



# FINANCE AND POLICY COMMITTEE MEETING

MONDAY, MAY 2, 2022 | 6PM

3rd committee meeting

The Committee will meet in Mauldin City Hall at 5 East Butler Road in the Council Chambers at 6 p.m.

The meeting will be available remotely through Zoom. Please visit the City's website at <https://cityofmauldin.org/your-government/meeting-minutes-agendas/> to access the meeting via audio and videoconferencing.

**FINANCE AND POLICY COMMITTEE MEETING  
MAY 2, 2022, 6PM  
CITY HALL - COUNCIL CHAMBERS  
5 E. BUTLER ROAD**

**Committee Members:** Michael Reynolds (Chair), Carol King, Diane Kuzniar

- |   |  |
|---|--|
| <b>1. <u>Call to Order</u></b>                                | The Honorable Michael Reynolds                                   |
| <b>2. <u>Public Comment</u></b>                               | The Honorable Michael Reynolds<br>The Honorable Michael Reynolds |
| <b>3. <u>Reading and Approval of Minutes</u></b>              | The Honorable Michael Reynolds                                   |
| a. Finance Committee Meeting: April 4, 2022 [Pages -]         |  |
| <b>4. <u>Reports or Communications from City Officers</u></b> | The Honorable Michael Reynolds                                   |
| a. City Administrator Brandon Madden                          |  |
| i. Budget Review  |  |
| b. Finance Director Holly Abercrombie                         |  |
| i. Budget Review  |  |
| c. HR Director Mark Putnam                                    |  |
| <b>5. <u>Unfinished Business</u></b>                          | The Honorable Michael Reynolds                                   |
| There is no unfinished business.                              |  |
| <b>6. <u>New Business</u></b>                                 | The Honorable Michael Reynolds                                   |
| a. Franchise Agreement with Duke Energy [Pages                |  |
| b. FY 22 Budget Amendment [Pages                              |  |
| c. Contract with Script sourcing [Pages                       |  |
| <b>7. <u>Public Comment</u></b>                               | The Honorable Michael Reynolds                                   |
| <b>8. <u>Committee Concerns</u></b>                           | The Honorable Michael Reynolds                                   |
| <b>9. <u>Adjournment</u></b>                                  | The Honorable Michael Reynolds                                   |

MINUTES  
FINANCE AND POLICY COMMITTEE MEETING  
APRIL 4, 2022, 6PM  
CITY HALL - COUNCIL CHAMBERS 5 E. BUTLER ROAD  
1<sup>st</sup> meeting

Committee Members: Michael Reynolds (Chair), Carol King, Diane Kuzniar  
Others present: Finance Director Holly Abercrombie, HR Director Mark Putnam and City Administrator Brandon Madden

1. Call to Order- Chairman Reynolds
2. Public Comment- None
3. Reading and Approval of Minutes
  - a. Finance Committee Meeting: February 7, 2022

**Motion:** Councilwoman King made a motion to accept the minutes with Councilwoman Kuzniar seconding.

**Vote:** The vote was unanimous (3-0).

4. Reports or Communications from City Officers
  - a. City Administrator Brandon Madden
    - i. Budget Review- Mr. Madden reported the Admin budget is where it should be.
  - b. Finance Director Holly Abercrombie
    - i. Budget Review- Ms. Abercrombie reported the budgets all look good.
  - c. HR Director Mark Putnam- Mr. Putnam advised committee the employee awards luncheon would be held on April 28<sup>th</sup> at 11:30 a.m.

5. Unfinished Business- There is no unfinished business.

6. New Business

- a. Amendment to Lease Agreement

Pops Creamery makes a monthly payment of \$500 (i.e., 12 months), totaling an annual amount of \$6,000 per the current lease agreement. Pops Creamery has requested to amend the lease agreement to allow for monthly payments of \$600 per month for 10 months a year, totaling an annual amount of \$6,000. This request is due to the fact that the Creamery is closed for two months of the year. There is no financial impact to the City.

**Motion:** Councilwoman King made a motion to send this item to Council with Councilwoman Kuzniar seconding.

**Vote:** The vote was unanimous (3-0).

- b. Selection of Auditing Firm for FY 22 Audit

Councilwoman King recused herself and left the room due to a conflict of interest on this item.

The City posted a Request for Proposals to solicit bids for our audit services in February and received three bids. A committee evaluated the proposals and ranked each one. The one receiving the highest evaluation was Scott & Co.

**Motion:** Councilwoman Kuzniar made a motion to send this item to Council with Chairman Reynolds seconding.

**Vote:** The vote was unanimous (2-0).

7. Public Comment- None

8. Committee Concerns- None

9. Adjournment- Chairman Reynolds adjourned the meeting at 6:12 p.m.

Respectfully Submitted,  
Cindy Miller  
Municipal Clerk

# FINANCE & POLICY COMMITTEE

## AGENDA ITEM SUMMARY

**MEETING DATE:** May 2, 2022  
**AGENDA ITEM:** 6a

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**TO:** Finance & Policy Committee  
**FROM:** City Administrator Brandon Madden  
**SUBJECT:** Franchise Agreement with Duke Energy

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### **REQUEST**

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The Finance & Policy Committee is requested approve the franchise agreement with Duke Energy.

### **HISTORY/BACKGROUND**

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City Council entered into a franchise agreement with Duke Energy, effective June 2009. The initial terms have since expired, but has been automatically renewed. Council is being requested to consider approving an updated franchise agreement.

