

**CITY OF COLUMBIA
CITY COUNCIL WORK SESSION MINUTES
APRIL 26, 2011 – 9:00 A.M. – 11:00 A.M.
CITY HALL - 1737 MAIN STREET**



The Columbia City Council met for a Work Session on Tuesday, April 26, 2011 in the City Council Conference Room located at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 9:16 a.m. and the following members of Council were present: The Honorable Sam Davis, The Honorable Belinda F. Gergel, The Honorable Leona K. Plough and The Honorable Brian DeQuincey Newman. The Honorable Tameika Isaac Devine and The Honorable Daniel J. Rickenmann were absent. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Salley, City Clerk.

CITY COUNCIL DISCUSSION / ACTION

****Mr. Steven A. Gantt**, City Manager explained that a vote isn't needed on any of the budgets today. All of the budgets are in balance, but we would like to have consensus on the bottom line so that we can advertise the budget public hearing. As all of you know, gasoline prices continue to increase. We are presently purchasing gasoline through state bid. Last week, I met with the Administrators of Richland and Lexington Counties and we are considering changes to our Procurement Code to allow us to collectively bid out our fuel for next year in order to get better prices. We have checked with three to four distributors in the greater Columbia area and I can purchase gasoline at up to six cents cheaper than what we're getting on state bid, saving the City of Columbia \$1,200 per week and \$50,000 per year. I would ask that you consider a process to authorize me to move forward with looking at every option we have to purchase fuel as inexpensively as possible. We're also looking at the possibility of pooling our vehicle purchases annually and anything else.

Mr. Ken E. Gaines, City Attorney explained that the City Manager's authority to purchase fuel beyond \$10,000 would have to be amended in the Procurement Code by way of an Ordinance and a Resolution can be drafted to authorize the City Manager to enter into a joint Request for Proposals with Richland and Lexington Counties for fuel purchases and other type things.

Councilor Plough asked if they discussed the Local Preference Policy.

****Mr. Steven A. Gantt**, City Manager said no, but we have a lot of gasoline distributors within our local preference area. As it relates to the vehicle purchases, I will have to broach that conversation with them to see if they are willing to go along with the Local Preference Policy.

Councilor Plough added that there are a series of things that we need to look at through various ordinances, including our Zoning Ordinance, where we've kept a threshold for 30 years and not looked at revisions or given staff more authority to streamline our processes and procedures. I would ask that the Administrative Policy Committee look at procurement requirements to see if other enhancements can be made.

Upon a motion made by Ms. Plough and seconded by Dr. Gergel, Council voted unanimously to authorize the Administrative Policy Committee to review the Procurement Code in an effort to streamline our processes and procedures.

1. Water and Sewer Operating Budget

Mr. Joey Jaco, Director of Utilities and Engineering reported that the Utilities and Engineering Budget consists of the Administration, Engineering Water and Sewer, Engineering Stormwater, Real Estate Water and Sewer, Real Estate Stormwater, Utilities Lake Murray, Utilities Columbia Canal, Metro Wastewater, Water Maintenance, Water Customer Service and Wastewater Maintenance Divisions. The proposed budget for next year is \$55,150,491.00, which is an increase of \$8.86 million from last year. He outlined the various budget increases and decreases for each division, noting that they've created a maintenance capital improvement program within the budget. We will be evaluating the equipment at our plants and our lift stations and we anticipate replacing some expensive equipment.

Councilor Plough inquired about the staff analysis of the Water and Sewer Divisions.

Mr. Steven A. Gantt, City Manager reported that the study is underway. One of the recommendations is to add a Wastewater Civil Engineer to oversee that area. They are also looking at a more comprehensive customer service telephone reporting system for issues with stormwater, wastewater, water problems, water main breaks and sewer backups. We are considering including the Solid Waste and the Street Divisions.

Councilor Gergel requested a full briefing on our current and proposed customer service initiatives.

Councilor Plough said that the audit shows a \$17 million increase in operating costs between 2009/2010. Going forward, there is another \$8 to \$9 million increase in operating costs. How do we ensure that we are providing what we need in terms of basic water and sewer and yet have some cost containment in terms of operating expenses?

