

**Minutes  
Finance Committee  
May 5, 2009  
6:00 PM  
3rd meeting**

**Members present were Chairman Dale Black, Committee members Michael Reynolds and Gabe Hunter. Trey Eubanks, City Administrator, was also present.**

1. Call to order.- Chairman Black
2. Public Comment- none
3. Reading and approval of minutes.

Councilman Reynolds made a motion to approve the minutes with Councilman Hunter seconding. The vote was unanimous (3-0).

Councilman Reynolds made a motion to approve the special called minutes with Councilman Hunter seconding. The vote was unanimous (3-0).

4. Reports or communications from city officers.

- a. Budget Review

Trey Eubanks: I looked into a couple of websites, and by the end of this week will we advertise for the finance director again. It is a key position and I am optimistic that we will have a good opportunity to get someone on board and I will keep you posted. Our revenues are coming in and we look solid this year. Expenditures are a little under, and as far as the city revenues and expenditures, we are looking good at this point. As we close in on our fiscal year, I will provide you with reports that I started about four months ago.

Chairman Black: I would like to thank you and your staff again on keeping up with our budget. Everything looks good.

Councilman Hunter: On the property taxes, the budgeted to actual, it is on the fourth page- there is a \$243,000 differential.

Councilman Reynolds: The fee-in-lieu of is probably what he is talking about.

Trey Eubanks: We only budgeted \$19,500 for fee-in-lieu of. Being negative doesn't make sense to me either. Let me check the system and I will get back with you.

Councilman Hunter: Another question on delinquent business licenses. Is that a large number at this time?

Trey Eubanks: The deadlines for out of city was January and in-city was just last month. I feel we are pretty good at this point. We are going to get some delinquent taxes in.

5. Unfinished business.- none

6. New business.

a. Franchise agreement

Trey Eubanks: You will see the current rate is maintained for both agreements. 3%. That is consistent with council's wishes. City Council, by vote, can amend the agreement within the initial term. The Duke agreement, the MASC hired a consultant to develop a model agreement. He has reviewed our agreement and it is consistent with the model agreement. He has made some suggestions for changes to the Laurens Electric agreement. Laurens Electric is good with the changes. The City Attorney is looking at this. We are going to adopt them both by ordinance. I will have an ordinance by the council meeting on the 18<sup>th</sup>.

Chairman Black: The City can opt out with 120 day notice.

Trey Eubanks: Yes. It does automatically renew unless there is notice.

Chairman Black: Council can raise the franchise fee any time they want to.

Councilman Reynolds: I want to state again there is no fee increase. The City Attorney is going to look at these agreements?

Trey Eubanks: Yes. The City Attorney will comment on this also before the council meeting.

Councilman Hunter: We can incrementally change the amount? I didn't see it in the agreement.

Trey Eubanks: Yes. On the Laurens agreement, it is section 1, Duke is section 2 where it says the municipal council can amend the fee with 120 days notice.

Councilman Hunter made a motion to send these two agreements to the Council meeting. Councilman Reynolds seconded the motion and the vote was unanimous (3-0).

b. Discussion on audit proposals

Chairman Black: The finance committee and staff looked at these proposals yesterday.

Trey Eubanks: April 5<sup>th</sup> we went out to bid for auditing services. We received bids from 6 firms and received some good ones. The finance committee met yesterday morning. We are doing due diligence and expect a report possibly by the May 18<sup>th</sup> council meeting. I would recommend based on the progress from yesterday that we put this on the May 18<sup>th</sup> agenda.

Chairman Black: I would like to put this on the council agenda provided that the information they need is received.

Councilman Hunter made a motion to send this to full council with Councilman Reynolds seconding. The vote was unanimous (3-0).

c. AT&T Cable Franchise application

Chairman Black: This is a new one to the Upstate. If committee has no problems, I would like the representative from AT&T to come and talk to us.

Jim Thomas: I am a regional director with AT&T and we are here today to ask you to consent for AT&T to bring telephone, TV, and internet services to the City of Mauldin. It comes under a statewide franchise that we filed with the Secretary of State that comes to you for your consent. We are excited about these services and they are brand new. Some of you saw some of the demonstrations at the Municipal Association meeting. We have to tell the areas we are going to serve. I know Mr. Eubanks and know his father in Spartanburg. Basically this is an internet protocol based system which means the signal is sent over telephone lines. It really allows for a lot of flexibility. We can send our channels and that gives us the ability to offer more HD channels. Also, it offers you combination services and the cheaper rates for that. We feel that it will be a very competitive service. We recognize you have a provider here in the City already, but we would like to offer our services to you as well.

Chairman Black: Can the customers pick and choose channels or will there be a package?

Mr. Thomas: There is a number of packages. I can't predict what we will offer. We can be a little more individualized. The midlands area already has these services and there are packages of services that are sold in those areas.

Chairman Black: If a customer has an AT&T service, will it be bundled?

Mr. Thomas: All of our lines are not conditioned. This takes time with the market restraints.

Chairman Black: If they have lines, there will not be a need to run new lines?

Mr. Thomas: There will be some boxes in subdivisions. With the new technology, the additional equipment will be at that point. We can get fast speeds over a short distance. I will tell you that there may be some subdivisions where we will have to dig up a line or bury one.

Councilman Hunter: If we initiate this, how long does it take?

Mr. Thomas: We are obligated to do this within a year. I can't tell you exactly when but we want it as fast we can. The legislature enacted this new procedure and we have to identify the governmental entities. Mauldin is one of the target environments for the first wave of services.

Councilman Hunter: You won't be the only provider.

Mr. Thomas: No sir. This won't effect Charter. This is simply a new service. Today, you do receive a franchise fee of 5%. You get that from Charter customers and will get that from our customers. We did attract some customers from satellite systems.

Councilman Hunter: Our current provider is very community oriented. Will AT&T be the same way?

Mr. Thomas: We have a good track record of being that way as well. We do support communities and have for a long time and will continue to do that.

Chairman Black: This is just another vendor to bring a signal into your house. We give them the authority to do this or deny the authority to do this.

Councilman Reynolds: Does this need to go through council?

Trey Eubanks: This can be an administrative function. If this committee wants to authorize me to sign off on this, that would allow them to get their franchise from the Secretary of State.

Councilman Hunter made a motion to authorize Mr. Eubanks the authority to send the letter to the Secretary of State with Councilman Reynolds seconding. The vote was unanimous (3-0).

Chairman Black: Free services for all council and department heads?

Councilman Reynolds: I want it stated that I don't want that.

Mr. Thomas: I can't promise that.

## 7. Public comment.

Mayor Godbey: On the Laurens Electric franchise, it goes out in May. Are we going to be without a contract?

Trey Eubanks: My belief after reviewing the agreements is that because of the existing agreements and we have not served notice that they are canceled, they will roll over. The new agreements null and void the previous agreements. The City Attorney is verifying that.

Chairman Black: I asked the administrator about this.

Councilwoman Gettys: The changes from the city attorney- will they be available at the next council meeting?

Trey Eubanks: Yes, they will.

Councilwoman Gettys: I just want to see them before that night.

Trey Eubanks: He is reviewing the language and making sure there is no gap in the coverage.

8. Committee concerns.

9. Adjournment.- Chairman Black adjourned the meeting at 8:30 pm.

Respectfully Submitted,

Cindy Miller

Municipal Clerk