### **ANALYSIS or STAFF FINDINGS**

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During its FY2019 budget deliberations, Council approved a 1% franchise fee increase. This action increased the franchise fee for Duke Energy from 4% to 5%. The franchise agreement with Duke Energy has expired. Approval of a new agreement will codify the City's contractual relationship with Duke Energy

### **FISCAL IMPACT**

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Future revenues attributed to the franchise fee.

### **RECOMMENDATION**

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Approval.

### **ATTACHMENTS**

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Franchise Agreement

STATE OF SOUTH CAROLINA            )     MUNICIPAL SERVICE AGREEMENT  
  )     FOR THE PROVISION OF ELECTRIC  
CITY OF                                    )     SERVICE

THIS MUNICIPAL SERVICE AGREEMENT FOR THE PROVISION OF ELECTRIC SERVICE (this “Agreement”), made and entered into this the \_\_\_\_ day of May (the “Effective Date”), 5/21/2022, by and between **Duke Energy Carolinas, LLC**, a North Carolina limited liability company, duly domesticated in the State of South Carolina (“Company”) and the City of Mauldin , a municipality incorporated under the laws of the State of South Carolina.

For Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and the City agree as follows:

1. As a payment for the rights enumerated hereinafter for the term of this Agreement, Company will pay to the City, during the term of this Agreement, on or before the sixtieth (60<sup>th</sup>) day following the end of each calendar quarter, a sum of money equal to 5 percent (5%) of Company’s gross electric receipts from the sale of electricity using approved electrical rates, derived by Company from within the corporate limits of the City, for the previous calendar quarter. If the first period of service is less than a full calendar quarter, Company shall make the gross receipts payment to the City for that part of the calendar quarter the Agreement was in effect.
2. During the term of this Agreement, the City reserves the right to adjust the fee upon a vote by the City Council, and will provide one hundred twenty (120) calendar days’ prior notice of such adjustment to Company.
3. The payment of the percentage of gross electric receipts as provided in Section 1 shall be in lieu of all occupation, license, gross receipts, excise, franchise and all other levies or taxes, however designated, and in full payment of all such money demands and charges on such accounts. The Company shall still pay ad valorem taxes on Company’s property, and standard building permit fees in amounts established by the City through its ordinances, regulations and practices that are otherwise applicable.
4. The City hereby consents to Company’s use of all public streets, avenues, alleyways, and public rights-of-way, however designated, for the provision of electric service to the City and its inhabitants and for the maintenance and operation of Company’s facilities within the corporate limits, the City grants its consent to Company to construct and install, operate, maintain, renew, replace and repair its electrical distribution and transmission lines, poles, conduits, transformers, communications cables, and connections and services thereto, and to operate, maintain, renew, replace and repair any existing distribution and transmission lines, over, across, along and under the public streets, avenues, roads, alleys, and other public rights of the way in the City for the transmission, distribution, and sale of electricity and its own internal communications purposes, subject to the terms and conditions of this Agreement and any applicable municipal ordinances. PROVIDED, however, that no consent is granted hereby for the use of any public streets, avenues, roads, alleys, or other public rights of way in the City for the construction of any

transmission line unless that transmission line is specifically necessary for and will be used primarily as an integral part of the electric distribution system serving electricity within the corporate limits of the City, PROVIDED FURTHER, however, that in the case of any transmission line annexed into the City after the Effective Date of this Agreement, Company shall have the consent of the City to use the public streets, avenues, roads, alleys, or other public rights of way in the city for the continued maintenance and operation of such line. AND FURTHERMORE, that in the event of annexation of any territory into the City within which Company has filed with the Federal Energy Regulatory Commission or the Public Service Commission of South Carolina (the "Commission") for approval of the design, routing, siting, and construction of a transmission line not necessary for or intended to be used as an integral part of the electric system for provision of the electricity within the City limits and so long as Company agrees to minimize to the maximum extent possible any possible adverse impact within the City, and to perform the work in accordance with ordinances applicable to all other such construction and utility work within the City Limits, then no further consent of the City shall be necessary for the use of public streets, avenues, roads, alleys, or other public rights of way in that annexed territory for the construction, maintenance, and operation of that transmission line. The parties hereto may make additional contracts not in conflict with this Agreement for the furnishing of said electric energy in accordance with the state law, and under the rates and regulation of, or approval by, the Commission.

5. The Company's right to use public rights-of-way shall be non-exclusive. Should the City itself ever at any time construct, purchase, lease, acquire, own, hold, use, or operate a transmission or distribution system to supply electricity to itself or to others, or should the City grant to another provider of electric service the right to use public rights-of-way for the transmission or distribution of electricity, then all such occupants and users of the rights-of-way shall also be required to receive permission from the City for such occupancy and use and shall pay the same percentage fee on gross receipts as Company, so that Company will not be at a competitive disadvantage as a consequence of the fee required by this Agreement.
6. All work upon the streets and public rights-of-way of the City shall be done under the general supervision and in compliance with applicable ordinances of the City. All street pavement, sidewalks, curb, gutter, sewer, and storm drain facilities, and all appurtenances of any type which may be displaced by reason of such work shall be properly replaced and re-laid by Company to the reasonable satisfaction of the City. If the City or the State of South Carolina determines that it is necessary to reconstruct, widen, or relocate a road or other public right-of-way, the City may require Company at Company's sole expense to relocate its facilities then located in the public right-of-way to an acceptable alternate location within the public right-of-way, as reconstructed, widened, or relocated. If Company's equipment is located on a private property at the time relocation is required by the City's reconstruction, widening, or relocation of the public right-of-way, then the City shall pay for the cost of the relocation of any Company equipment located on private property. This provision on expense allocation shall not require the City to pay for the expense of relocation of facilities located on private property when the right-of-way

change is one requires by the State of South Carolina. Nor shall Company be obligated to incur expenses for the relocation of it facilities when the sole basis for relocation is the aesthetic preference of the City, unrelated to infrastructure improvement for public health and safety, or for project specific economic development.

