



CITY OF COLUMBIA  
CITY COUNCIL MEETING MINUTES  
WEDNESDAY, AUGUST 19, 2009  
9:00 A.M.  
CITY COUNCIL CHAMBERS  
1737 MAIN STREET

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The Columbia City Council conducted a Regular Meeting on Wednesday, August 19, 2009 in the City Hall Council Chambers located at 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 9:06 a.m. The following members of Council were present: The Honorable E.W. Cromartie, II, The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann and The Honorable Belinda F. Gergel. The Honorable Kirkman Finlay III was absent. Also present were Mr. Steven A. Gantt, Interim City Manager and Ms. Erika D. Salley, City Clerk.

### **INVOCATION**

Reverend Charles B. Jackson, Sr., Sr. Pastor / Brookland Baptist Church offered the invocation.

### **APPEARANCE OF PUBLIC HAVING BUSINESS RELATED TO THE AGENDA ITEMS**

No one appeared at this time.

### **MINUTES**

1. Minutes of December 17 and December 19, 2008 – *Approved as presented.*

Upon motion by Mr. Cromartie, seconded by Mr. Davis, Council voted unanimously to approve the Minutes of December 17 and 19, 2009 with a single motion and as presented.

### **PRESENTATIONS**

2. Introduction of the August 2009 Employee of the Month – Mr. John Dooley, Jr. PE., Director of Utilities and Engineering

Ms. Dana Higgins, Assistant City Engineer for Construction Management introduced Mr. Oscar "Sam" Catoe, III of Construction Management as the August 2009 Employee of the Month. He has nineteen (19) years with the City of Columbia and he has displayed multiple talents. He has personally taken an interest in the Rosewood/S. Edisto Park that opened last month by researching materials, spending countless hours of personal time identifying items for the park and coordinating donations for the park. He is in charge of the Martin Luther King Park stream restoration project and the Main Street Phase II Project that is coming to a close.

Mayor Coble presented Mr. Sam Catoe with a plaque and Mr. Steven A. Gantt, Interim City Manager presented him with a token of appreciation for being selected as the August 2009 Employee of the Month.

3. Recognition of Green Business Members – Ms. Mary Pat Baldauf, Sustainability Facilitator

Ms. Mary Pat Baldauf, Sustainability Facilitator and Ms. Jane Hiller, Sonoco Recycling and Chair of the Green Business Members Selection Committee recognized the following new Green Business Membership Program. She announced the upcoming Green is Good for Business Conference on September 1, 2009, noting that 300 people from across South Carolina and North Carolina will be in attendance. She recalled that the Green Business Program was established by the Climate Protection Action Campaign to recognize businesses that operate in an environmentally friendly manner and to encourage other businesses to adopt green practices.

ADCO	Dance Station
Earth Care Recycling	Greater Columbia Chamber of Commerce
Hampton Inn Historic District	Heathwood Hall Episcopal School
LS3P	Nationwide Mortgage Services
Nature Learning.com	SC Methodist Advocate
SC Trend, LLC doing business as Greater Columbia Business Monthly	

4. Tree City USA – Mr. Jimmy Walters, Urban Forester for SC Forestry Commission

Mr. Jimmy Walters, Urban Forester for the SC Forestry Commission presented the City with its 30<sup>th</sup> Tree City USA Award. He explained that Tree City USA is a community improvement program of the Arbor Day Foundation in cooperation with the USDA Forest Service, the National Association of State Foresters, the US Conference of Mayors and locally, the SC Forestry Commission. The City of Columbia has done an outstanding job not only meeting the basic criteria of Tree City USA, but going far beyond that. You have an outstanding Forestry and Beautification Division that maintains over 45,000 trees in the public right-of-ways and they plant hundreds of trees each year. These trees are green infrastructure that has to be installed, maintained and occasionally replaced.

5. American Heart Association's Fit Friendly Company Designation – Ms. Tracey Waring, Manager of the Charles R. Drew Wellness Center and Mr. David Sloan, Director of Corporate Relations for the Mid-Atlantic Affiliate of the American Heart Association

Ms. Tracey Waring, Manager of the Charles R. Drew Wellness Center announced that the City of Columbia has received the American Heart Association's platinum level Fit Friendly Company Designation.

Mr. David Sloan, Director of Corporate Relations for the Mid-Atlantic Affiliate of the American Heart Association explained that the program was introduced two years ago and was designed to recognize employers who champion the wellness of their employees and promote active and healthy lifestyles. He added that the City of Columbia also received the Community Innovation Award this year. He presented the City of Columbia with a Platinum Achievement Award.

6. EngenuitySC Annual Report – Mr. Neal McLean, EngenuitySC

Mr. Neil McLean of EngenuitySC presented an annual report on the activities of EngenuitySC. He recalled that in 2003 there was a realization in Columbia that we had to do something different. When we looked at other places we understood that they made their research campuses the centerpiece of economic development. Engenuity was formed to lead the charge. The first focus area is knowledge creation. In order to be a leader in the knowledge economy, we have to create new knowledge and that's what Innovista is all about. The research campus is all about making Columbia a place where we create new ideas. Engenuity's role in this has been connecting Columbia's citizens to this idea of knowledge creation and helping them to understand what this is all about. A monthly newsletter goes to 1,800 people and explains

what's going on in the knowledge economy. The Science Cafe is a monthly series held at various local restaurants where citizens come; buy their own dinner; and hear from a scientist from USC; and ask questions in a casual atmosphere. Last night, we had a presentation at EdVenture Children's Museum where we had scientists talk about butterflies and global warming. Last month, we had a presentation at Za's where we talked about DNA sequencing. Several months back we were at the Medical University and learned about gamma knife and how it allows brain surgery without making an incision in the head. The Science Cafe involves 50-60 residents per month. In October we will have Engenuity night, our annual conference and we expect to have 350 people join us at 701 Whaley Street while we feature ten (10) rock stars of Columbia's knowledge economy. Again, Innovista is at the centerpiece of knowledge creation; we have to make it easy for entrepreneurs to start businesses and to connect to these innovations happening at USC. We are focused on two (2) new programs in that area: the Midlands Entrepreneurial Resource Network and the Midlands K-12 Entrepreneurial Network. The third area of focus is tracking and retaining talent. He reported that Engenuity partnered with the Columbia's Opportunity Resource (COR) to conduct the Talent Magnet Project. The fourth area of focus is identifying areas where Columbia can be world class. We are gaining traction in the areas of hydrogen and fuel cells. He reported that the hydrogen fueling station is open and the first hydrogen buses will arrive next month. We attracted the first fuel cell manufacturer in South Carolina to Columbia last year. The company is called Trulite and they will have nine (9) employees in Columbia at the Midlands Technical College Enterprise Campus. Trulite makes small fuel cells; they produced the first hydrogen fuel cell battery that makes power for 30 hours and this technology will be translated to batteries and computers. The primary users have been first responders and the military. The National Hydrogen Association conference attracted 200 citizens and 750 industry folks; it put Columbia on the map in the hydrogen and fuel cell world; and we are making progress. In closing, he reported that the Milken Institute moved Columbia from 36<sup>th</sup> to 69<sup>th</sup> in the national "Best Performing Cities 2008" list.

Councilor Cromartie said that he wants to make sure that we have great diversity involved. As we move forward, we need to make sure that we have African-American businesses involved along with Allen University, Benedict College, Columbia College and Midlands Technical College. It would be a travesty if we haven't grown the entire community. We have to create the mechanisms necessary. At budget time, I will measure what you do by the infrastructure you have put into place. What is the African American and college involvement on your board?

Councilor Devine reported that Dr. Bruce Yandle did a presentation at the Municipal Association of South Carolina's Annual Meeting on the economic outlook of South Carolina, especially in regards to the recession. He concentrated on particular regions and cities and he felt that Columbia was pretty strong in that we've been affected, but not as much as other areas. We plan to have him and others talk at an upcoming job summit. The ground work was laid several years ago and we are moving in the right direction. She requested a presentation on the Talent Magnet Survey.