Mr. Bill Ellis, Finance Director said that we've had a ton of deferred maintenance and I told the City Engineer to go full speed ahead on deferred maintenance due to Environmental Protection Agency (EPA) requirements.

Councilor Davis inquired about preventive maintenance versus deferred maintenance.

Mr. Steven A. Gantt, City Manager reiterated that the preventive maintenance has been deferred for several years.

Mr. Bill Ellis, Finance Director stated that they continue to discuss deferred maintenance and capital projects with the Utilities and Engineering Department; we are discussing what actual maintenance is and what should be capitalized. We are using bond proceeds to do maintenance projects, because we don't have enough funding in the operation budget for maintenance. When the budget comes through, it doesn't include the bond proceeds for maintenance; therefore, the information will be reclassified in the Comprehensive Annual Financial Report (CAFR) from capital expenditures to operating expenditures for routine maintenance. For the next two years we will be paying for maintenance out of bond proceeds.

2. Water and Sewer Capital Improvement Program

Mr. Joey Jaco, Director of Utilities and Engineering reported that since 2009, we've collected \$180 million in bond proceeds and as of June 30, 2011, we will have encumbered the full balance for projects. We have completed a lot of maintenance at our Wastewater Plant and within our system to include the rehabilitation of our major lift stations, which will directly affect our large overflows in the past. We are also rehabilitating a large portion of our wastewater system including the major rehabilitation of our outfall lines going into our wastewater treatment plant. We have spent a lot of money this year and we are anticipating spending a lot more with our negotiations with the EPA and as a result of our new NPDES Permit.

Mr. Steven A. Gantt, City Manager explained that our NPDES permit application to operate under the Department of Health and Environmental Control (DHEC) included the projects that we are going to do over the next 3 to 5 years; we guaranteed DHEC that those projects will be done.

Mr. Joey Jaco, Director of Utilities and Engineering continued to report that the proposed Water Capital Improvements Projects for year one is \$103,705,526, which consists of \$54,418,820 in water and \$49,286,706 in wastewater projects. Within the Water Division there are \$5 million in operational maintenance and projects that will be handled through Engineering by a bid process. There is approximately \$22.5 million worth of improvements at the Metro Wastewater Treatment Plant; some of these projects are included in our National Pollutant Discharge Elimination System (NPDES) permit application, but all of these projects are included in our negotiations with EPA, as well as projects within our system expansion and maintenance.

- **Mayor Benjamin left the meeting at 9:52 a.m. and Mayor Pro-Tem Gergel is now presiding.**

Councilor Davis inquired about federal funds that can be pursued for these projects.

Mr. Steven A. Gantt, City Manager replied that most of the federal dollars for water and sewer projects are geared towards smaller systems and they are loans with a long-term payback instead of grants. It's less expensive for us to go through a bonding program. We looked at opportunities, but they didn't make financial sense for us at the time. We will continue to look at those things.

Councilor Plaugh asked how staff proposed to cover the costs.

Mr. Steven A. Gantt, City Manager said with bond issuances.

Councilor Plaugh asked for the amount of funding available right now and whether that funding is encumbered or not. Are we saying that all revenues generated from the system covers our expenses and there is nothing left for capital improvements?

Mr. Steven A. Gantt, City Manager said that any funds in excess of expenditures are being drawn back into maintenance for the next year.

Councilor Plaugh asked for the amount of those funds. I'm struggling with trying to figure out the fund balance and the amount that is encumbered.

Ms. Missy Caughman, Budget Director stated that it's at least \$8 million that they have identified as maintenance within their operating budget and some of it goes toward debt service.

Mr. Bill Ellis, Finance Director reported that there is \$411 million in fund balance that includes \$26 million in water and sewer cash; that doesn't include bond proceeds. Most of the contracts that are pending are out of the bond proceeds. We have \$158 million in actual cash in restricted investments that we will be utilizing for those encumbrances.

Councilor Gergel asked if there are restrictions on the \$26 million; is it encumbered.

Mr. Bill Ellis, Finance Director said not specifically against the \$26 million; the encumbrances are against the \$158 million in bond proceeds. You must have operating capital. Is operating capital an encumbrance? We had \$50 million at the beginning of the year in operating capital. Currently, we have \$25 million less cash than we started out with, but that's a normal cycle for water and sewer. The number fluctuates daily. Our debt service is going up next year and our revenue must exceed our operating expenditures in the Water and Sewer Fund by a minimum of 1.3. If we have any kind of debt service increase, then your revenue has to increase proportionately. Next year, we are projected to be at 1.29 without a rate increase. We either have a rate increase or we don't do projects.