7. In the event that Company's electric service shall be wholly or partially interrupted or suspended, or shall fail due to any cause reasonably beyond the control of Company and not due to its neglect, or in the event that Company shall deem it necessary to suspend said service for the purpose of inspecting its lines, substations, or other equipment, or making repairs or alterations thereto, Company shall not be obligated to provide said service during and such period of interruption, suspension, or failure, and shall not be liable for any damage or loss resulting therefrom.
8. It is expressly agreed that Company does not hereby contract to furnish power for pumping water for extinguishing fires. It is expressly agreed that Company shall not, in any event, be liable to the City for any loss or damage occasioned by fire which may result from the failure of Company to supply electric power to operate any pumping apparatus.
9. It is understood and agreed that this Agreement and all service rendered hereunder are subject to the Rules and Regulations of the Commission and the Service Requirements filed by Company with the Commission, as the same now exist, or any of them may be hereafter amended, modified, changed, or annulled in accordance with the laws and regulations thereto pertaining but only to the extent such rules and regulations may be applicable within municipal limits. All service rendered to the City by Company shall be in accordance with the Rate Schedules, Service Regulations, Underground Distribution Installation Plan, Municipal Overhead to Underground Conversion Plan, and underground plans and forms on file with the Commission.
10. Whenever Company owns real property which is outside the corporate limits of the City but which becomes eligible for annexation under any procedure authorized by the general law of the state, then this Agreement shall constitute written consent by Company for the annexation of its eligible property.
11. The initial term of the Agreement shall be ten (10) years, with an effective date of 05/21/2020 and a termination date of 5/21/2030). Thereafter, this Agreement will automatically renew in for successive five-year (5-year) increments, unless either party provides the other with written notice of non-renewal at least one hundred eighty (180) days prior to the date of the next automatic renewal (each a "Renewal Term," and the Initial Term and any Renewal Term or Renewal Terms shall be referred to collectively as the "Term"). Should such notice be given by either party, the parties agree to negotiate, in good faith, modifications to this Agreement. In any case this Agreement shall not be extended past \_\_, \_\_.
12. If the South Carolina General Assembly enacts legislation which deregulates or otherwise restructures the generation and distribution of retail electrical service in this state, then



Company and the City agree to discuss modification to this Agreement. Failure to agree on modifications between one hundred eighty (180) and ninety (90) days of the effective date of the legislation, will entitle either Company or the City to terminate this Agreement with ninety (90) days written notice to the other party. Upon the termination or expiration of this Agreement, all sums due to the City which have accrued but which have not been paid, shall become due and payable within sixty (60) days of the last day of the month in which termination or expiration occurs.

13. Implementation of this Agreement and the application of its terms shall be made in good faith by the parties and in accord with such additional terms they may mutually agree to in writing for that purpose.
14. As of the Effective Date, all prior Agreements of any other type, however designated, which relate to the provision of electric service by Company to the City or which pertain to the use of public right-of-way within the City shall become null and void, except to the extent the provisions contained therein are separately renewed in this Agreement or in any collateral Agreement permitted by this Agreement.
15. Whenever this Agreement requires or permits that notice be given by one party to another, such notice shall be in writing and deemed given (a) when delivered in person to the other party; or (b) when deposited with either a nationally recognized courier or the U.S. Postal Service, addressed as follows:

City: City of Mauldin  
Attn: Brandon Madden, City Administrator  
5 E. Butler Road  
Mauldin, SC 29662

With Copy to City Attorney:

Duggan & Hughes, LLC  
P.O. Box 449  
Greer, SC 29652

Company: Duke Energy Carolinas, LLC  
Attn: Richard Jiran  
40 West Broad Street  
Duke Energy Business Office  
Greenville, SC 29601

With Copy to:

Office of the General Counsel  
Attn: Christopher King  
550 S. Tryon Street, DEC45A  
Charlotte, NC 28202

16. This Agreement shall be governed by the laws of the state of South Carolina without regard to the conflicts of law provisions therein.
17. This Agreement contains the complete understanding of the parties and shall supersede any prior and contemporaneous communications, agreements, and assurances related to the subject matter of this Agreement. Any modification of this Agreement must be agreed to in writing and signed by the parties.
18. The failure of Company in any one or more instances to insist upon compliance with any provision or covenant herein or to exercise any right or privilege herein shall not constitute or be construed as a waiver of such or any similar provision or covenant.

**IN WITNESS WHEREOF**, this Agreement has been duly executed by City and Company under seal as of the day and year first above written.

