

**CITY OF COLUMBIA  
WORK SESSION MINUTES  
JUNE 15, 2009 – 9:00AM  
CITY HALL - 1737 MAIN STREET  
2<sup>nd</sup> Floor – Conference Room**

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The Columbia City Council met for a Work Session on Monday, June 15, 2009 in the City Hall Conference Room located at 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 9:20 a.m. The following members of Council were present: The Honorable E.W. Cromartie, II, The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann, The Honorable Kirkman Finlay III and The Honorable Belinda F. Gergel. The Honorable Sam Davis arrived at 10:59 a.m. Also present were Mr. Steven A. Gantt, Interim City Manager and Ms. Erika D. Salley, City Clerk.

**CITY COUNCIL DISCUSSION / ACTION**

A. Fiscal Year 2009 / 2010 Water & Sewer Operating Fund Budget

Ms. Melisa Caughman, Budget Director explained that the Water & Sewer Operating Fund is in balance; we did not propose a rate increase this year; and revenues are slowing down in comparison to 2006/2007 and 2007/2008. She recalled that we increased the rates and tap/meter fees in 2006/2007, which resulted in a deluge of developers purchasing meters thus inflating revenues for that year.

Councilor Devine recalled that we needed to raise rates every year due to bonding. Why are we changing that this year? Was it a conscientious decision in response to the economy?

Mr. Steven A. Gantt, Interim City Manager said that was part of it and we collected revenues and generated an interest rate in excess of what we anticipated in those years.

Councilor Finlay said that we are projecting a \$12 million reduction in revenue from 2007/2008 to 2008/2009 and a \$9 million fall in 2009/2010. I thought the whole point of the Black & Veatch study was to increase rates in order to have sufficient debt service coverage on the bonds.

Mr. Steven A. Gantt, Interim City Manager explained that with the existing revenue we are good for the September bond activity. In 2010 and 2011 bonds will be coming off our books and we will probably have to look at another rate increase during fiscal year 2010/2011. We should keep tax and rate increases at a bare minimal. We are still maintaining the 2 to 1 coverage ratio.

Ms. Melisa Caughman, Budget Director reported on the expenditures in the Water & Sewer Operating Fund. She reported that there are some increases related to healthcare and workers compensation; otherwise the departments within this budget had to follow the same instructions in regards to reductions. There is an increase in the Finance-Collections Department related to the fees for online payments in an estimated amount of \$600,000.

There was a consensus of Council to review the monthly average that the City is paying to process online payments in order to determine the feasibility of providing such services for free.

Councilor Rickenmann asked if staff compared the cost of privatizing security to what we are spending now.

Councilor Finlay asked why the cost for Community Safety Officers/Public Safety increased by \$200,000.

Mr. Steven A. Gantt, Interim City Manager explained that the cost was removed from the General Fund to the Water & Sewer Fund.

Mr. Harold Reaves, Director of Homeland Security added that they moved the cost to where the services are actually being provided. We are pulling the Community Safety Officers out of the General Fund to cover public water and sewer facilities.

Councilor Finlay asked if the Public Works/Street Repair line item would involve routine work.

Mr. Steven A. Gantt, Interim City Manager said that it includes utility cuts, paving, etc.

Ms. Melisa Caughman, Budget Director reported on the non-operating departments and non-departmental expenditures.

Councilor Gergel inquired about GIS Management, noting that Richland County has a very good GIS program. I want to make sure that we are doing everything we can to work with the County.

Ms. Melisa Caughman, Budget Director explained that the funding for the Office of Business Opportunities is purely for the staff, adding that some adjustments were made. The budget for the Economic Development Department includes staff, operating expenses; the lease for the Tapp's Building and other contractual obligations.

Councilor Devine asked Mr. Gambrell about funding for travel.

Mr. Jim Gambrell, Director of Economic Development explained that there is some funding in the budget for travel and continued education, but not for marketing.

Councilor Devine asked Mr. Gambrell to explain what his strategic plan is and what activities they will be working on in light of the current economic conditions.

Mr. Jim Gambrell, Director of Economic Development explained that they have depended on the SC Department of Commerce and the Central SC Alliance to do the traveling and marketing for us.

The members of Council talked briefly about the Development Corporations, their roles and assets.

- **The Council recessed at 10:39 a.m.**
- **The Council reconvened at 10:54 a.m.**

The members of Council reviewed the Economic Development Special Projects Account.

Councilor Rickenmann asked if these are requests for 2009/2010.

Mr. Jim Gambrell, Director of Economic Development said no; we don't have the requests yet. We receive an allocation and make the requests fit within the allocation.

Councilor Rickenmann said that these groups needed to take a reduction in funding as well.

Councilor Devine requested presentations from these organizations in an effort to better understand their roles.