Councilor Davis said that we need to identify where the transfers are going in order to address Dr. Gergel's concern.

Mr. Bill Ellis, Finance Director clarified that the bonding company is a bank and they say that your revenue is this amount and you can get a loan on this amount of resources; you need this amount of revenue to borrow this amount of money. It's a revenue test and we are going to fail the revenue test, because our revenue isn't large enough for the debt ratio that we have for the City, even though we are paying our bills.

Councilor Plough suggested that our expenditures are too high to allow the cash to be there.

Mr. Bill Ellis, Finance Director said that the transfer is not an expense for the Water and Sewer Fund; it's a transfer of surplus. We had the Black & Veatch study; we said that at this point in our history our revenue is going to be this amount of money; we have elected to forgo those rate increases and we've absorbed them. It hasn't increased our revenue; however, our bottom line is fine even with the transfer. It's our revenue that we're not generating based on a study that we gave the bonding companies. We were to generate this amount of money in this year. That may sound confusing, but there's a difference between a revenue test and an expenditure bottom line. The bank is saying that you need this amount of revenue for this amount of debt.

Councilor Plough asked if the ratio included capital expenditures.

Mr. Bill Ellis, Finance Director said that the ratio includes those that are operating capital expenditures.

Councilor Plough asked if it has always been calculated this way.

Mr. Bill Ellis, Finance Director said no, we were capitalizing routine maintenance projects.

Councilor Plough said that a lot of questionable expenditures are charged to the Water and Sewer Fund to include some staff. Now may be the time to look at combining all of our Development Corporations into one; streamlining our cost and overhead with them; and reducing the Water and Sewer Fund expenditures.

Councilor Gergel asked what our options are if we can't meet revenues being generated.

Mr. Steven A. Gantt, City Manager said that you don't issue bonds. The Black & Veatch Report was very specific and it was approved by this Council to have up to a \$500 million capital improvement program to get our water and sewer system back in the condition that it needs to be. Black & Veatch indicated at that time that it would take five - 5% increases over a five year period to generate the revenue needed to do this. We've been fortunate to get more bang for the buck with the first two bond issues and there has been some savings there, but if we want to complete the projects, then we need to have some commitment for an increase in our water and sewer rates over a period of time. If 5% doesn't go, then we need to talk about 4% or 3%.

Councilor Gergel said that we are operating under the assumption that this is the only way that we can float these bonds. I am not sure that this is the only option that we have.

Mr. Steven A. Gantt, City Manager further explained that we have two choices; either we don't issue the bond and we pay-as-you-go for a couple of years or we do a rate increase.

Councilor Davis inquired about the pit falls of the pay-as-you-go scenario.

Mr. Bill Ellis, Finance Director opined that we would lose the economic advantage that we currently have of borrowing money and doing these projects at cheaper construction costs. We are getting good economic return for these projects and we have enough capital funding available to take us beyond the end of the current fiscal year. We've done all of the projects that we were slated to do with \$500 million and we've borrowed \$400 million. We are literally \$100 million ahead of the game and we could defer that \$100 million. We've already forgone a 10% rate increase from the study. Do we want to forgo this other increase and not issue the bond?

Councilor Plough said that Mr. Ellis made an eloquent argument. This wonderful master planning of how we are going to grow our system has to be balanced with the reality of how this touches somebody's life; for some people a little bit of money goes a very long way.

Councilor Newman asked what sort of negative impact it would have if we defer these projects for a couple of years.

Mr. Joey Jaco, Director of Utilities and Engineering explained that we are continuing to negotiate with the EPA and those negotiations will likely go on throughout this year. There are projects that we must do. Within our year one budget for wastewater, the majority of those projects are included within our negotiations, specifically, all of the projects at our wastewater plant and there will be more to come. There are maintenance projects that both DHEC and the EPA expect for us to do annually.

Councilor Gergel inquired about the projects that must be completed under the DHEC permit.