Councilor Gergel echoed Ms. Devine request for a presentation on the Talent Magnet Survey.

Councilor Davis asked how we keep folks here; there is a lot of talent leaving the area. There may be some myths about what we have to offer or what it takes to get more involved, but I think if we master that we will benefit on both ends.

Mr. Neil McLean of EngenuitySC replied that 8,000 students graduate locally each year and that we don't want a single one of those folks to be here for four (4) years and not be exposed to the resources we have in Columbia for starting a business; the opportunities for internships with Columbia businesses; the young professional organizations; and the social fabric of the community. We surveyed 1,100 young citizens for the Talent Magnet Project and there were a very high percentage of people who get out of college, go away and come back to Columbia to raise their families.

7. \*\*Redevelopment District Plan – The Honorable E.W. Cromartie, II, The Honorable Sam Davis and The Honorable Tameika Isaac Devine

Councilor Devine recalled that in April 2008 the Council discussed looking at a redevelopment plan that would make the plans that we spent a lot of money on and received a lot of community input on, a reality. Those plans include the Eau Claire / North Columbia Master Plan, the East Central Master Plan and the Retail Study that encompassed the Two Notch Road, Farrow Road and North Main Street corridors. This Council at that time unanimously supported asking staff to look at establishing a redevelopment district for these areas and looking at what our funding opportunities could be. They've done that; they came back to us in the summer of 2008 with the preliminary work and wanted permission to continue moving forward. In December 2008, we brought forward suggested boundaries and this Council again voted unanimously to endorse those boundaries. We then asked Mr. Lawton and his staff to put together a redevelopment plan for those boundaries and we also asked them to look at the money and financing for that. With the approval of the City Manager, Mr. Lawton has retained Central Midlands Council of Governments to work on the redevelopment plan and Mr. Norman Whitaker is here to present that plan.

Councilor Davis said this does represent a need and there is precedent in this city; this is basically a sustained plan; and a plan that requires us to do a number of things that were successful in some cases. We have to make sure that everybody is involved and communicated with. He said that public input is an important component of this.

Mr. Norman Whitaker, Executive Director of the Central Midlands Council of Governments said that Central Midlands was hired by the Community Development Department to evaluate the potential for a redevelopment district in the most economically distressed area of the City of Columbia. The area that is the subject of the Renaissance Redevelopment Plan comprises 12.4 square miles; 43,000 jobs; 2,660 businesses; and 15,000 housing units. The area is surrounded by other areas that are very critical to the City's future to include the waterfront, the Innovista, downtown, Congaree Vista, USC and growing suburban areas to the north and east. This area is the core of our metropolitan area. People on the outside think of Columbia, SC as a metropolitan region of 750,000 people. This particular 12 square miles is very important, with more jobs than the Research Triangle Business Park. The redevelopment area is more distressed than the rest of the region. Also, its development and demographic characteristics are very different. This is an area with significant parts of Columbia's history, significant neighborhoods with lots of character, major public parks and access to a number of colleges and universities. There has been excellent work that included significant public participation. Citizens, neighborhoods and businesses participated with the City of Columbia in developing plans for the East Central City with the F.A. Johnson Group. The master plan for North Columbia was also done with the Johnson Group. Sasaki Associates an international design firm developed the Innovista master plan. The City of Columbia recently completed their Comprehensive Plan. Mr. Duany completed the Bull Street Master Plan. The most common land use in the area is single-family residential then institutional and governmental. There is a fairly small percentage of commercial areas, but it is significant and visible as it outlines the major transportation corridors. The redevelopment area has a great interconnected street system. A major issue that was identified in the Johnson plan was the fact that physical conditions of the area have been impacted by decades of movement of families and businesses into the suburbs. Aside from the blighting impact of the commercial corridors and strip centers another problem is dated and poorly maintained multi-family housing; very high incidence of poverty; streets that are not always pedestrian friendly; lack of quality retail development; public transportation system is on life support; and there is a very low rate of home ownership. There are a number of significant assets to include the central location; great neighborhoods with lots of potential; colleges and universities; project opportunities; and the momentum of development to include the Drew Wellness Center and new retail, schools and housing. There are a number of tools that that the City of Columbia is already using to revitalize its neighborhoods. There is specific

legislation in South Carolina regarding the content of redevelopment plans and how tax increment financing (TIF) is conducted. A TIF is a proven tool for urban revitalization and has been used nationally for 50 years. It doesn't rely on outside state or federal funding. The increases in taxable property value pay for reinvestment in the infrastructure and amenities needed to support revitalization. In South Carolina, a TIF requires the establishment of a Redevelopment District. He noted that Mr. Wayne Shuler, Chief Planner for the COG and the city's consultant; Mr. Calvin Grigsby developed the draft plan to meet the requirements for a redevelopment plan. The next steps are to finalize the boundaries; adopt the redevelopment plan; and begin to implement the plan to include designing and packaging the specific projects, assembling the development teams and developing funding packages, which include tax increment financing and other tools.

Councilor Rickenmann said that Chapters 6 and 7 include large numbers, but it doesn't talk about how we will be obligated to pay this back or how it will affect our General Fund that's already negative. I thought that we would pick areas and have smaller tax increment financings to grow the area. I need to understand where we are. I see \$238 million with some of that funding coming from private philanthropy, but it looks like we are obligated for the remainder.

Mr. Norman Whitaker, Executive Director of the Central Midlands Council of Governments said that the TIF shown is a fairly small percentage of the \$238 million. Also, approval of the TIF District does not obligate the Council to sell any bonds; those would be subsequent decisions on specific projects and on a case-by-case basis.

Mr. Calvin Grigsby, Consultant recalled that five (5) years ago the City of Columbia received a \$100 million Empowerment Zone Bond allocation and those funds haven't been used. The whole concept here, which has been used all around the country, is to take an area where you have catalytic projects to produce additional taxes, jobs and economic activity. The easiest projects would get started first; those projects would kick off additional property taxes, which would not exist if we didn't try to help the project area get started.

Councilor Rickenmann said that they understand that, but they need to understand what the City's obligation is going to be and how we are going to fund that obligation. Are we required to back the Recovery Zone Bonds? If so, how are we going to do that? We have to be very careful about what we are obligating to in the future. How will this affect overlay districts? He said that homeownership is what has gotten us into this problem today nationwide. There are going to be rental components to this so that there is a good housing stock that people can afford to keep.

Councilor Devine said that in consulting with the COG, Mr. Grigsby and our bond counsel, we determined that the first step is to do a plan. The financing will be depended upon whether or not this Council decides to do a TIF and that's contingent upon whether or not the County and the School District also plan to participate. That will make a difference in some of our numbers. The staff has tried to come up with a plan and some ideas of how to get the plan done. She said that the numbers on page 33 are not definite. She asked Mr. Grigsby to explain how an increment would affect the General Fund and what our obligations are.

Mr. Calvin Grigsby, Consultant said that they don't have the developer that is going to do a particular project. The economic development people have a list of developers and companies that want to use office space. It is a negotiation and this is happening all over the country where developers are looking for incentives before they can go to their financiers to put together a pro-forma that works. The development community and the business community is in the same economic cycle that the government is in. How do you get something that is catalytic, but in the worst of times, it starts to kick off the feeling that we are going to do this together and we're going to make this happen. The best time to do it is in the worst of times, because that's the time you can acquire property at the lowest value, the dollar goes further, construction costs are the lowest and the unions work with you better. We're trying to do this as a step by step basis. We are trying to start with the big picture, which is to decide on the area that needs the

economic development. We have done a very thorough job of looking at the blighted conditions, looking at the areas that are most blighted, putting together the most reasonable redevelopment project area. If that can get approved then it means that the new property taxes that we result from that area are now going into a fund; that fund is a special fund and can be used to provide property acquisition, loan write downs and a host of incentives. If it becomes a strong enough revenue stream, we can use it to back a bond financing. The whole point of redevelopment is to enhance the General Fund, not to take away from it. The purpose is to take the increments from the development, which will strengthen the General Fund. There is no legal obligation on a TIF for the General Fund. There is no legal obligation on a Recovery Zone financing to the General Fund. There is no legal obligation on an Empowerment Zone to the General Fund. Those are all industrial level bonds and they have to be backed by a letter of credit of the private companies that are doing the project.