**City:**

City of Mauldin (SEAL)

By: \_\_\_\_\_ (SEAL)  
Terry Merritt, its Mayor

**Company:**

**DUKE ENERGY CAROLINAS, LLC** (SEAL)  
a North Carolina limited liability company

By: \_\_\_\_\_ (SEAL)  
Name: Richard 'Rick' Jiran  
Title: Vice President, Community Relations

# FINANCE COMMITTEE AGENDA ITEM

**MEETING DATE:** May 2, 2022

**AGENDA ITEM:** 6b

**TO:** Finance Committee

**FROM:** Finance Director, Holly Abercrombie

**SUBJECT:** FY22 Budget Amendment Ordinance

## REQUEST

Being brought before committee for review and request for moving to full Council for approval.

## HISTORY/BACKGROUND

Throughout the year Council has approved various expenditures, projects, and grants. Staff has accumulated all items to present in one budget amendment. Below is a running list of items approved through the year with date of approval.

## ANALYSIS or STAFF FINDINGS

**Table 1 Items Approved**

Revenue	Amount	Fund	Month Approved
Utility Tax Credit	\$ 50,000.00	General	Aug-21
Utility Tax Credit	\$ 100,000.00	General	Aug-21
Grant for Bodyworn Cameras	\$ 52,092.00	General	Oct-21
Brownfields Grant	\$ 300,000.00	Grant	Aug-21
Revenue from grant for Cultural Center upgrades	\$ 183,725.00	H&A	Aug-21
Sewer Grant revenue	\$ 500,000.00	Sewer	Aug-21
ARPA fund 1st tranche	\$ 6,324,858.59	ARPA	Sep-21
<b>Total Council Approved Revenues</b>	<b>\$ 7,510,675.59</b>		

Expenditure			
Sewer related expenditures	1,375,000.00	ARPA	Sep-21
Stormwater related expenditures	1,129,724.00	ARPA	Sep-21
GCRA related expenditures for assistance	250,000.00	ARPA	Sep-21
Cover Citywide Ventilation Improvements	548,000.00	ARPA	Sep-21
Cely Construction additional (\$200K budgeted from LY	98,850.00	Capital	Jul-21
Underground Utilities	325,000.00	Capital	Oct-21
Increase Paving amount for Springfield park	100,000.00	Capital	Oct-21
Increase Paving amount for Springfield park	191,000.00	Capital	Feb-22
Streetscape Project Phase I	780,000.00	Capital	Sep-21
Entryway to Swamp Rabbit Trail	50,000.00	Capital	Sep-21
Trail Extension Feasibility Study	25,000.00	Capital	Sep-21
Parking lot improvements 1 E Butler Rd	210,853.00	Capital	Sep-21
Parking lot improvements 1 E Butler Rd	73,000.00	Capital	Sep-21
Premium Pay for employees (ARPA funds)	177,193.58	Fire	Sep-21
Premium Pay for employees	4,392.35	Fire	Sep-21
Utility Tax Credit	150,000.00	General	Aug-21
PARD Grant Correction	13,768.64	General	Oct-21
Grant for Bodyworn Cameras	52,092.00	General	Oct-21
Club Epic Legal Fees	25,000.00	General	Sep-21
Premium Pay for employees	6,666.69	General	Sep-21
Premium Pay for employees	4,391.57	General	Sep-21
Premium Pay for employees	2,037.94	General	Sep-21
Premium Pay for employees	12,771.68	General	Sep-21
Premium Pay for employees	4,565.80	General	Sep-21
Premium Pay for employees	2,561.16	General	Sep-21
Premium Pay for employees	2,317.94	General	Sep-21
Premium Pay for employees	10,253.40	General	Sep-21
Premium Pay for employees	6,913.48	General	Sep-21
Premium Pay for employees (ARPA funds)	191,281.94	General	Sep-21
Premium Pay for employees (ARPA funds)	1,601.48	General	Sep-21
Premium Pay for employees (ARPA funds)	4,096.50	General	Sep-21
Premium Pay for employees (ARPA funds)	5,528.82	General	Sep-21
Premium Pay for employees (ARPA funds)	24,220.46	General	Sep-21
Premium Pay for employees (ARPA funds)	4,421.93	General	Sep-21
Premium Pay for employees (ARPA funds)	36,332.60	General	Sep-21
Premium Pay for employees (ARPA funds)	20,804.84	General	Sep-21
Brownfields Grant	300,000.00	Grant	Aug-21
Electrical upgrades cultural center grounds	15,000.00	H&A	
Cultural Center upgrades (245,727 was encumbered L)	304,301.00	H&A	Aug-21
Crawford Strategies agreement	52,550.00	H&A	Jul-21
Premium Pay for employees (ARPA funds)	14,149.06	Sewer	Sep-21
Sewer Grant expenditures	500,000.00	Sewer	Aug-21
Premium Pay for employees	\$ 4,121.77	Sports Center	Sep-21
<b>Total Council Approved Expenditures</b>	<b>\$ 7,109,763.63</b>		

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## FINANCIAL IMPACT

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**Table 2 Totals per Fund**

Fund	Revenue	Expenditure	Transfer In/(Out)	Inc/(Dec) to Fund Bal
General	\$ 202,092.00	\$ 581,628.87	\$ 1,015,256.35	\$ 635,719.48
MCIP	\$ -		\$ (73,000.00)	\$ (73,000.00)
Capital	\$ -	\$ 1,853,703.00	\$ 1,880,021.95	\$ 26,318.95
Sewer	\$ 500,000.00	\$ 514,149.06	\$ 14,149.06	\$ -
H&A	\$ 183,725.00	\$ 371,851.00	\$ -	\$ (188,126.00)
Grants	\$ 300,000.00	\$ 300,000.00	\$ -	\$ -
ARPA	\$ 6,324,858.59	\$ 3,302,724.00	\$ (3,022,135.06)	\$ (0.47)
Fire	\$ -	\$ 181,585.93	\$ 181,585.93	\$ -
Sports Center	\$ -	\$ 4,121.77	\$ 4,121.77	\$ -
Totals	\$ 7,510,675.59	\$ 7,109,763.63	\$ (0.00)	\$ 400,911.96

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## RECOMMENDATION

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Staff recommends forwarding budget amendment to Council for approval on first reading.