Mr. Joey Jaco, Director of Utilities and Engineering responded that some of the projects are currently under construction. It's not just the DHEC projects, we've fallen behind on maintenance within our wastewater system and it's because we didn't have the money and we have completed preventive maintenance that we should have done in the past. Our plant is 40 years old.

Councilor Plaugh asked for the worse case scenario.

Mr. Bill Ellis, Finance Director said that the federal government can implement any amount for a rate increase without debate. We are trying to get ahead of them.

Mr. Steven A. Gantt, City Manager reminded the group of the confidentiality agreement the City has with the EPA.

Councilor Gergel asked the City Manager what he anticipated after this year in terms of the continuing need for rate increases.

Mr. Steven A. Gantt, City Manager said that there will be another \$100 million bond issuance after this one in order to complete what we've started. There is more than \$500 million in projects that need to be done.

Councilor Gergel asked if we can continue the transfers.

Mr. Steven A. Gantt, City Manager said that there isn't a way to make up the revenue in the General Fund other than the transfer from the Water and Sewer Fund. If you reduce the overall General Fund budget that will have an adverse affect on basic services. We have other funds that occasionally must be fronted by the Water and Sewer Fund until other revenue sources come in.

Councilor Plaugh said that she is interested in seeing which projects have an environmental impact on this community, i.e. wastewater projects versus continuing to loop the water system. We need to set our sights on addressing the wastewater issue and limiting any environmental consequences to our actions or inactions.

Mr. Joey Jaco, Director of Utilities and Engineering said that Lake Murray and the Canal are plentiful water sources, but we serve a very wide service area and our system was not initially designed to reach Chapin or the southeast. We are looking at serving our existing customers.

Councilor Davis inquired about the priority of the projects. If all else fails, what do we do and what do we not do? He requested a list of the projects that are absolutely necessary and those that can wait. I would expect that preventive maintenance would be a key column in all of the activities.

Mr. Joey Jaco, Director of Utilities and Engineering said that all of the projects at the Wastewater Treatment Plant will be top priority along with all maintenance projects and most projects within the wastewater CIP. They protect the environment and they affect our negotiations and our existing permit at the wastewater plant. We have several projects on the water side that are currently under design. Unfortunately, these are high dollar projects. We would like to do a conditional assessment of all equipment at our wastewater plant and pump stations. That will tell us where we are with our maintenance.

Councilor Plough asked which projects were included in the existing bond.

Mr. Joey Jaco, Director of Utilities and Engineering said none of them.

Councilor Plough said that if we don't issue any bonds, then we don't do any of these projects, except for the existing bond projects.

Mr. Steven A. Gantt, City Manager said unless you decide to spend \$26 million in unencumbered funds; that would get us partially through the list.

Mr. Joey Jaco, Director of Utilities and Engineering said that there wouldn't be funding for emergency projects.

Councilor Davis inquired about the average cost spent on emergency projects, annually.

Mr. Joey Jaco, Director of Utilities and Engineering said that two years ago when a large line collapsed, one block of emergency replacement cost several million dollars.

- **Council recessed at 10:57 a.m.**
- **Council reconvened at 11:10 a.m.**

Mr. Steven A. Gantt, City Manager requested a consensus of Council to advertise the Water and Sewer Fund in an amount not to exceed \$110,400,499. We will have ample time to revisit that and if the number reduces, it doesn't affect us.

Councilor Newman asked if this is authorizing a rate increase.

Mr. Steven A. Gantt, City Manager said that this number would advertise for a rate increase and then you would have a public hearing to discuss whether or not you will do the rate increase.

Mr. Kenneth E. Gaines, City Attorney explained that we are advertising the proposed rate increase and the budget. You have to advertise the rate increase under State law if you are going to enact it. If you don't advertise it, you can't enact it. You are not committing the increase; we are giving notice of the public hearing. You just can't exceed the advertised amount.

Ms. Melisa Caughman, Budget Director explained that you have to publish the dollar amount of the General Fund along with the millage and with the Water and Sewer Fund we are publishing the rate increase. There's a fifteen day notice requirement; we will advertise the public hearing, but first reading won't be until June.

Councilor Newman said that the prudent thing to do would be to vote for that number, being that we are missing three (3) Council members that may be interested in this increase. I don't have an interest in a rate increase, at all. I know that puts us in a bad position, but never the less, we would be blocking the opinions of our colleagues if we didn't vote for it.