Councilor Devine said that money going into the fund would be the increment; the General Fund will continue to receive what it is currently receiving. The whole point of this is to encourage development, primarily commercial development that would give us more of an increment, but require less service on our end to a certain extent. You are looking t freezing the taxes and generating business licenses. Mr. Grigsby has prepared an economic indicator for other clients. We will do that as part of the overall plan. When you look at the map, the commercial part is very small. Our goal is to increase the commercial component. A lot of this is tax exempt and now it can be put on the tax rolls.

Mr. Calvin Grigsby, Consultant referred the Council to pages 32 and 34, which outlines how they are trying to leverage the concept of tax increment to produce economic development. Every catalytic project has been identified and the important part of every TIF is that the government's money always goes in last. You can't make a gift of any public funds to a private company. It would be a collaborative effort of \$1.8 billion. If we do an energy efficiency project, the federal government pays 70% of the interest as long as we get that project in by December 31, 2010. If we do a recovery zone project, we can do it tax exempt. A TIF can now be done under your allocation for a recovery zone, which is a 45% subsidy on the interest from the federal government. There is no down side to setting up redevelopment plans, because we already have the study to show that the area is blighted and needs some recovery assistance. If the projects are funded, it means that the private sector has also brought their funding to the table. There can be no tax increment spent on a project that doesn't have a private component. The tax increment is only 5% to 10% of the project.

Councilor Gergel commended Mr. Cromartie, Mr. Davis and Ms. Devine for their leadership in pulling together a plan to address an area that all of us know, very much needs attention. I've spent most of my professional life working in the North Columbia area and I know how vital it is that we move forward to address the blight and to make sure that we build a great city in every corner. As I understand it, today we are taking a look at a redevelopment plan. We are doing our homework today. I am going to need a tutorial on all of our options with municipal planning and other tool kit options we have to address. For me, the question is not are we going to rehabilitate; we are, but I'm going to need to know what our options are and I'm going to need to know an awful lot about a TIF. At what point do we decide to issue bonds? I need a good understanding of how the economy will affect that. To me, the economy is the wildcard in everything. This Council will not have a policy of if we build it, they will come. I will need reassurances about the revenue stream, who's coming in, who's going to pay for these bonds, where that revenue is going to be, what's the state of the TIF bond market in the country today, which cities are doing this now and what are the projections. I am absolutely excited about moving ahead with the homework, but I am going to need some help with understanding how the uncertainty we're in right now is gong to affect our ability to sell the bonds and what our obligations are.

Mr. Calvin Grigsby, Consultant responded that they have all of the information to address Dr. Gergel's concerns now. We haven't focused it, but we can focus it. We sold TIF bonds six (6)

months ago for the City of Compton, California at a very aggressive rate, because a TIF is based on properties that are actually going in the ground. We structure it so that liquidated damages equal the interest on the bonds. If the project is completed, it goes on the tax rolls and the new tax assessment is the tax increment. The credit market makes the determination that the credit is there, which also protects the City. In terms of the state of South Carolina, we are working on a project in a city close to here, where they have a hotel, convention center and parking facility. They are backing that project with the credit of the water and sewer fund, just as you did with your Vista project. We would hope to use a similar structure. If there are enough projects for a bond issue, we will do pay-as-you-go financing.

Councilor Cromartie stated that it is important to realize that we will not sell any bonds without a vote of this Council. At the same time, there will be no increment unless we do something to spur development in that area. It's not a question of whether or not it will affect the General Fund, mainly because without some stimulus, the General Fund in these areas will not rise. We are looking at projects whereby private developers will come to the table. A good example is Lady Street, which looked terrible many years ago, but now because of the infrastructure development on Lady Street, we have new private developers that made it possible to be what it is today. Without the increment and restructuring that occurred on Lady Street it would not have been successful. We will pay as we go, unless we see a project that will generate enough cash flow to issue bonds. When we did the initial TIF for the City of Columbia, it evolved around the AT&T high rise. We did not issue the bonds until we understood what the increment would be based upon the real property taxes and then we expanded it to what you see in the Vista. The development occurred over a period of 20 to 25 years. We started with one project; we got the increment from that; we were able to amortize the bond; we expanded the district; we did other projects; and finally we did the infrastructure development for Gervais Street to include the lowering of the railroad tracks. We are looking for the same treatment for this area over a period of 20 years. During the meantime, it didn't affect the General Fund, because you had an increase business license fees and the appreciated value of all of the taxes in the area. But for a TIF, there would be no Vista today. It will enhance the General Fund.

Councilor Davis said that they plan to take advantage of the other funding tools that would get projects off the ground. A potential developer would have initial incentives to come in and bring his resources to the table. Unless there is a need to use bonding, we can deal with this locally. When you look at some of these pockets, you will have to provide incentives for somebody to be first. The perception is that the City is not going to do anything and we are putting together the blueprint for a number of necessary partnerships. There are folks that are waiting to see what we are going to do. In spite of the skepticism my position has always been that there comes a time when we as a City has to step up to the plate, bite the bullet and do what's necessary in spite of the thought that it's not going to work. This is a sustainable plan that represents a commitment to the public and potential investors that the City of Columbia is committed. The people who live in these areas want it and this effort is a result of their communication to us as policy makers. We have an obligation to see that the resources that are coming into this City are spread equally.

Mayor Coble agreed that it is a sustainable plan. We will have short-term issues of the General Fund or backing bonds with Water and Sewer that we will have to work through; we can't jeopardize those. I do think that this is a 20 year plan; we have short-term issues to resolve; from a long-term perspective, we know that investment in areas produces change and the downtown area is an example of that. The end result has to be investment in our community that transforms our community.

Councilor Rickenmann stated that he cannot disagree with anything that's said and he supports redevelopment, but the short-term challenges have to be addressed. I want to make sure before we go out and engage and make promises that we can't keep, that they are sustainable. Economic times are different. We have lots of water and sewer work that has to be done and we have to understand how that will play into it. That system is our lifeline, our backbone to the City

and nothing else matters at that stage, because we won't be able to sustain. We still transfer money every month and every year from the Water and Sewer Fund to the General Fund to sustain it. I agree 100% with the Mayor's comments; those are short-term challenges and that they are 20-year year challenges. I am supportive of a redevelopment district and understanding it, but I want to understand every piece of it. I want to ensure that we create a plan that's sustainable and that we've worked through the numbers and truly understand it. We don't have a good history of putting plans in place and getting the seeds that we want. The last TIF cost us about \$4 million to get out of. When I ask a lot of questions, it's because I want to make sure that at the end of the day when I take I vote that I know in 20 years that the plan that comes forward is what we want to see. We need to understand the unintended consequences. I think that pay-as-you-go is a great option, but it's not going to work all of the time. We know that we will have to do some bonding at some point.

Mr. Calvin Grigsby, Consultant said that in these tough economic times you are not going to get the real detail until we start to execute the plan. We know that the need exists and we know the structure we can use to start to address the need. If we could decide which developers are going to come in and with how much money, we wouldn't be doing it this way. We are trying to create a sense of excitement. As Mr. Davis said, the development community will see this approval and they will use their own ingenuity to figure out how to come in and get some of this money that we're going to provide. We can't be the ingenuity; we can't be the driving force; we must say that if you can develop a piece of property that goes on the tax rolls in this area, we can assist you. We don't want to make this into a give away program; no money will be spent until that private developer or builder or business has actually obtained their financing put together and that the money from the TIF comes in last.

Councilor Devine said that the purpose was for the presentation of the plan. We knew there would be questions, but we hope that everyone will have an opportunity to read the plan. The financing is just a part of the plan, but before we get to financing, we have to adopt a plan and then there has to be a public hearing and some other things. There are some projects that we know are on the burner and we can give you some potential numbers, but until we adopt a plan, we can't do anything. We will be asking you to adopt the plan on September 9, 2009.

