

**CITY OF COLUMBIA
CITY COUNCIL BUDGETARY OPEN HOUSE MINUTES
MAY 10, 2006
6:00 PM – CITY HALL– 3RD FLOOR
CITY COUNCIL CHAMBERS**



The City of Columbia City Council conducted a Budgetary Open House on Wednesday, May 10, 2006 in the City Hall Council Chambers located at 1737 Main Street, Columbia, South Carolina. Mayor Pro-Tempore Sam Davis called the meeting to order at 6:03 p.m. The following members of City Council were present: The Honorable Anne M. Sinclair, The Honorable Tameika Isaac Devine and The Honorable Daniel J. Rickenmann. The Honorable E.W. Cromartie, II and Mayor Robert D. Coble were absent due to a trip to Washington, D.C. Also present were Mr. Charles P. Austin, Sr., City Manager and Ms. Erika D. Salley, City Clerk.

PRESENTATIONS

- A. Introduction of an Employee – Mr. Charles P. Austin, Sr., City Manager

Mr. Charles P. Austin, Sr., City Manager introduced Ms. Lisa Rowland as the City's new Chief Financial Officer. Ms. Rowland served as the Finance Director for Destin, Florida and will be a great asset to the City of Columbia.

Ms. Lisa Rowland, Chief Financial Officer, stated that she is excited about working for the City of Columbia and that she will enjoy being the new Chief Financial Officer.

- B. Fiscal Year 2006 / 2007 Proposed Budget Overview of the General Fund, Water and Sewer and Capital Improvement Program – Ms. Melisa Caughman, Budget Administrator

Mr. Charles P. Austin, Sr., City Manager, made it clear that this is not a public hearing. He stated that questions could be directed to the City Manager, Budget Administrator, Chief Financial Officer or the appropriate Assistant City Manager at the end of the meeting.

Ms. Melisa Caughman, Budget Administrator, provided an overview of the General Fund and the Water and Sewer Fund. She explained that property taxes and licenses and permitting generate the most revenue for the General Fund. The transfer from Water and Sewer remains at \$4.5 million; the transfer from the Parking Fund remains at \$1 million and the transfer from the Hospitality Tax Fund remain at \$800,000. The proposed millage increase results from revenues remaining flat for the past five years. The last tax increase was in 2000 and 1992 following reassessment years. More than 50% of real property in the corporate City limits of Columbia is not taxed. She noted that City services have been added and expanded since 2000 to include the First Responder Program, Criminal Domestic Violence Court, Quality of Life Court, a second Bond Court, fourteen new parks, six expanded parks, the 311 Teen Call Center, Community Safety Officers, and other services. The total amount of the General Fund is \$96 million; an \$11 million or 13% increase from the previous year. The need for a 20-mil tax increase results from new commitments, operating increases, capital replacement items, opening of the Northeast Fire Station, twenty additional Police Officers, operations for the Drew Wellness Center, the opening of Southeast Park, and more. She outlined the various departmental budgets. Public Safety is half of the General Fund budget totaling \$45 million. She explained that a \$125,000 home with a 4% assessment rate and a 20-mil rate would result in a \$67 City tax bill or 20% of the total tax bill.

The Water and Sewer revenues also include a proposed rate increase of 5% with totaling revenues of \$92 million. Water sales account for \$57,000 and sewer sales account for \$32,000. One hundred percent of the increased revenue and budget reductions will be applied to the Capital Improvement Program. Expenditures in the Operating Budget are \$94 million, a 5.8% increase, including \$43 million in transfers. The proposed rate increase is based upon the high cost of upgrading an aging system, meeting regulatory requirements and funding Capital Improvement Projects for the Water and Sewer system. An in city customer would pay an increased base charge for water of \$4.94 from \$4.70 and sewer would increase from \$4.16 to \$4.37. Out of city water customers would see a decrease in base charges from \$9.42 to \$8.00 and an increase on sewer from \$4.16 to \$7.87. Out of city rates are higher due to the cost to expand the system outside the original boundaries of the system. She outlined the departments that fall within this budget. The majority of the Water and Sewer Operating budget goes toward the Utilities and Engineering operations, debt service and the transfer to the Capital Improvement Program. Water and Sewer Improvements are at \$37 million for year one of the five year CIP Plan, which is over \$300 million. Fifty one percent of the revenues come from the Water and Sewer Operating Fund and the fund balance makes up the remaining amount. The majority of the allocation is towards the CIP at 56%, water projects total \$16 million, sewer projects total \$21 million, water quality totals \$18 million and the sewer treatment plant and upgrades account for \$21 million.

ADJOURNMENT

- **Council adjourned the meeting at 6:22 p.m.**

Respectfully submitted by:

Erika D. Salley
City Clerk