- **Mr. Davis arrived at 10:59 a.m.**

There was a consensus of Council to request written and oral reports from the agencies funded through the Economic Development Special Projects Account. The report should include the funding request for this year; justification for the request; and backup material for what was done with the money last year.

Councilor Rickenmann said that there is a need for travel, but we all have to travel; therefore, we have to decide what the priorities are. We need to reduce the overall spending in Economic Development, which includes everything from the Office of Business Opportunities to the contingency account. Are we duplicating services?

- **Mr. Cromartie and Mr. Finlay left the meeting at 12:00 p.m.**

The Council continued the discussion on the viability of the Development Corporations.

Councilor Devine asked that Mr. Baker meet with the groups that are a part of Economic Development to review their budgets and activities and to provide recommendations on pooling resources together.

Mr. S. Allison Baker, Assistant City Manger for Public Services said that the primary reason they were organized under Community Development was so we could watch and maximize all of the dollars that we had regardless of where it is being spent. The Director of Economic Development and the Directors of the other Development Corporations have met to discuss direction. They all have their strengths and their weaknesses and truly we have one that is better at retail and one is better at housing. There are some more things that we can do and we will get together and work it out.

There was a consensus of Council that there is not enough money in General Services and that funds should be cut from Economic Development and redirected into that line item, but the amount was not agreed upon.

Councilor Devine requested back-up materials from the City Center Partnership as well.

Councilor Rickenmann said that the Business Improvement District is successful, but we talked about redirecting the \$70,000 to another area. They receive a lot of tax increments and at some point we have to make a decision. He recalled that the Vista Guild could not afford to pay \$48,000 for the Business Improvement District's Clean and Safety Team; why can't that money be directed to do that?

Mr. Steven A. Gantt, Interim City Manager said that he thought the \$70,000 was a fee in lieu of taxes that the City is obligated to pay on an annual basis.

Councilor Rickenmann asked that staff review the paperwork.

Councilor Devine inquired about the allocation for Public Relations.

Ms. Melisa Caughman, Budget Director explained that all departments took a reduction. The funding is typically reserved for publications; two (2) are paid for out of the General Fund and two (2) are paid for out of the Water & Sewer Fund. She continued to report that the transfer to Capital Improvements is \$20 million.

Councilor Rickenmann asked if the increased cost for the bonds is in the budget.

Ms. Melisa Caughman, Budget Director said that it is taken out of the bond proceeds.

B. Fiscal Year 2009 / 2010 Storm Water Operating Fund Budget

Ms. Melisa Caughman, Budget Director reported that a rate increase was done last year for the Stormwater Operating Fund and part of the justification for the rate increase were the services required for it to include the National Pollutant Discharge Elimination System (NPDES) permit. She added that street sweeping is required under the NPDES; therefore, a portion of that function for Public Works has been moved over into the Stormwater budget.

Councilor Davis asked if we've fully implemented the stormwater fees.

Ms. Melisa Caughman, Budget Director said yes. I also added funding for GASB leaving \$2.5 million for CIP.

Councilor Rickenmann said that the money will be needed for maintenance and it really should go into operations.

Mr. Steven A. Gantt, Interim City Manager said that there is a fund balance in CIP and anything left will go towards as many small projects as possible. We are doing a big stormwater project in Northwood Hills right now and we had a lot of permitting issues.

The members of Council reviewed the proposed budget for the Storm Water Operating Fund. No action was taken.

C. Fiscal Year 2009 / 2010 Parking Operating Fund Budget

Ms. Melisa Caughman, Budget Director reported that the parking garage revenues are being projected down; there are two (2) garages that will be coming on line; and there is a projected savings rate in the Sumter Street Garage as a result of SCANA moving out.

Councilor Rickenmann asked why the Insurance Premiums are being budgeted at \$50,000 when as of May 31, 2009 the unaudited expenditure was \$98,737.

Ms. Melisa Caughman, Budget Director said that a lot of it is within the operating budget. She stated that this budget is in balance as well. There is also a small line item for Public Works, which is again for street sweeping and the Sign Shop, which does a lot of work for the parking garages. She reported that the Hospitality Tax Fund is not in balance at this time for 2009/2010, but we are sticking with \$7.4 million in projected revenue.

Councilor Gergel said that she thought the projection was \$7.7 million.

Councilor Rickenmann suggested that we project \$7.4 million and if additional funds are collected, then that money should be held as a back-up to cover any shortfalls.

Councilor Devine said that she would be concerned with going up, because people aren't eating out as much.

Ms. Melisa Caughman, Budget Director said that the budget for this year is \$7.3 million; we've collected \$7.37 million; and we have interest earnings.

Councilor Rickenmann inquired about the \$4.6 million being allocated to the committee.