Mr. Dan McLeod, Esq., McNair Law Firm explained that under the State Tax Increment Financing Law, there are certain procedural requirements that a City must follow in order for a redevelopment plan to be approved by City Council. The first step in that is drafting the plan and Central Midlands has done that. The next step would be for City Council to approve a Resolution that sets a date for a Public Hearing; gives notice of that public hearing not less than 15 days before the scheduled date; and also gives notice to the taxing districts, which are districts that levy taxes to include the school district, county and others. The procedural steps here are the notices, the public hearing and the approval of an ordinance which adopts or approves the redevelopment plan. As stated, any further obligations, tax increment bonds or any other types of indebtedness incurred would have to go before the Council through an ordinance process. He stated that the plan should recognize what the nature of the obligations to be issued to fund the plan is. If you assume to have the public hearing on November 7, 2009, you would approve the ordinance on November 14, 2009 and we would notify the County Auditor and the County Auditor would then certify what the assessed value was of all the properties in the district.

Councilor Rickenmann asked what would happen if the County or the School District doesn't agree on the redevelopment area. What is going to happen between now and November? Our portion is only 23%.

Mr. Dan McLeod, Esq., McNair Law Firm explained that the County and the School District are the primary taxing districts and they can basically opt out. If they don't give their approval to the use of the increment then the City cannot use or apply that increment for redevelopment projects or for bonds. It has been my experience with other cities around the state that

sometimes there is a negotiation process and a City or a County can negotiate that they will allow use of the money for a limited time period; a certain percentage; or just for certain projects. That is a matter of negotiation between the legislative bodies. They will receive the notice 45-days before the public hearing and they can object to the plan up to the time of the public hearing. If they don't object then they are deemed to have consented. The best thing to do is to work with a form of written consent.

Councilor Gergel asked if there were any reason other options like special source bonds or credit or a Municipal Improvement District were not included on page 33, along with the TIF.

Councilor Devine said that it does include other options like Recovery Zone Bonds. When we started this discussion, we were talking about a Municipal Improvement District (MID) and we found that the MID would also tax the properties in there. We felt that was not a viable option.

Mr. Dan McLeod, Esq., McNair Law Firm added that you would not prohibited from creating a MID at a later date within a smaller area of the TIF district. The creation of a MID is subject to consent by the land owner. Typically, a developer would come in that controls all of the land and then the improvements are made through an assessment that benefits improvements to the property.

Councilor Gergel said that she is of the opinion that a MID is something to be added to the list.

Councilor Devine said that it doesn't have to be listed in the plan in order for them to do that.

Councilor Gergel asked Mr. McLeod to comment on the special source bonds as a potential funding source.

Mr. Dan McLeod, Esq., McNair Law Firm said that special source bonds are primarily controlled through the creation of a multi-county industrial park, which can only be created by the action of a County Council. For the County to create a multi-county park in the geographic boundaries of the City would require your consent. I am delighted that the postponement of sending the plan to the taxing districts has been decided upon, because we frankly at McNair haven't had a chance to thoroughly review this plan; we just received it over the weekend. We intend to make it as comprehensive as possible in terms of what financing options are available, because it's hard to determine today what might occur over the next 20-25 years. Your comments are well taken and we will see if we can provide Central Midlands with some language.

- **Council recessed at 11:17 a.m.**
- **Council reconvened at 11:29 a.m.**

### **CITY COUNCIL DISCUSSION / ACTION**

Upon motion by Mr. Cromartie, seconded by Mr. Davis, Council voted unanimously to continue **Items 8., 9. and 10.** at the request for the business owners.

8. Business License Appeal (*Howard Hammer, Attorney at Law, P.A.*) – Ms. Brenda Kyzer, Business License Administrator - *The Council voted unanimously to continue Mr. Howard Hammer's business license appeal at Mr. Hammer's request.*
9. Business License Appeal (*Hammer & Hammer, LLC.*) – Ms. Brenda Kyzer, Business License Administrator - *The Council voted unanimously to continue Mr. Howard Hammer's business license appeal at Mr. Hammer's request.*
10. Business License Appeal (*Matrix Scientific*) –Ms. Brenda Kyzer, Business License Administrator - *The Council voted unanimously to continue the Matrix Scientific business*

*license appeal at the request of Mr. Montgomery.*

11. Business License Fees – Ms. Brenda Kyzer, Business License Administrator - *This discussion was deferred until Wednesday, August 26, 2009.*
12. GovQA Citizens Response System – Mr. S. Allison Baker, Assistant City Manager for Public Services - *This discussion was deferred.*

Upon motion by Mr. Cromartie, seconded by Mr. Rickenmann, Council voted unanimously to approve **Items 13.** and **14.** with a single motion.

13. Council is asked to approve an Application for Certificate of Convenience and Necessity, as requested by the Business License Division. Award to Steve Mitchell Shealy doing business American Flag Cab located at 209 Sweetwater Court, Lexington, SC. - *Approved*
14. Council is asked to approve an Application for Certificate of Convenience and Necessity, as requested by the Business License Division. Award to Joanna Zeigler doing business Classic Limousine located at 910-A Meeting Street, West Columbia, SC. - *Approved*

### **STAFF REPORTS**

15. Holiday Pay – Mr. Steven Gantt, Interim City Manager - *The Holiday Pay Policy will be reaffirmed on Wednesday, August 26, 2009.*

Mr. Steven A. Gantt, Interim City Manager recalled that they discussed this in April and they have provided Council with what they consider to be the appropriate holiday pay for 24-hour, 12-hour and regular employees. We conducted a survey of other cities. There is still some discussion with the Fire Department, because they think the number should be larger than what we've determined.

There was a consensus of Council to reaffirm this matter on Wednesday, August 26, 2009 when all members of Council is present.

16. Use of Community Development Block Grant/Economic Development Initiative for the Village at Rivers' Edge Project - Mr. Tony Lawton, Director of Community Development - *This report was deferred.*

Mr. Steven A. Gantt, Interim City Manager recalled that Council asked that staff schedule a meeting with the parties involved with the Village at Rivers' Edge and the meeting is scheduled for Wednesday, August 26, 2009. We will determine where we are and if we can start on the infrastructure out there.

### **CONSIDERATION OF BIDS, AGREEMENTS and CHANGE ORDERS**

17. Council is asked to approve Project #SS7099(2); Purchase of Digester Recirculation Parts for the Repair of the Digester & Old DAF Mixed Sludge Pump for the Metro Wastewater Treatment Plant, as requested by Utilities and Engineering. Award to Liberty Process Equipment, the lowest bidder in the amount of \$12,875.31. This vendor is located in Arlington Heights, IL. *Funding Source: Sewer Improvement Fund 5529999-SS709902-851200 - Approved*

Upon motion by Ms. Devine, seconded by Mr. Cromartie, Council voted unanimously to approve Project #SS7099(2); Purchase of Digester Recirculation Parts for the Repair of the Digester & Old DAF Mixed Sludge Pump for the Metro Wastewater Treatment Plant, as requested by Utilities and Engineering. Award to Liberty Process Equipment, the lowest bidder in the amount

of \$12,875.31.

18. Council is asked to approve Project #SS709901; Purchase of Sludge Conveyors Parts to Repair Sludge Conveyor Bearing for the Metro Wastewater Treatment Plant, as requested by Utilities and Engineering. Award to C&D Specialty Parts, the lowest bidder in the amount of \$16,895.30. This vendor is located in Florence, SC. *Funding Source: Sewer Improvement Fund 5529999-SS709901-851200 - Approved*

Upon motion by Mr. Cromartie, seconded by Ms. Devine, Council voted unanimously to approve Council is asked to approve Project #SS709901; Purchase of Sludge Conveyors Parts to Repair Sludge Conveyor Bearing for the Metro Wastewater Treatment Plant, as requested by Utilities and Engineering. Award to C&D Specialty Parts, the lowest bidder in the amount of \$16,895.30.