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## ATTACHMENTS

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Budget Amendment Ordinance

Ordinance # \_\_\_\_\_

**An Ordinance To Provide Amended Appropriations For The Fiscal Year Beginning July 1, 2021 And Ending June 30, 2022 For Ordinary And Other City Purposes; To Provide For A Levy Of Taxes On All Taxable Property In The City Of Mauldin For All City Purposes, Including Sufficient Tax For Any Principal And Interest On Outstanding Indebtedness Maturing In The Fiscal Year; To Provide For The Expenditure Of Said Taxes And Other Revenues Coming To The City During The Fiscal Year.**

WHEREAS, the South Carolina Code of Laws requires that a municipal council shall act by ordinance to adopt a budget and levy taxes pursuant to public notice;

NOW THEREFORE BE IT ORDAINED by the Mayor and City Council of the City of Mauldin, South Carolina, in council assembled and by the authority thereof:

**Section 1:** That the prepared budget, the estimated revenues for payment, and the attached disbursement schedules attached hereto, the terms of which are hereby incorporated herein as if set forth fully, are hereby adopted in the following amounts:

	Revenues	Expenditures
General Fund	17,324,914	17,324,914
MCIP Fund	73,000	73,000
Capital Projects Fund	13,893,703	13,893,703
Capital Projects Transportation Fund	2,943,454	2,943,454
Sewer Fund	1,488,649	1,488,649
Hospitality & Accommodations Fund	1,632,851	1,632,851
Victim Advocate Fund	83,880	83,880
Grants Fund	367,754	367,754
ARPA Fund	6,324,859	6,324,859
Health Fund	1,631,373	1,631,373
Fire Fund	4,542,380	4,542,380
Sports Center Fund	663,570	663,570
Debt Service Fund	1,631,491	1,631,491
Property Management Fund	98,709	98,709
<b>TOTAL</b>	<b>52,700,586</b>	<b>52,700,586</b>

**Section 2:** That for the purpose of defraying all expenses, including the payment of debt service from July 1, 2021 through June 30, 2022, and for other corporate purposes, a tax of sufficient millage to pay for the appropriations, after crediting against said appropriations other revenues anticipated to accrue to the City during the fiscal period not earmarked for specific purposes, are hereby levied and the same shall hereafter be collected as follows:

For each one hundred dollars (\$100.00) of assessed value of all real estate and personal property on which this municipal corporation is authorized and empowered by law to impose a tax in the City of Mauldin, and in proportion of all real estate and personal property of less than one hundred dollars in value, the total millage on each One dollar (\$1.00) shall not exceed 0.0563 or \$5.63 on each \$100.00 assessed value for General Fund and debt service requirements.

Should the amount levied exceed the amount required for General Fund and debt service requirements, such excess shall remain in the General Fund to be used as City Council may direct.

**Section 3:** That the FY 2022 budget includes \$1,631,491 in debt service for the purpose of bond retirement and lease purchases and other long term obligations, as well as debt service in the amount of \$235,000 for retirement of the revenue bond in the Sewer Fund.

**Section 4:** That for the purpose of defraying all expenses including the payment of debt service from July 1, 2021 through June 30, 2022 and for other corporate purposes, franchise fees for Duke Power, Laurens Electric Cooperative, and Piedmont Natural Gas will be set at a rate of 5%.

**Section 5:** That the sewer pump station fee previously established for FY 2017-2018 in the amount of \$410 per affected parcel is hereby readopted and approved.

**Section 6:** That City taxes are collected by Greenville County in a Cooperative Consolidation Joint collection Agreement dated May 1, 1990, and shall be due and payable between October 1, 2021 and January 15, 2022. After January 15<sup>th</sup> 3% shall be added to the base tax amount. After February 1<sup>st</sup>, 10% shall be added to the base tax amount. After March 16<sup>th</sup>, 15% shall be added to the base tax amount.

**Section 7:** That funds sufficient to cover all fiscal year 2020-2021 budget items encumbered but unpaid at the close of the fiscal year shall be carried forward from the fiscal year 2020-2021 budget to the succeeding 2021-2022 budget to meet such lawful obligations of the City of Mauldin.

**Section 8:** That this budget may be amended by ordinance of the City Council as may be required from time to time.

**Section 9:** That it is the intention of the City Council that the sections, subsections, paragraphs, sentences, clauses, and phrases of this ordinance are severable. If any phrase, clause, sentence, paragraph, subsection, or section of this ordinance be declared invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining portions of this ordinance.

**Section 10:** That this ordinance supersedes all previous or inconsistent legislation. All ordinances or parts of ordinances inconsistent herewith are hereby repealed.

