

A regular meeting of the James Island Public Service District (JIPSD) Commission was held at 6:36 p.m. on December 12, 2022, at James Island Town Hall located at 1122 Dills Bluff Road, James Island, South Carolina.

Present at the meeting were the following members: Marilyn Clifford, Chair, who presided; Inez BrownCrouch, Meredith Poston, Brenda Grant, Susan Milliken and Kathy Woolsey.

Also present: Joe Borgstrom, Consultant, Place + Main Advisors; Chip Bruorton, District Attorney; Tim Muller, District Attorney; Dave Schaeffer, District Manager; Tamara White, Assistant District Manager; Joanne Tucker, Administration Manager; Ed Kilcullen, Director of Finance; Charlsie Tarpley, Accounting Manager; Tom Glick, Fire Chief; Steve Aden, Director of Fleet Services; Walter Desmond, Director of Solid Waste Services; Joe Marcinkus, Director of Wastewater Services; David Hoffman, Wastewater Director and David Major, Solid Waste Services & Facilities Coordinator.

Ms. Clifford called the meeting to order.

1. The Freedom of Information Act Report – In compliance with the Freedom of Information Act, notice of this meeting and its agenda were provided to all news media and persons requesting notification.
2. The roll was called.
3. Proclamation Honoring and Recognizing David Hoffman, Director of Wastewater Services
 - A. Ms. Clifford read a proclamation honoring Mr. Hoffman for his service to the District.
4. New Fire Department Employee Introductions
 - A. Chief Glick introduced the new firefighters in the Fire Department as: Vincent Rowell, Ariel Guzman and Clint Broadwater.
5. Oral and Written Petitions – none
6. Consent Agenda
 - A. **Ms. Milliken moved to approve the consent agenda, seconded by Ms. Clifford. A roll call vote was taken, and the motion carried unanimously.**
7. Regional Partners Automatic Aid Agreement
 - A. **Ms. Clifford moved to approve the Regional Partners Agreement, seconded by Ms. Poston. A roll call vote was taken, and the motion carried unanimously.**
8. Presentation of the JIPSD 2023-2027 Strategic Plan – Joe Borgstrom, Place + Main Advisors
 - A. Mr. Borgstrom presented the plan's goals, vision and mission over the next five years. Discussion followed.
9. Resolution Adopting JIPSD 2023-2027 Strategic Plan
 - A. **Ms. Poston moved to approve the resolution adopting the Strategic Plan, seconded by Ms. Clifford. A roll call vote was taken and the motion carried unanimously.**
10. FY22 Financial Statement and Audit Report Update
 - A. Mr. Schaeffer reviewed the report and stated that the audit team will be attending the next regular meeting to present the FY22 audited financial statements and answer questions. He also asked the Commission to email their questions to him so that the audit team is prepared to answer them at next month's meeting.

11. Ordinance Repealing Ordinance No. 2015-002 Managing Solid Waste – 2nd and Final Reading

- A. **Ms. Clifford moved adopt the Ordinance repealing Ordinance No. 2015-002 Managing Solid Waste, seconded by Ms. Poston. A roll call vote was taken and the motion carried 5 to 1 as follows:**

Ms. BrownCrouch	Aye	
Ms. Clifford	Aye	
Ms. Grant	Aye	
Ms. Milliken		Nay
Ms. Poston	Aye	
Ms. Woolsey	Aye	

12. Resolution Managing Solid Waste

- A. **Ms. Woolsey moved to adopt the Resolution Managing Solid Waste, seconded by Ms. Poston. A roll call vote was taken and the motion carried 5 to 1 as follows:**

Ms. BrownCrouch	Aye	
Ms. Clifford	Aye	
Ms. Grant	Aye	
Ms. Milliken		Nay
Ms. Poston	Aye	
Ms. Woolsey	Aye	

13. Resolution for Wastewater Collection System Use and Rate

- A. **Ms. Poston moved to adopt the Resolution for Wastewater Collection System Use and Rate, seconded by Ms. Woolsey. Discussion followed. Ms. Clifford withdrew her motion.**
- B. **Ms. Woolsey moved to amend Page 18, Section O of the resolution to remove the words “by a licensed plumber”, seconded by Ms. Clifford. A roll call vote was taken and the motion carried 4 to 2 as follows:**

Ms. BrownCrouch	Aye	
Ms. Clifford	Aye	
Ms. Grant		Nay
Ms. Milliken		Nay
Ms. Poston	Aye	
Ms. Woolsey	Aye	

- C. **Ms. Woolsey moved to adopt the resolution for Wastewater Collection System Use and Rate as amended, seconded by Ms. Poston. A roll call vote was taken and the motion carried 4 to 2 as follows:**