Dr. Gergel made a motion to consolidate all lobbying services under the capable leadership of our Office of Government Relations with a \$25,000 contingency fund to be used on an as needed basis for supplemental lobbying services. Ms. Devine seconded the motion.

Councilor Cromartie said that he is concerned that \$25,000 may not be enough. I always smile when our Council thinks that bad things won't happen. I don't have the time to go down there; we may be able to do it momentarily, but we can't keep up with everything that may affect the City. I don't think this is in the best interest of the City, because Ms. Florence will be there a lot and she has a tremendous amount of responsibility for the City to include stimulus funding. We have the lobbyist, because Legislators are constantly upset with the local government. The price that we are paying is a very small amount of things that can happen and cause us millions if we don't have the people there to protect our interests. I want to caution the Council. He asked Ms. Florence if \$25,000 is enough and how this would affect her time if she were Chief Lobbyist.

Ms. Teresa Wilson Florence, Director of Governmental Affairs said that it hasn't taken several State Newspaper articles and an editorial to bring us to this discussion. Quite frankly, it is the times that we are in and the budgetary constraints that you have before you that brought us to these discussions. We've been discussing options for months. I respect every member of the lobbying team; we work well with the team. I can't sit here and tell you that I can make any judgment or assessment for any one of them more or less than the other; they all bring different things and relationships to the table; and they all do a great job. We are a capital city and number of and myriad of issues that we face everyday in the lobby takes every single one of us to do it. You have to understand that advocacy means that we are also stopping things every single day as well as answering constituent requests and complaints. There are things that you all never know about, because we just take care of it. I've already told you that I can do that for you; I can be the Chief Lobbyist; I am already registered to lobby; I'm already at the State House as much as I can be from January to June; but, I have been tasked with many other responsibilities by the City including the stimulus and that has been taking a big chunk out of my time. It's not a problem for me to do it that way during the upcoming session. I won't come as a shock to the lobbying team. We've already cut them back drastically. It really becomes your message in that this year we have to do it differently, because of where we are. I also said to you that if I do that, I will be there everyday, because I don't want to take the heat if something happens and I'm not there. There are management type things that Mr. Gantt and I can discuss and figure out.

Mayor Coble said that you don't need a democratic or republican lobbyist until you need a lobbyist. History shows that we'll be dealing with this again soon. One option is that we don't have a full-time lobbyist in the State House everyday and Ms. Florence can be the person that's called when there's a problem. We can rely on the Municipal Association to do that. I go back to the multi-millions of dollars we lost when they switched from franchises to business licenses, because cities had different interests in it, depending on whether they already had a franchise or they didn't. Those smaller cities that never had a franchise with BellSouth, a business license

was a great thing for them, because they were receiving new money. It was a terrible thing for larger cities that had franchises, because we were losing money. That's when we obtained republican lobbyists. We could have a full-time in house lobbyist where her responsibility is to be down there to watch things and other things like the stimulus will fall through the cracks. We could have one outside lobbyist to watch things at all times. Maybe we should all go down there. You must have someone in place when the session starts.

Ms. Teresa Wilson Florence, Director of Governmental Affairs added that \$25,000 is a start, but depending on the matter it may not get you the right person. At times, a lot of it is about relationships and sometimes it's about partisan and politics, but the reality is that the relationship with our delegation is the most key. We've made some progress over the last several years. Our senior Senator is gone, but we have another Senator that is very much so looking out for us on a daily basis as well as the rest of the delegation. The way this has played itself out hasn't done the discussion any justice, because it has been in the media in a way that doesn't justify all of the discussions you've had over time about this. Some of our legislators have questioned that.

Councilor Davis said that he has a concern that we don't get the expectations of that office. We have a need for both approaches. The relationship with our delegation isn't what it should be and we've spent some time to correct that. My concern and desire to go after other resources is what we set up to get out of your office. There is more money out there than we ever thought about going after. The stimulus phase is going to die down, but there is still a need for your office to provide that function, because it takes more than one person to go after grant monies for a city this size. My concern would be with splitting you as a person, along those lines. I am not prepared to make a decision on this today. I need the assurance in both areas that we're going to get what we truly need and in both cases it amounts to benefits to the City, whether it's one time funding or a continuation of funding.

Ms. Teresa Wilson Florence, Director of Governmental Affairs added that the intergovernmental relations are key. I am wearing several different hats, but with staff support, it's manageable. If the lobbying team disintegrates as it is, then we would have to discuss some things.

Councilor Devine said that all of the lobbying team does an excellent job. There were questions in the past about their effectiveness and that's why this discussion started before we had financial issues. Quite honestly, I think that if you don't understand what's going on up there then it's easy to think that our lobbyists are not effective. I have been up there and I've seen how things work and they all work very well together and work very well on our behalf. It's impossible to catch everything that comes through there even with that many lobbyists. She agreed that things are financially tight and we may have to lay off staff; I cannot justify laying off a full-time staff person when we pay someone on a contract basis almost as much as what that staff person may be making. This is not about the effectiveness of the lobbyist; it's not about whether or not we need lobbyists, because I think we need them, but when you have to tighten your belt and make tough decisions, my personal feeling is that my commitment is to the constituency of this City and the current City staff. Right now, that is not a luxury we can afford to have if we are contemplating cutting salaries or jobs. If the majority of Council feels that we are going to try it this year, then I hope in the future we can look at having lobbyists, because they are very necessary. We have to take a very hard look at what Ms. Florence's responsibilities are and we have to go to the State House more and we have to work on our relationship with our delegation and others. We also have to communicate what our priorities are. I think that more money should be allocated for supplemental services.

Councilor Gergel said that this is all about priorities for her as well. Frankly, I've had ties to all three (3) of the lobbyists as well; this is not anti-lobbyists or disappointment in their success; they are wonderful people. The bottom line is that it is a different time now and the intent of my motion is to have Ms. Florence be our lobbyist and to direct our lobbying activities. I understand that she also has the stimulus operation that is critical, the money we have pulled in from that is

phenomenal and it has enabled us to do things. As she see needed, with the approval of the City Manager, she can determine what we need additional help with. I hate to propose this at this late moment, but we are looking at every dime that we have and we are looking at additional initiatives to adjust the budget. I am having a difficult time explaining why we are employing three (3) different lobbyist firms to work with our delegation when we have a lobbying office.

Councilor Rickenmann stated that Ms. Florence has been in front of the Council on countless occasions and it's not her that has to think about it; we have to make a decision one way or the other. I keep hearing that we must have lobbyists, but the County doesn't have a lobbyist that I know of, but they seem to have good relationships. Maybe, there is something disconnected there and that's a question that we have to answer at some point. Do we need three, one or two lobbyists in tough times? We have three (3) lobbyists and not one of them is a true republican lobbyist, when the republicans run the House and the Senate.

Upon a substitute motion made by Mr. Davis and seconded by Mr. Rickenmann, Council voted unanimously to defer consideration of **Items 19., 20. and 23.** until Wednesday, August 26, 2009.

19. Council is asked to approve a Professional Services Contract for Lobbying Services, as requested by the Office of Governmental Affairs. Award to McLeod Butler Communications, LLC in the monthly amount of \$1,491.00 for a total annual amount of \$17,892.00. This firm is located in Columbia, SC. *Funding Source: 1011103-638300 - Council voted unanimously to defer consideration until Wednesday, August 26, 2009.*
20. Council is asked to approve a Professional Services Contract for Lobbying Services, as requested by the Office of Governmental Affairs. Award to The Grant Group, Inc. in the monthly amount of \$1,491.00 for a total annual amount of \$17,892.00. This firm is located in Columbia, SC. *Funding Source: 1011103-638300 - Council voted unanimously to defer consideration until Wednesday, August 26, 2009.*

Upon motion by Mr. Cromartie, seconded by Ms. Devine, Council voted unanimously to approve **Items 21. and 22.** with a single motion.