**Section 11:** That this ordinance shall take effect immediately upon its passage.

Passed on first reading on,  
Passed on second reading on

\_\_\_\_\_  
Mayor Terry Merritt

Attest:

\_\_\_\_\_  
Municipal Clerk

Approved as to form:



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City Attorney

Reviewed:

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City Administrator

# FINANCE & POLICY COMMITTEE

## AGENDA ITEM SUMMARY

**MEETING DATE:** May 2, 2022  
**AGENDA ITEM:** 6c

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**TO:** Finance & Policy Committee  
**FROM:** Human Resources Director Mark Putnam  
**SUBJECT:** Contract with Script Sourcing

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### REQUEST

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The Finance & Policy Committee is requested approve a contract with Grenz & Company, Inc. to administer the City's Client's Medical Expense Reimbursement Plan.

### HISTORY/BACKGROUND

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The City of Mauldin has for 5 years ensured ongoing efforts to provide our employees with the best health care available, while simultaneously working to drive down benefit cost for the City..

### ANALYSIS or STAFF FINDINGS

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City staff and ECM Solutions (the City's insurance broker) would like to contract with ScriptSourcing to assist the City in maintaining cost on high end pharmaceuticals while continuing seamless service to our employees. In conducting our due diligence, we sent proposed contract with ScriptSourcing to City legal counsel for review. All changes proposed by the City's legal team were accepted by ScriptSourcing except one (please highlighted area Page 5). ScriptSourcing is based out of California and in case a legal dispute was to arise, The City would need to hire legal counsel in California. The likely hood of an issue arising in very small.

### TIMELINE

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Commences upon execution of the contract.

### RECOMMENDATION

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Approval.

### ATTACHMENTS

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Contract



### Benefits Administrative Services Agreement

This Benefits Administrative Services Agreement ("Agreement") is entered into this 1st day of February, 2022 by and between Grenz & Company, Inc. (Grenz) and City of Mauldin ("Client").

WHEREAS, Client has a need for the services of a service provider capable of performing certain administrative services in support of Client's Medical Expense Reimbursement Plan ("PLAN") offered to Client's employees; and,

WHEREAS, Grenz has the experience, organization, means, and technical ability to perform the services required by Client;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, Grenz and Client agree as follows:

**1. Administrative Services.**

Grenz will perform the administrative services for PLAN as delineated in Attachment One.

**2. Term and Termination.**

- 2.1 *Term.* The initial term of this Agreement shall commence on the Effective Date, and shall continue in full force and effect for the period between the Effective Date and December 31<sup>st</sup> of the year in which the Effective Date falls plus one (1) year, unless terminated in writing as provided herein.
- 2.2 *Renewals.* After the initial term, this Agreement shall automatically renew for successive one (1) year periods at the quoted per annum fee for the upcoming year, each renewal commencing on the day after the expiration of the previous term, unless Client notifies Grenz in writing, delivered at least sixty (30) days prior to the then existing term, of Client's intent to terminate this Agreement. Grenz will provide Client with its per annum fee quote for the upcoming year at least sixty (60) days prior to the expiration of the then existing term.
- 2.3 *Termination.* Either party may terminate this Agreement on the last day of any month by providing 60 days' prior written notice to the other.
- 2.4 *Breach.* Solely as provided in this paragraph 2.4, either party shall have the right to terminate this Agreement if the other party breaches a material term of the Agreement. Within thirty (30) days of an alleged material breach, the non-breaching party shall provide written notice of the breach and of the intent to terminate. If written notice is not provided within thirty (30) days of an alleged breach, any right to terminate on account of such breach is irrevocably waived.

Upon receipt of a written notice of breach and intent to terminate, the breaching party shall have thirty (30) days after receipt of the written notice to cure the breach. Termination shall not occur relative to any breach so cured.

- 2.5 *Force Majeure; Suspension.* If Grenz is unable to perform any of its obligations under this Agreement because of natural disaster, action or decrees of governmental bodies, or communication failure not the fault of Grenz, the loss or failure shall not be deemed a breach. Grenz shall immediately give notice to Client and shall do everything possible to resume performance. Upon receipt of such notice, all obligations under this Agreement shall be immediately suspended. If the period of nonperformance exceeds thirty (30) days from the receipt of notice, Client may, as its sole remedy, terminate this Agreement by written notice to Grenz, with termination effective immediately.
- 2.6 *Fulfillment of Services.* Upon expiration or termination of this Agreement, Grenz will process all PLAN reimbursement requests received through and including the thirtieth (30<sup>th</sup>) day after the termination date. Client may elect to continue Grenz services for up to 90-day post-termination period subject to a \$75.00 processing fee for each claim administered under this limited renewal option.
- 2.7 *Surviving Terms.* Sections 3, 4, 5, and 6 shall survive and remain in effect after the termination or expiration of this Agreement.

### 3. Liability.

- 3.1 *Scope.* Grenz does not insure nor underwrite any liability of Client or to its employees under the Plan. Client retains ultimate responsibility for all claims for reimbursement made under Plan. Client is responsible for all expenses incident to Plan except administrative expenses specifically assigned to Grenz by this Agreement.
- 3.2 *Limitation.* Grenz's liability to Client in connection with this Agreement shall be limited to actual damages arising from Grenz's gross negligence or willful misconduct in the performance of its duties and responsibilities hereunder; provided, however, that in no event shall Grenz be liable for any incidental or consequential damages.