Ms. BrownCrouch	Aye	
Ms. Clifford	Aye	
Ms. Grant		Nay
Ms. Milliken		Nay
Ms. Poston	Aye	
Ms. Woolsey	Aye	

14. District Management Report

- A. Mr. Schaeffer reported the highlights from five different pages of the Audited Financial Statements for the Fiscal Year ending June 30, 2022:
- Page 15 of the Audit Report, Statement of Revenue, Expenditures, and Changes in Fund Balances – Governmental Funds: General Fund Ending Fund Balance as of 30 June 2022 \$9,564,165; that represents nearly a 29% increase in the prior year ending General Fund Balance; and this leaves the District in excellent financial position. You get this by adding the \$839,589 in Revenues exceeding expenditures.
 - Then add the \$1,308,652 proceeds from the Sale of Fixed Assets associated with the Sale of Old Fire Station #1 plus the 0.5 Acre on Folly Rd – and the District's General Fund had a banner year for FY22. However, it's mainly because the General Fund had very little in the way of Capital Outlay for FY22 – the \$44,375 in Capital Outlay represents some of the recent challenges associated with extremely long lead times to obtain vehicles and pieces of equipment. In just the Solid Waste Department the Automated Side Loader plus the additional Dump Truck represents a planned \$467,000 expenditures in Capital Outlay for FY23 – those 2 items are over 10 times last year's \$44,375 in Capital Outlay. This is also a rare occurrence. For Comparison Purposes, Two Years Ago FY20 Total General Fund Expenditures were \$8,483,569 with \$704,364 in Capital Outlay. The District spent less in FY22 Total General Fund Expenditures of \$8,414,347 in FY22 than it spent two years ago in FY20.
 - Page 18 of the Audit Report, Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund: The Proprietary Fund / WW Side with Total Operating Revenue of \$9,395,578 compared to Total Operating Expenses \$6,558,517; which results in an Operating Income of \$2,837,061; this represents resources to be able to invest back into the wastewater system.
 - Page 19 of the Audit Report, Statement of Cash Flows – Proprietary Fund: You can see how the GASB 75 – other post-employment benefits were reduced by \$1,487,721 that added to the net cash provided by operating activities \$5,014,753. The WW Fund net increase in cash was up \$5,246,924 from last year up to the \$10,872,529 figure of End of Year Cash – that's positive momentum for both the General Fund and WW Fund during FY22.
 - Page 37 of the Audit Report, Note 7 – Post-Employment Benefits Other Than Pension: Note 7 – OPEB this is the one you should be screaming to the mountain tops that the District's Unsustainable Total OPEB Liability by \$8,751,298. Balance at June 30, 2021 Total OPEB Liability = \$9,108,305. Balance as of June 30, 2022 Total OPEB Liability = \$357,007; this will continue to decrease as the District drains the remainder of the trust to pay Retiree Health Care Coverage.
 - Page 51 of the Audit Report, Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non-Major: The Capital Projects Fund has a Ending Fund Balance of \$539,209. I am planting the seed now that I will be coming back to the Commission next year with a request to transfer an amount from the General Fund to the Capital Project Fund associated with the Fire Station #2 Project. The Proceeds from the Sale of Old Fire Station #1 is a one-time revenue windfall that can be invested back into the Fire Station #2 Project. Much more information to come on that during the

Ways & Means Committee Meetings for February and March of 2023. The increases to the District’s Fund Balances help protect the District’s Bond Rating, provide the District with access to financing, ensures the District can continue to provide high quality public services, and will help the District accomplish the initiatives outlined with the District’s Strategic Plan.

- 15. Committee and JIPSD Representative Reports – none
- 16. Correspondence and/or Newspaper Articles – none
- 17. Oral and Written Petitions – none
- 18. Executive Session

- A. **Ms. Clifford moved to enter into executive session to discuss the District Manager’s employment contract, seconded by Ms. Poston. A roll call vote was taken, and the motion carried unanimously.**
- B. **The Commission entered executive session at 7:24 pm.**
- C. **The Commission exited executive session at 8:03 pm. No action was taken.**

- 19. **Ms. Clifford moved to modify and approve the employment contract for the District Manager, altering Section 4 to 10 hours per month of annual leave, seconded by Ms. Poston. A roll call vote was taken and the motion carried 5 to 1 as follows:**

Ms. BrownCrouch	Aye	
Ms. Clifford	Aye	
Ms. Grant	Aye	
Ms. Milliken		Nay
Ms. Poston	Aye	
Ms. Woolsey	Aye	

- 20. **Ms. Clifford moved to adjourn the meeting, seconded by Ms. Poston. A roll call vote was taken, and the motion carried unanimously.**
- 21. Ms. Clifford adjourned the meeting at 8:05 p.m.

Marilyn Clifford
 Chair
 MC/TW