21. Council is asked to approve an Agreement to Remove and Paint Twenty-six (26) Steel Poles on Sumter Street, Gervais Street and South Main Street, as requested by Utilities and Engineering. Award to South Carolina Electric & Gas in the amount of \$22,925.45. This vendor is located in Columbia, SC. *Funding Source: Non-Standard Fund Agreement 4139999-CP000801-639900 - Approved*
22. Council is asked to approve an Agreement to Remove four (4) Steel Poles and Paint twenty-two (22) Steel Poles from Washington to Taylor between Assembly and Marion Streets, as requested by Utilities and Engineering. Award to South Carolina Electric & Gas in the amount of \$34,292.00. This vendor is located in Columbia, SC. *Funding Source: Non-Standard Fund Agreement 4139999-CP000801-639900 - Approved*
23. Council is asked to approve a Professional Services Contract for Lobbying Services, as requested by the Office of Governmental Affairs. Award to the State Capitol Group, LLC in the monthly amount of \$2,982.00 for a total annual amount of \$35,784.00. This firm is located in Columbia, SC. *Funding Source: 1011103-638300 - Council voted unanimously to defer consideration until Wednesday, August 26, 2009.*

Councilor Devine inquired about **Item 25.**, noting that they discussed consolidating all lawn services and whether or not it could be cheaper to do so.

Mr. Steven A. Gantt, Interim City Manager explained that it is broken out among smaller firms.

Councilor Devine asked if the firms were located inside City limits. I want to promote small businesses, but I also want to make sure we are using our local businesses.

Councilor Rickenmann said that he would like to see us take the incarcerated folks and giving them a push mower. He said that the Richland County Detention Center does this everyday.

Upon motion by Mr. Rickenmann, seconded by Ms. Devine, Council voted unanimously to approve **Items 24.** through **27.** with a single motion.

24. Council is asked to approve Project #SS7099(3); Purchase of one (1) Hansen P4 Gear Reducer for the Repair of Primary & Raw Screw Pumps at the Metro Wastewater Treatment Plant, as requested by Utilities and Engineering. Award to Bearing Distributors, Inc., the lowest bidder in the amount of \$50,028.92. This vendor is located in Columbia, SC. *Funding Source: Sewer Improvement Fund 5529999-SS709903-851200 - Approved*
25. Council is asked to approve the Purchase of Lawn Maintenance, as requested by Wastewater Treatment Plant. Award to Byron Hanna Lawn & Tractor, the lowest bidder in the amount of \$55,800.00. This vendor is located in Blythewood, SC. *Funding Source: 5516208-638300 - Approved*
26. Council is asked to approve Purchase of Grit, Ash, Sludge Hauling and Container Rental, as request by Wastewater Treatment Plant. Award to Palmetto Environmental Solutions Inc, the lowest bidder in the amount of \$147,070.00. This vendor is located in West Columbia, SC. *Funding Source: 5516208-638300 – Approved*
27. Council is asked to approve Project #SS691103; Root Removal Annual Contract, as requested by Utilities and Engineering. Award to Duke's Root Control, the lowest bidder in the amount of \$468,490.00. This vendor is located Syracuse, NY. *Funding Source: SS691103-851600 - Approved*

### **ORDINANCES – SECOND READING**

Mr. Steven A. Gantt, Interim City Manager explained that **Items A. and B.** allows us to have dual ordinances in place for water & sewer bond issue that will allow for a fixed rate sale if that is the most financial feasible for us and also a variable rate swap. We will decide during the first week of September on which route to go. Currently, the swap is going to be the most advantageous.

Councilor Cromartie asked that the Council be notified of the schedule for the bond issuance so that the Council members can be present.

Councilor Devine questioned the repealing of the ordinances and then doing it again.

Mr. Ken E. Gaines, City Attorney explained that the Council passed the one that is being repealed and then there were technical amendments that bond counsel wanted to make and rather than doing an amendment to that, we are repealing it and substituting it with the new ordinance.

Upon motion by Mr. Cromartie, seconded by Mr. Davis, Council voted unanimously to give second reading approval to **Items 28.** through **B.** with a single motion.

28. Ordinance No.: 2009-065 – Granting an encroachment to CSL Plasma for installation and maintenance of an irrigation system and landscaping adjacent to 215 South Assembly Street (*Mr. Marc Mylott, Director of Planning and Development Services: Recommends approval*) – *First reading approval was given on August 5, 2009. – Approved on second reading.*
29. Ordinance No.: 2009-080 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 19, Solid Waste Management, Article II, Collection and Disposal, Sec. 19-31 Definitions, Multiple residential unit and Sec. 19-41 Restrictions on collection, (g) Bulk containers for multiple dwelling units – *First reading approval was given on August 5, 2009. – Approved on second reading.*
30. Ordinance No.: 2009-082 – Annexing 3825 Eureka Street, Richland County TMS #13708-09-19 (*Mr. Marc Mylott, Director of Planning and Development Services: Recommends approval*) – *First reading approval was given on August 5, 2009. – Approved on second reading.*
31. Ordinance No.: 2009-083 – A Seventh Supplemental Ordinance Supplementing Fifth Supplemental Ordinance No. 2009-072 and Providing for the Issuance and Sale of City Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series 2009, in the principal amount of not exceeding \$105,000,000; delegating the authority to the Mayor and Interim City Manager to determine certain matters with respect to the bonds; prescribing the form and details of such bonds; making certain amendments to general bond ordinance No.94-43; and other matters relating thereto. – *First reading approval was given on August 5, 2009. – Approved on second reading.*
- A. Ordinance No.: 2009-086 – Repealing Sixth Supplemental Ordinance No. 2009-081 (A Sixth Supplemental Ordinance Supplementing Fifth Supplemental Ordinance No. 2007-072 and Providing for the Issuance and Sale of City of Columbia, South Carolina Waterworks and Sewer System Revenue Bonds, Series 2009, in the principal amount of not exceeding \$105,000,000; delegating the authority to the Mayor and Interim City Manager to determine certain matters with respect to the bonds; prescribing the form and details of such bonds; making certain amendments to general bond ordinance No.94-43; and other matters relating thereto. – *First reading approval was given on August 5, 2009. – Approved on second reading.*
- B. Ordinance No.: 2009-087 – A Sixth Supplemental Ordinance Supplementing Fifth Supplemental Ordinance No. 2007-072 and Providing for the Issuance and Sale of City of Columbia, South Carolina Waterworks and Sewer System Revenue Bonds, Series 2009, in the principal amount of not exceeding \$105,000,000; delegating the authority to the Mayor and Interim City Manager to determine certain matters with respect to the bonds; prescribing the form and details of such bonds; making certain amendments to general bond ordinance No.94-43; and other matters relating thereto. – *First reading approval was given on August 5, 2009. – Approved on second reading.*

#### **ORDINANCES – FIRST READING**

- C. Ordinance No.: 2009-067 – Granting an encroachment to the Laurens Street Homeowners Association for installation and maintenance of a brick wall and columns with iron fencing within the right of way area adjacent to 1020 Laurens Street, 1022 Laurens Street, 1024 Laurens Street, 1026 Laurens Street, 1028 Laurens Street and 1030 Laurens Street, known as Richland County TMS #11405-11-30, 11405-11-31, 11405-11-32, 11405-11-33, 11405-11-34 and 11405-11-35 – *Approved on first reading.*

Upon motion by Dr. Gergel, seconded by Mr. Davis, Council voted unanimously to give first reading approval to Ordinance No.: 2009-067 – Granting an encroachment to the Laurens Street Homeowners Association for installation and maintenance of a brick wall and columns with iron fencing within the right of way area adjacent to 1020 Laurens Street, 1022 Laurens Street, 1024 Laurens Street, 1026 Laurens Street, 1028 Laurens Street and 1030 Laurens Street, known as Richland County TMS #11405-11-30, 11405-11-31, 11405-11-32, 11405-11-33, 11405-11-34 and 11405-11-35.