Councilor Gergel said that she hopes that staff is hearing how much we are really anguishing over the situation we're in; beyond the increase we're talking about for next year, but the general situation we're in with deferred maintenance issues. It's either additional money for the General Fund or it's looking at where we have to make necessary cuts. She

asked to take a look at what's being proposed. I want to see what the scenarios will look like on paper. I want to see it in terms of the impact on our citizens. Go back and see what else you can come up with.

Councilor Davis asked the City Manager to develop a priority list.

Mr. Steven A. Gantt, City Manager said that he's already reduced the CIP by \$80 million and things were cut from the list that really needed to be done. I can go back and look again. I would anticipate that there are things that we must do and we would have to reduce the CIP in the expansion area, but the more customers we have, the more revenue we will have coming into the system.

Councilor Davis said that we must be prepared to take on that load of expansion.

Councilor Plough asked that the City Manager also bring back a budget that shows no increase and what happens to the CIP at that point.

There was a consensus of Council to reluctantly move forward with advertising the Water and Sewer Fund budget in an amount not to exceed \$110,400,499; to meet on May 3, 2011 at 11:00 a.m. to continue discussions on the Water and Sewer Fund; to request a budget without a rate increase and budget scenarios with 2%, 3% and 5% rate increases; and to receive this information ahead of time.

3. General Fund Budget

Mr. Steven A. Gantt, City Manager reported that the General Fund Budget is the same as it was the last few times they looked at it. We are proposing \$115,201,254, which is the number we would like to advertise. That doesn't include any tax increase and we are still providing quality services. After we balanced the budget, additional funding became available through the Aid to Subdivisions from the General Assembly. Instead of trying to figure out where to allocate the \$250,000, I added funds to the Capital Replacement Budget for the replacement of the elevator at City Hall; the Detention Center has increased; and I added the remainder to the City Manager's Contingency Account as non-allocated funding for a total of \$275,000.

Councilor Plough inquired about the debt service payment in Hospitality.

Mr. Steven A. Gantt, City Manager said that they did what Council directed them to do, which was to pay that off and we'll show you what's leftover in Hospitality after all that has been done.

Councilor Plough said that the \$1.5 million was brought into this year's budget; my suggestion is that we front end it into next year's budget as opposed to this year's budget and that we allocate some, if not all of it, to streets.

Mr. Steven A. Gantt, City Manager said that it is from the unallocated reserve and you can always take that money from the reserve account and obligate it for that next year. I want to make sure that we finish this year in the black. There may be another source of funding for streets and sidewalks.

Councilor Gergel asked that staff bring a recommendation at the end of this fiscal year on how to fund sidewalks and streets and for the completion of the Maxcy Gregg Pool repairs before Labor Day.

Councilor Davis asked how much more could be set aside for small business loans for economic development.

Councilor Plough suggested that the \$1.5 million could reduce the transfer that comes from the Water and Sewer Fund. The other is the Hydro contribution.

Mr. Steven A. Gantt, City Manager said that the Hydro contribution is already a part of the revenue stream.

Ms. Melisa Caughman, Budget Director said as well as \$2 million in surplus.

Mr. Steven A. Gantt, City Manager said that he restricted the use of this revenue to only use a portion over a three (3) year period, because if anything goes south, we would be liable improvements at the Hydro Plant. I need your authorization to advertise the budget at \$115,201,254 and we'll take care of what you all want to do.

There was a consensus of Council to authorize the advertisement of the General Fund Budget at \$115,201,254.

4. Hospitality Tax Fund

Mr. Steven A. Gantt, City Manager reported that after making the changes that Council requested in regard to the payment back to the General Fund for the bond, we reduced that bond debt allocation for 2011/2012 to \$1.5 million to what it had been in the past. The \$1 million going to the General Fund is for the Park Rangers; \$1,560,080 is for debt service; for a total of \$2,560,080 coming out. The total budget is \$7,714,000. The Hospitality Tax Advisory Committee is back to where it has been; EdVenture, Columbia Museum of Art, Historic Columbia Foundation, Columbia Music Festival Association and the State Museum are all funded. You have \$522,320 in unallocated reserve, in case something comes up during the course of the year. The Hospitality Tax Fund Balance is \$1,676,085. I would like to keep at least 10%, if not 15%, in a Reserve Fund. I wish you would make a motion to that. I think we should have a percentage of unallocated reserves in every fund that we have. It is important for you all to have some flexibility as things happen during the course of the year. It helps with the bond holders if we carry a surplus of \$1.6 million, which is equal to one year's principal and interest payment.