### 4. Indemnification.

- 5.1 Each party Grenz shall indemnify and hold ~~the other party~~ Client harmless from and against any and all liability, loss, claims, demands, or expense, including but not limited to attorneys' fees, arising out of any act or omission of ~~said party~~ Grenz, its agents, staff, or employees in carrying out its responsibilities under this Agreement. Indemnification of a party shall extend to its directors, officers, employees, and affiliated companies. The Client is a governmental entity and political subdivision of the State of South Carolina, and enjoys sovereign immunity, as well as the imposition of duties and protections afforded by the South Carolina Tort Claims Act. Although the Client cannot, by law, hold harmless and indemnify any contracting party, subject to the application of the

aforementioned laws and to the limits of its insurance, the Client shall be responsible for its employees and agents' acts that result in any loss to Grenz arising out of this operation of this Agreement.

- 5.2 During the term of this Agreement, Grenz shall procure at its sole cost and expense and keep in effect at all times:

- A) General Liability insurance or Commercial General Liability insurance, including Broad Form Contractual Liability covering all of Grenz's indemnity obligations under this Agreement. Such coverage shall have a minimum combined single limit of liability of at least \$1,000,000 (one million dollars) and a general aggregate limit of at least \$2,000,000 (two million dollars). Such policy shall be written to include personal injury and other covered loss, however occasioned, occurring during the term of the policy.
- B) Errors & Omission coverage of the named or additional insureds which coverage shall not reduce or avoid coverage to other named or additional insureds; and shall afford coverage for all claims based on acts, omissions, injury and damage, which claims occurred or arose in whole or in part during the policy period.
- C) Crime Coverage up to the sum of the Expected Claims Amount Advances, less claims paid.

#### **5. Confidential Information.**

In the performance of this Agreement, there is the possibility that Confidential Information may be exchanged between the parties. For an indefinite period of time, unless designated otherwise by the disclosing party, the recipient party shall maintain Confidential Information received in confidence and not disclose such information or transmit any documents or copies containing such information to any other party. Any recipient shall afford information from the disclosing party reasonable security and care in handling and storage to at least the same level of care as recipient provides for its own Confidential Information and data but, in any event, not less than reasonable care. If either party loses or makes unauthorized disclosure of the other party's Confidential Information, it shall notify such other party immediately and take all steps reasonable and necessary to retrieve the lost or improperly disclosed information. This Agreement constitutes Confidential Information, and disclosure of this Agreement by Client shall constitute breach of a material term under paragraph 2.4.

The parties anticipate that any sharing of protected health information as defined under the HIPAA privacy rule shall relate exclusively to treatment, payment and/or operation of PLAN and therefore, may be disclosed to Grenz. Grenz acknowledges its status as a business associate of PLAN and agrees to enter a business associate agreement with PLAN as required by the HIPAA privacy rule.

#### **6. Independent Contractors.**

The parties are independent contractors of each other and neither has nor shall have any power, right, or authority to bind the other, nor to assume or to create any obligation or responsibility, express or implied, on behalf of the other. Nothing contained in this Agreement shall be construed as constituting the parties as partners or joint ventures, or as creating the relationship of employer and employee, master and servant, or principal and agent between them.

#### **7. Assignment.**

Assignment of this Agreement by either party may not occur without the other's prior written consent, said consent to not be unreasonably withheld. Either party, however, may assign this Agreement to any successor by merger, consolidation, or sale of all or substantially all of its assets without the consent of the other party, provided the assigning party gives at least thirty (30) days prior written notice to the non-assigning party of such assignment, and any such assignment by a party is not to a direct competitor of the other party. Any attempt to assign this Agreement in a manner that does not comply with this Section will be void. This Agreement, to the extent not prohibited by other conditions or terms herein, is binding upon the parties and their successors and assigns.

## 8. Governing Law.

The laws of the State of South Carolina California (other than its conflict of law principles) shall govern this Agreement, and any action brought to enforce any provision or obligation hereunder shall be brought in a court of competent jurisdiction in Greenville Pleeer County, South Carolina California. The prevailing party in any action brought under this Agreement will be entitled to recover costs and reasonable attorneys' fees. This Section 9 is subject to the mandatory mediation/arbitration provision in Section 940.

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## 9. Disputes.

Upon notice by either party to the other, any dispute, controversy, or difference between the parties arising under or relating to this Agreement, the parties shall endeavor to resolve said dispute by good faith negotiations. If negotiations fails, then the parties shall attempt to resolve this dispute through mediation pursuant to the South Carolina Rules of Alternative Dispute Resolution with both parties paying for their own attorney's fees and costs. If mediation fails, then the parties agree that any subsequent litigation shall be tried non-jury and any action shall be commenced in the Greenville County Court of Common Pleas. ~~SHALL be settled by arbitration in accordance with the following Arbitration Agreement.~~

~~Arbitration Agreement: To resolve disputes in an efficient and cost effective manner, the Parties agree that any and all claims arising out of or related to this Agreement that could be filed in a court of law, including but not limited to, claims of breach of this Agreement or breach of any legal or customary standard of care, shall be submitted to final and binding arbitration, and not to any other forum, pursuant to the following provisions:~~

- ~~a. The arbitration process shall be initiated by delivering a written request for arbitration to the other party within the time limits that would apply to the filing of a civil complaint in a California court. A late request will be void. No claim should be submitted to arbitration without first attempting to resolve the matter informally and exhausting Employer's internal procedures.~~
- ~~b. If we are unable to agree upon a neutral arbitrator, we will obtain a list of arbitrators from a neutral dispute resolution service, and strike names alternatively until one arbitrator remains. The arbitrator shall conduct the arbitration in accordance with the procedures set forth in the most recent version of the Commercial Arbitration Rules of the American Arbitration Association, except to the extent that any such rule or procedure would invalidate the enforceability of this Agreement, and to the extent that~~