- D. Ordinance No.: 2009-095 – Granting a Temporary Easement to the South Carolina Department of Transportation for the Broad River Road Bridge Replacement Project along a Portion of City Property identified as Richland County TMS #07316-02-14, TMS #07316-02-01A, TMS #07314-02-05, & TMS #09102-01-02 (Portion); Project #BR40(004); SCDOT File #40.249B.1; CF #315-11 – *Approved on first reading.*

Upon motion by Mr. Cromartie, seconded by Mr. Rickenmann, Council voted unanimously to give first reading approval to Ordinance No.: 2009-095 – Granting a Temporary Easement to the South Carolina Department of Transportation for the Broad River Road Bridge Replacement Project along a Portion of City Property identified as Richland County TMS #07316-02-14, TMS #07316-02-01A, TMS #07314-02-05, & TMS #09102-01-02 (Portion); Project #BR40(004); SCDOT File #40.249B.1; CF #315-11.

## **RESOLUTIONS**

- E. Resolution No.: R-2009-058 – Authorizing adoption of policy public invocations - *Approved*

Upon motion by Ms. Devine, seconded by Mr. Cromartie, Council voted unanimously to approve Resolution No.: R-2009-058 – Authorizing adoption of policy public invocations.

- F. Resolution No.: R-2009-059 – Authorizing consumption of beer and wine and Group Therapy's Annual Chili Cookoff - *Approved*

Upon motion by Mr. Rickenmann, seconded by Ms. Devine, Council voted unanimously to approve Resolution No.: R-2009-059 – Authorizing consumption of beer and wine and Group Therapy's Annual Chili Cookoff

- G. Resolution No.: R-2009-060 – Authorizing the City Manager to execute a Lease between the City of Columbia and Allard H. Dial for lease of 150 Montgomery Road, Richland County TMS #06700-01-05 – *Funding Source: 1012406-636300 – Approved*

Councilor Gergel asked how much this will cost.

Councilor Rickenmann said that with no disrespect to the Police Chief, but we talked about this and the money we're spending on the horses could go towards personnel. I can't support this.

Chief Tandy Carter, Columbia Police Department said that the lease is \$9,600 for the year.

Councilor Devine asked if this was analyzed, because we talked about doing away with the mounted patrol and then it was placed in the budget. Was there some difficulty or other expenses as it relates to selling the horses or was that option not entertained?

Chief Tandy Carter, Columbia Police Department stated that they looked at options with both the canines and horses in terms of cost savings and we decided operationally that we wanted to focus our horses both in the parks and the Five Points area for the exposure. They've worked with us in terms of reducing that lease from \$900 to \$800 per month. We reduced the total cost by \$16,000 as compared to last year. With equipment and all it costs \$42,000 per year. You

have invested over \$1 million into this and if you bail out now, you will have some fairly extensive cost. You can sell it, but you just bought a truck for \$35,000. You will invest even more money in the future if you decide to reinstate the horses.

Mayor Coble reminded Chief Carter of his thought to find sources of private funding.

Chief Tandy Carter, Columbia Police Department said that one proposal is to get private donations to support the operations.

Councilor Gergel asked how often the horses are out. Do we anticipate seeing them out more?

Chief Tandy Carter, Columbia Police Department said that they only have four (4) horses and two (2) riders. In growing the Police Department, my focus was on making sure that I have people to put in the cars. I hadn't grown that from the two (2) riders. One thought is to fully staff the operation with four (4) riders.

Councilor Gergel said that she is very concerned about liquidating these assets at this particular point and time.

Councilor Rickenmann argued that it only cost us \$42,000, because he knows what it costs to feed a horse, there are stable workers and the truck needs fuel and maintenance.

Mr. S. Allison Baker, Assistant City Manager for Public Services explained that extensive budget cuts have been made and he asked that the Police Department be given the opportunity to make sure that they make it with the budget they have been given. I know that in the near future we will be looking at making more cuts if situations don't improve. I have asked Chief Carter to make the use of our Mounted Policeman a part of our City security. They cannot be an ornament, they to be a part of what we do to keep our City safe. I would ask that you give them that opportunity. If we are not successful, if Chief Carter is not able to raise private money to support the mounted patrol then we should make it clear that they should be gone by the next fiscal year.

Councilor Cromartie said that he is supportive of that with the understanding that Chief Carter has to be in the position to find the means to do this through the private sector, but at the same time I'm also concerned about visibility. They need to be visible in neighborhoods across Columbia. You have stood up several times for the horses and it's apparent that you feel it's important to your overall operations in the Police Department. From that perspective, I respect that and I would be supportive if you are able to move forward and make sure by the next budgetary cycle you have private funding and during the interim time that you provide the distribution throughout the neighborhoods.

Mr. S. Allison Baker, Assistant City Manager for Public Services further explained that they have a plan as to how they can be used in Five Points and in our parks, as our parks are a part of our neighborhoods. He admitted that there is some disagreement between Mr. Mike King, Assistant City Manager for Public Safety and Chief Carter.

Councilor Davis asked for the total cost of maintaining this unit to include salaries.

Chief Tandy Carter, Columbia Police Department said that its \$42,000 not including the in-kind services, fees and veterinary services. He added that officers are doing things to help reduce the cost. You have already bought the equipment.

Councilor Davis said that he is interested in seeing the plan as it relates to the use of the horses throughout the City and the parks. He added that the numbers are elusive.

Councilor Gergel said that she has real concerns about how we spend money on this rather than redirecting resources to other places. I am going to support this for this year. I am going to

ask for documentation on how many days these horses out; where they are going; and which areas are they visible in. I hope to see them in Five Points often.

Councilor Devine said that she has reservations as well, but I have a lot of respect for Mr. Baker's recommendation and I will support it this year. I would like to see a report of the duties of the officers riding the horses. What would those officers do if there wasn't a mounted patrol?

Chief Tandy Carter, Columbia Police Department said that they will expose the Mounted Patrol to parks throughout their regions and to Five Points on Thursday, Friday and Saturday nights. They will help to prevent crime.

Upon motion by Mr. Cromartie, seconded by Dr. Gergel, Council voted four (4) to two (2) to approve Resolution No.: 2009-060 with the understanding that Police Chief Tandy Carter has committed to raise funds through private donations for the Mounted Patrol operations during fiscal year 2010/2011 and to expose the Mounted Patrol to parks, Five Points and residential areas as an added security measure. It is understood that the Mounted Patrol will be removed from the fiscal year 2010/2011 budget if the necessary funding is not acquired. Voting aye were Mr. Cromartie, Ms. Devine, Dr. Gergel and Mayor Coble. Voting nay were Mr. Davis and Mr. Rickenmann.

H. Resolution No.: R-2009-062 – Authorizing consumption of beer and wine at The Blue Marlin's 15<sup>th</sup> Anniversary benefiting 100 Years of Boy Scouting - *Approved*

Mr. Steven A. Gantt, Interim City Manager said that Mr. Ellis who is actively involved with the Boy Scouts of America has indicated that it's against Boy Scout policy to have beer and wine functions. We will get clarification on that matter.

Dr. Gergel suggested that they simply approve the event and not its purpose.

Upon motion by Dr. Gergel, seconded by Mr. Rickenmann, Council voted unanimously to approve Resolution No.: R-2009-062 – Authorizing consumption of beer and wine at The Blue Marlin's 15<sup>th</sup> Anniversary.

I. Resolution No.: R-2009-063 – Authorizing consumption of beer and wine and South Carolina Pride Festival 2009 at Finlay Park – *Approved*

Upon motion by Mr. Cromartie, seconded by Ms. Devine, Council voted unanimously to approve Resolution No.: R-2009-063 – Authorizing consumption of beer and wine and South Carolina Pride Festival 2009 at Finlay Park.

