating that all dealings with Spotts Tractor were to stop. He stated that this would be in effect until Councilman Spotts does comply with this law. This was done on April 25, 2005. He stated that his main concern was that the Town does meet the requirements of law.

Mayor Connelly also reported that Spotts Tractor has done \$60,000.00 of business in six years and does not pay a business license in Prosperity. He stated that he does work in the Town parking lot as well as his place of business and other places in the Town. He stated that Councilman Spotts helps set rates and make decisions for this Town but does not purchase a business license for his company.

Councilman Spotts stated that his business was out of Town. He stated that each Council member signed all of his bills to the Town. Mayor Connelly stated that he did not sign them. Councilman Spotts asked for all his invoices to the Town for the last five years to be pulled and reviewed. Mayor Connelly stated that he already had them in hand for review and would give them to Councilman Spotts to review after the meeting. Councilman Gallman also stated that he had not been signing these invoices. Councilman Spotts stated that one Council member not signing a bill does not mean anything.

**A MOTION** by Councilman Underwood to adjourn the meeting at 8:07 p.m., Seconded by Councilman Gallman and so approved unanimously.

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Toni Melissa Grubbs  
Clerk/Treasurer

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