~~administration of the arbitration by American Arbitration Association is required. Regardless of the outcome, the Parties shall share all the costs that are unique to the arbitration forum, namely the arbitrator's fee.~~

~~b. The arbitrator shall determine the prevailing party in the arbitration. Costs and attorneys' fees shall be awarded to the prevailing party in accordance with the same legal standards that would apply had the action been filed in court. The arbitrator shall~~



~~have the authority to order any legal or equitable remedy that would be available in a civil or administrative action on the claim. The arbitrator shall prepare a brief written decision that includes the essential findings and conclusions upon which the award is based.~~

- ~~c. The arbitration shall take place in the County of Placer, State of California.~~
- ~~d. This arbitration shall be the exclusive means of resolving any claim arising out of this Agreement, and no action will be filed in any court or other forum.~~
- ~~e. If any court of competent jurisdiction declares that any part of this arbitration agreement is illegal, invalid or unenforceable, such a declaration will not affect the legality, validity or enforceability of the remaining parts of the agreement, and the illegal, invalid or unenforceable part will no longer be part of this agreement. The parties understand and agree that this arbitration provision shall be governed by and interpreted under the Federal Arbitration Act.~~

~~**NOTE: This Arbitration Agreement Is A Waiver Of All Rights To A Civil Jury Trial Or Participation In A Civil Class Action Lawsuit For Claims Arising Out Of This Agreement.**~~

#### **10. Independent Counsel.**

Each party hereto acknowledges it has had an opportunity to be represented by independent counsel of their own choice prior to executing this Agreement, that the Agreement has been reviewed by its independent counsel or that such review has been waived, and further agrees that the terms of this Agreement shall be given a neutral interpretation and shall not be construed against one party more than another.

#### **11. Modifications.**

Any modifications of or amendments to this Agreement must be in writing and signed by both parties hereto.

#### **12. Waiver.**

Failure of either party to enforce any provision of this Agreement shall not be deemed a waiver of the right to thereafter enforce that or any other provision of this Agreement. In order to be enforceable, a waiver must be in writing and signed by the party charged with making the waiver.

#### **13. Notices.**

Any notices required or permitted by this Agreement or given in connection herewith shall be in writing and sent by Registered or Certified Mail, postage prepaid, addressed as follows:

*Grenz & Company, Inc.*  
516 Gibson Drive, Suite 250  
Roseville, CA 95678

*Client: City of Mauldin*  
P.O. Box 249  
Mauldin, SC 29662

**14. Severability.**

If any part, term, or provision of the Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

**15. Headings.**

Insertion of the headings to the various Sections and Subsections contained in this Agreement are for convenient reference only and shall to no extent affect in any way the meaning or interpretation of this Agreement.

**16. Counterparts.**

Execution of this Agreement may be by one or more counterparts, each of which shall be deemed an original for all purposes, and together shall constitute the same Agreement.

**17. Entire Agreement.**

This Agreement and the Attachments referred to herein and all other instruments executed and delivered in accordance with this Agreement set forth the entire and the only agreement and understanding of the parties with respect to the transactions contemplated hereby and supersede all prior agreements and understanding relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, effective retroactively to the date first written above and denoted as the Effective Date.

**Grenz & Company, Inc.**

**Client:** City of Mauldin

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Kevin Lewis Grenz  
Printed Name \_\_\_\_\_

Printed Name \_\_\_\_\_

President  
Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_



## Attachment One – Scope of Services

Grenz shall provide the following administrative services for Client.

1. Maintain records based on eligibility information submitted by Client and/or Southern Scripts.
2. Maintain records regarding payments of claims for reimbursement, denials of claims, and claims pending.
3. Determine validity of specialty prescription reimbursement claims in accordance with PLAN *and industry-recognized methods of determining medical necessity and treatment plans as determined by the selected PA vendor*. Reimbursement pricing to be determined by Southern Scripts per the CLIENTs contractual relationship with Southern Scripts.
4. Approve and process all valid claims which includes notifying on or all of the following: Southern Scripts, member pharmacy, member, CLIENT, consultant, TPA and/or Stop Loss carrier.
5. If a claim is deemed not valid or additional information is required to make a determination of validity, notify claimant in writing, via the U.S. Postal Service, e-mail, or fax within ten (10) days of the date the claim was received. In the instance of a request for additional information, provide (two) follow-up requests at no more than thirty (30) day intervals. The third request will indicate that no additional requests for information will be sent and if the information is not remitted on or before a certain day, the file will be closed and no reimbursement forthcoming.
6. Refer any doubtful or disputed claims to Client for a final decision.
7. Respond to requests from Client and Client's employees in a timely manner.
8. Maintain all records and reports in a confidential manner.
9. Supply electronic or softcopies of the Plan Summary Plan Description to the Client for distribution.

**Attachment Two – Fees**

For the Plan year beginning February, 2022 the monthly fee shall be as outlined below and bill be billed in annual amounts. Any billing not paid within 30 days will be subject to a 5% penalty. Fees are earned upon payment and are not refundable. Fees are exclusive of any administrative fees charged by Script sourcing or Southern Scripts.

Administration Fee

First Year Administration and Set Up Fee                      Covered by Script sourcing

Fees are subject to annual adjustment, with notice of changes to be provided by Grenz sixty (60) days prior to the expiration of the then existing term.

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Authorized Signature

Date