Ms. Libby Gober, City Council Assistant asked if it is the will of Council for the Hospitality Tax Advisory Committee to continue to accept applications on a quarterly basis this year, like we did last year and that the contingency would come out of the \$2,550,000.

Councilor Gergel said that would certainly be her intent. I don't want to go back to the day when Council received the requests from groups. I want this to be thought through. This year has been a tremendous improvement.

Ms. Libby Gober, City Council Assistant reported that the Committee set aside \$240,000 last year as a Contingency Account.

Mr. Steven A. Gantt, City Manager reminded the Council that any requests for funding from the Reserve Fund (\$522,320) has to go through the Committee with a recommendation to Council for consideration.

Councilor Gergel said that we are not making the Reserve Fund available to the Hospitality Tax Advisory Committee.

Ms. Libby Gober, City Council Assistant said that when groups hear that there is a Reserve Fund, they will make requests unless we are clear on what your intent is with that money. We also need to be clear that the Committee does need to hold a contingency out of the \$2,550,000 to accept applications throughout the year.

Councilor Plough said that we continue to talk about policies and I think that in fairness to the people that serve on these groups, we need to give them some guidance. It is fine if they want to recommend policies for our consideration, but we need to make sure there aren't unwritten policies that result in some people being funding and others not.

Councilor Gergel asked that they schedule a general discussion about the Hospitality Tax Fund, these policies, the Reserve Fund and ways to strengthen our arts and cultural community. There were discussions by the Hospitality Taskforce about creating a special unit within the Police Department to look at the issues that only hospitality areas have to address.

Mr. Tom Sponseller, Chair of Hospitality District Taskforce reported that they learned that Law Enforcement should be rotated from residential to commercial areas using a team concept and special training. He said that SLED only has 1 ½ agents in the whole state to enforce alcohol laws; they are depending on local governments to do it after they are trained. We would suggest that the training needs to be more in-depth than the four hours provided by SLED. The Taskforce's concept is to have a group of law enforcement officers with special training assigned to the commercial districts within the hospitality zones to deal with alcohol laws; to deal with the public in a different manner than they would a residential citizen; make sure the laws are enforced; and to ensure that tourism isn't negatively impacted.

Councilor Gergel said this is something I would like for us to discuss as we look at reserve funds.

Councilor Plough requested a review of how other cities allocate hospitality tax funding.

Ms. Melisa Caughman, Budget Director said that she will update the information.

Mr. Steven A. Gantt, City Manager asked if everyone is okay with \$7,714,000 as the bottom line number for the Hospitality Tax Fund for this upcoming year.

5. [SCE&G Funding Request](#) for the Painting of Steel Poles in Downtown Columbia

Mr. Steven A. Gantt, City Manager explained that we have old metal poles in the downtown area that were white, but are now rusty. I need authorization to spend \$18,075 with SCANA for SCE&G to replace twelve (12) poles and to paint other poles, as well. That money will come out of the Non-Standard Services Fund, which is money they give me every year.

Councilor Davis asked who owned the poles and why are we paying to maintain them.

Mr. Steven A. Gantt, City Manager said that they own them and we are paying for this, because the poles look bad and they won't paint them unless I pay them to.

Councilor Plough stated that large rusty poles are being installed throughout the City, particularly within major gateways such as Columbia College Drive and Beltline Boulevard. She asked that SCE&G consider installing other alternatives to the types of poles currently being installed.

Upon a motion made by Mr. Newman and seconded by Mr. Davis, Council voted unanimously to approve a funding request from South Carolina Electric and Gas (SCE&G) in the amount of \$18,075 for the painting of steel poles in the Downtown Columbia area.

5a. **Community Development Department Update – Mr. Bill Ellis, Finance Director

Mr. Bill Ellis, Finance Director explained that they received HUD's definition of Program Income in writing on Monday and it bolsters our case, but we haven't finished that work with them at this point. We are in negotiations and it will take at least one more meeting with them before we can get this ironed out.