Ms. Melisa Caughman, Budget Director said that based on prior conversations with Council we allocated \$4.6 million representing the \$2.75 million allocated in 2008/2009 and the funding for the agencies that are line items in the City's budget. This keeps those agencies whole if that's the desire of Council. In order to do that, we would have to use \$2.79 million of the surplus to balance the budget.

Councilor Rickenmann suggested that the committee receive \$2.7 million. He said that they need a confirmation on Columbia College and Allen University. If they have finished their projects then that money can go back into the pot.

Ms. Melisa Caughman, Budget Director said that Columbia College's allocation has been expended; it's Allen University that's under question.

Councilor Devine asked Ms. Gober if she has received the back-up information from Allen University.

Ms. Libby Gober, City Council Liaison said no, but it is my understanding that they have done \$750,000 worth of work; they are ready to proceed; and that's why we have that \$250,000 there. I am assuming that it would be the will of Council to keep that for them to complete the \$1 million commitment.

Councilor Devine said it is, but we need a timeframe and we need to know if they will use all of that.

Mr. S. Allison Baker, Assistant City Manager for Public Services explained that Dr. Young of Allen University said that the next phase of their plans will cost more than \$250,000 and they are trying to raise money to put with that.

Ms. Melisa Caughman, Budget Director reported that \$2.3 million will be transferred to the General Fund and Debt Service is \$3.2 million, which includes this year's debt service and a one year reserve. The Hospitality Tax Budget is \$10,192,000.

Councilor Gergel said that the State Museum's request for \$1 million is not included. The request is for \$200,000 each year over the next five (5) years for a total of \$1 million. They requested a letter of support so they can receive \$12 million from the State.

Mayor Coble suggested that they include the yearly portion in the budget.

Councilor Rickenmann said that the State Museum is willing to forego what they normally receive from the committee, which is \$120,000.

Councilor Gergel suggested that the City Attorney draft the letter.

Ms. Melisa Caughman, Budget Director asked if the Council is considering a \$250,000 contingency under the committee.

Councilor Rickenmann said that the contingency will be anything over the \$7.4 million that's being projected.

Ms. Libby Gober, City Council Liaison suggested that the State Museum's application be funded from the committee's allocation and then reduce the committee's allocation to \$2.75 million.

Councilor Devine suggested that the committee receive \$2.6 million; take \$150,000 from the committee; and we can make up the other \$50,000.

Councilor Gergel inquired about the full allocation for the Skate Park.

Ms. Melisa Caughman, Budget Director said that it's under Capital Projects in the amount of \$500,000.

There was a final consensus to allocate \$2.55 million to the committee; to tell them not to allocate anything for the State Museum, because Council is handling that; there is a potential for additional funding if collections are higher; and the remaining balance is \$605,000.

Ms. Melisa Caughman, Budget Director reported that she doesn't have the fund balance information for the Accommodations Tax Fund so she can't assume that there will be a transfer to help balance the budget. I have to confirm this with Mr. Ellis.

Councilor Rickenmann asked why is there a \$75,000 allocation for the committee when only two (2) organizations are funded from this fund.

Ms. Libby Gober, City Council Liaison said that by law we can take 5%, which we have done in the past. We set up a contingency and used it for administrative costs for all of our committees and to fund the little things throughout the year that you all wanted to fund that were not in the budget.

Ms. Melisa Caughman, Budget Director said that it should be the contingency instead of a committee allocation. Now we are out of budget by \$90,000 and we are projecting a reduction in collections.

Councilor Rickenmann suggested that they move the contingency to balance the budget.

Ms. Libby Gober, City Council Liaison said that the committee has met and dispersed \$1.3 million to Lake Murray Tourism and the Conventions and Visitors Bureau. We can reduce those allocations if necessary.

Mayor Coble suggested that they use the \$75,000 and then determine if any fund balance can be used.

The members of Council reviewed the proposed budget for the Parking Operating Fund, Hospitality Tax Fund and Accommodations Tax Fund. No action was taken.

D. Fiscal Year 2009 / 2010 General Fund Budget

Ms. Melisa Caughman, Budget Director asked if they were okay with the General Fund Budget.

Mayor Coble said yes.

Councilor Rickenmann said that he is not okay with it, because he is worried about the \$800,000 being taken from the Land Acquisition Fund; we are making a mistake.

The members of Council briefly reviewed the proposed budget for the General Fund. No action was taken.

## **EXECUTIVE SESSION**

Upon motion by Mayor Coble, seconded by Ms. Devine, Council voted unanimously to go into Executive Session at 1:00 p.m. for the discussion of **Item E**.

E. Discussion of Employment of Employee - *This item was discussed in Executive Session. No action was taken.*

▪ **Council adjourned the meeting at 1:18 p.m.**

Respectfully submitted by:

Erika D. Salley  
City Clerk