### **APPEARANCE OF PUBLIC HAVING BUSINESS WITH CITY COUNCIL**

Ms. Margaret M. Hicks, 2632-B Millwood Avenue appeared before the members of Council to express concerns about the City not renewing the lease for the Columbia Police Department's south region. I am the managing agent for 2632 Millwood Avenue. I sent you all a letter about our shock in losing the south region police head quarters. The letter was wrong in stating that you've been there for eleven (11) years; you've been there for sixteen (16) years. The reason that I am upset about it is because we had already come to a deal. I've been working with the City on and off for two (2) years about this and finally in May I was told that Rick said that we should go with the three (3) year lease. We had the terms and the amount. The first I heard that it wasn't going to be renewed was August 6<sup>th</sup>. The original lease had already been signed by me; mailed to the City; and was on Mr. Cooper's desk for legal review and signature. That's my sour grapes that I needed to share with you. I don't understand the concept of moving from a rental property that is in the middle of a blighted ghetto kind of area; we are the buffer zone between the King Street bad area and the more upscale, Old Shandon and Melrose Heights neighborhoods. I am very concerned about losing police presence. I would urge the Council to

consider renting a small portion of our building that lends itself very well to be subdividing, because we have 4 exterior entrances and keeping a small substation there. I could carve out as little as 350 square feet. The owner pays for exterior maintenance, taxes and insurance and you all paid for utilities plus rent, which was \$7.20 per square foot. That's very low rent. I am concerned about the decision to spend almost \$2 million in Five Points. I understand that the money came from the Parking Fund. I urge you to reconsider this and short of reversing your decision, consider keeping a small substation there. I can come up with plans and prices if you will consider this.

Upon motion by Mr. Cromartie, seconded by Ms. Devine, Council voted unanimously to go into Executive Session after the Budget Committee Meeting for the discussion of **Items L. through O.** as amended.

- **Council recessed at 12:40 p.m.**
- **Council convened the Budget Committee Meeting at 1:04 p.m. on the 2<sup>nd</sup> floor.**

### **BUDGET COMMITTEE MEETING**

J. Treasurer's Report – Mr. Jeff Palen, Treasurer

Mr. Jeff Palen, Treasurer reported that all bank accounts have been reconciled through June 2009. We know the past issues and I will come before you every month to show you this statement wherein the 3<sup>rd</sup> column has a yes or no as it relates to an account being reconciled. This major work started last year with the Budget Director, MASC and numerous accountants. We even reconcile the Certificates of Deposit (CD) each month to make sure that an interest payment was made to us, that we recorded it, that it's reflected in the books and that we reinvested it or spent it elsewhere. The Investments Pooled General Account is \$76,903,540 is the funds that we have with four (4) of our investment managers; BB&T, Wachovia Evergreen, Bank of America's Columbia Management Group and First Citizens Bank and Trust. The investment managers invest the funds for us based on the investment policy the Council passed a Resolution on about a month ago. They keep at least 20% of it liquid so if we had an immediate cash flow need, we could pull those funds in. Even though the market has been down, we still have a lot of bonds out there that we own that are paying is 4% to 4.5%. We still get a very good return on that \$76 million. We will be entering into the South Carolina Local Governments Investment Pool, which is also very liquid, but they manage that longer with more return. We look at all of our funds, because we are trying to earn as much interest as we can.

Councilor Cromartie inquired about the account entitled Bank of America Short Term.

Mr. Jeff Palen, Treasurer said that is a 3-month CD with Bank of America that's earning 93 basis points, but that rate will go down. As a government, whenever we invest it has to be on a certain level, because they have to collateralize those public funds and there's a cost to do so.

Councilor Devine inquired about the second account with a balance of -\$78,796.

Mr. Jeff Palen, Treasurer said that's our payroll account; it's a listing of outstanding checks. That account is funded as checks are represented at the bank and then the money moves into the account. It can show a negative balance at any time. The actual bank balance itself is zero. Every night it pulls money out of operating account into the payroll account.

Councilor Devine inquired about the Convention Center Investment.

Mr. Jeff Palen, Treasurer explained that those are funds left over from our bonds.

Mr. Bill Ellis, Deputy Finance Director said that Accounts 901 and 905 are the accounts that we

must have for the Convention Center where we have to invest their monies: one is the bond proceeds that were left over that they can still utilize, potentially and the other is their operating funds that comes from tourism collections.

Councilor Rickenmann asked if we still have the Investments Pooler Generally Account spread out among a bunch of people. Are we going to put out a Request for Proposals for an investment group to negotiate with instead of several?

Mr. Jeff Palen, Treasurer said that it was imperative to have it spread out, because we didn't have one person that could sit there and handle the investments. Other cities invest in a portfolio and the treasurer does that work. Our contracts date back to the 1990s and we pay a basis point on the value of the account quarterly. I have talked with others and everyone wants to bid on that. Over the next year we will look at that along with several other options. We should consider the City doing its own investments and we deal with all of the local brokers. Currently, our policy is to buy and hold. We've instructed our investment managers not to sell a bond or anything that would show a loss. Now that we have a treasurer, we should invest our own portfolio.

Councilor Gergel inquired about the Parking Operating Fund.

Mr. Jeff Palen, Treasurer said that this is a reserve account that is required while the 1994 bond is outstanding. We will be making payments for two more years and we have to keep a certain dollar amount set aside as a reserve as a guarantee.

Councilor Gergel asked if more money in the account than required.

Mr. Jeff Palen, Treasurer said no; it's the amount that has to be there. We will make the final payment from that account. These are not fund balances; it's the cash in that account. These are restricted funds related to how we pay our bonds and some of it is restricted as to how we use it.

Mr. Steven A. Gantt, Interim City Manager asked if the report format acceptable on a monthly basis.

There was a consensus of Council to endorse the report format.

K. July 2009 Financials – Mr. Bill Ellis, Deputy Finance Director

Mr. Bill Ellis, Deputy Finance Director presented a full expenditure report for each account within the General Fund. There are three (3) areas that are out of sync; the salaries for the Police, Fire and Parks and Recreation Departments. They are over 1/12<sup>th</sup> of their budget, because they are on cycle 2 payroll, which had three (3) payrolls in July.

Mr. S. Allison Baker, Assistant City Manager for Public Services indicated that thirteen (13) employees in Parks and Recreation agreed to retire and some positions were eliminated and we had to pay those people out. Is that reflected?

Mr. Bill Ellis, Deputy Finance Director said yes; we also had that in the Police and Fire Departments. There are explanations as to why these numbers are over.

Councilor Rickenmann said that we also have contracts that had to be paid during the first month of the fiscal year.

Mr. Bill Ellis, Deputy Finance Director explained that you have to look at the entire budget. We are on a knife's edge as far as covering our expenditures, but we are not over the edge for July. That is very good news. We are seeing reductions in our payroll for August and it will be very critical for our salary and fringe costs are less than \$6 million. The total expenditures to date are \$9.2 million.

## **EXECUTIVE SESSION**

- **Council entered into Executive Session at 1:37 p.m.**
- L. Discussion of negotiations incident to proposed contractual arrangements
  - The Dennis Corporation
  - Towers Perrin

*These items were discussed in Executive Session. No action was taken.*
- M. Receipt of legal advice which relates to matter covered by attorney-client privilege
  - Carolina Walk Litigation

*This item was discussed in Executive Session. No action was taken.*
- N. Discussion of compensation of an employee - *This item was discussed in Executive Session. No action was taken.*
- O. \*\* Discussion of negotiations incident to settlement of legal claims - *This item was discussed in Executive Session. No action was taken.*
- **Council adjourned the Executive Session and reconvened the meeting at 2:37 p.m.**
- P. \*\*Integrating Research into Homeless Services

Upon motion by Mayor Coble, seconded by Mr. Cromartie, Council voted unanimously to enter into a Professional Services Contract to provide services in the City of Columbia's Winter Shelter with Dr. David Parker, the University of South Carolina Department of Internal Medicine, Office of Supportive Housing Services in conjunction with The Cooperative Ministry to provide case management and coordination services as well as establish a transitional research center, which will investigate the causes and factors of and related to homelessness among the City of Columbia's homeless residents.

- **Council adjourned the meeting at 2:38 p.m.**

Respectfully submitted by:

Erika D. Salley  
City Clerk