Councilor Plough asked about extending the deadline.

Mr. Bill Ellis, Finance Director said that verbally, HUD has been very congenial as far as working with us. I don't foresee any problems with that. They say that they will give it to us in writing, as soon as possible, after I give them the updated numbers. I am working on those, because I wouldn't quite guide the two scenarios until yesterday.

Councilor Gergel said that we are all anxious to hear where we are with this.

Councilor Plough asked if Mr. Ellis had resolved the differences in the numbers in the Revolving Loan Fund.

Mr. Bill Ellis, Finance Director said that they gave you a mistake; they knew what the number was; I give it to them every month. It was a typographical error.

Council Gergel requested updated information from Community Development on all of the funds and that someone signs off on the numbers as being accurate.

ORINDANCE FIRST READING

6. [Ordinance No.: 2011-021](#) - Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 14, Article IV, Offenses Against the Public Peace and Order, Sec. 14-106 Hours of sale restricted for commercial establishments which allow for on-premises consumption of beer, ale, porter and/or wine – *This item was given was given first reading approval.*

Mr. Kenneth E. Gaines, City Attorney explained that we thought we were duplicating the Myrtle Beach model when we pulled it off of the Code publisher. In talking with the Police Department, we discovered that Myrtle Beach had the incorrect version on the web. This ordinance absolutely copies the Myrtle Beach model.

Mr. Tom Sponseller, Chair of the Hospitality District Taskforce said that this version was our intent. The only difference is that security won't have to be licensed and bonded, which requires a bar or restaurant owner to hire an outside security company. Our intent is for an employee to be cross-trained and this fixes that.

Upon a motion made by Mr. Newman and seconded by Ms. Plough, Council voted unanimously to give first reading approval to Ordinance No.: 2011-021 - Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 14, Article IV, Offenses Against the Public Peace and Order, Sec. 14-106 Hours of sale restricted for commercial establishments which allow for on-premises consumption of beer, ale, porter and/or wine.

ORDINANCE – SECOND READING

7. [Ordinance No.: 2011-020](#) - Authorizing the City Manager to execute an Agreement of Purchase and Sale between the City and St. John, LLC for the purchase of a 0.1764 acre (approximately 7,683.2 sq. ft) portion of 1613 Sumter Street known as Richland County TMS #09104-04-05 for development of the City Center Garage; authorizing the City Manager to execute a Real Estate Agreement between the City and St. John, LLC placing commitments and obligations upon the 0.1764 acre (approximately 7,683.2 sq. ft) portion of 1613 Sumter Street known as Richland County TMS #09104-04-05; and dedication of a 0.0056 acre (approximately 243.1 sq. ft) portion of 1620 Main Street, Richland County TMS #09104-04-17 for public use – *First reading approval was given on April 19, 2011. – This item was given second reading approval.*

Upon a motion made by Ms. Plough and seconded by Mr. Newman, Council voted unanimously to give second reading approval to Ordinance No.: 2011-020 - Authorizing the City Manager to execute an Agreement of Purchase and Sale between the City and St. John, LLC for the purchase of a 0.1764 acre (approximately 7,683.2 sq. ft) portion of 1613 Sumter Street known as Richland County TMS #09104-04-05 for development of the City Center Garage; authorizing the City Manager to execute a Real Estate Agreement between the City and St. John, LLC placing commitments and obligations upon the 0.1764 acre (approximately 7,683.2 sq. ft) portion of 1613 Sumter Street known as Richland County TMS #09104-04-05; and dedication of a 0.0056 acre (approximately 243.1 sq. ft) portion of 1620 Main Street, Richland County TMS #09104-04-17 for public use.

EXECUTIVE SESSION

Upon a motion made by Mr. Newman and seconded by Ms. Plough, Council voted unanimously to go into Executive Session for the discussion of **Items 8.** and **9.**

8. ****Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.***
 9. ****Receipt of legal advice as it relates to a matter covered by attorney-client privilege - *This item was discussed in Executive Session. No action was taken.***
- **Council adjourned the meeting at 1:00 p.m.**

Respectfully submitted by:

Erika D. Salley
City Clerk