

**CITY OF COLUMBIA CITY COUNCIL
WORK SESSION MINUTES
JULY 19, 2011 – 3:00 P.M.
CITY HALL - 1737 MAIN STREET**



The Columbia City Council met for a Work Session on Tuesday, July 19, 2011 at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 3:10 p.m. and the following members of Council were present: The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann, The Honorable Leona K. Plough and The Honorable Brian DeQuincey Newman. The Honorable Belinda F. Gergel arrived at 3:20 p.m. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Salley, City Clerk.

Mr. Steven A. Gantt, City Manager introduced Ms. Pam Benjamin as the new Director of Human Resources for the City of Columbia.

CITY COUNCIL DISCUSSION / ACTION

1. Point of Sale Briefing – Ms. Teresa Wilson, Assistant City Manager; Mr. Jeff Palen, Treasurer and Ms. Melissa M. Carter, Research Analyst / Municipal Association of South Carolina

Ms. Teresa Wilson, Assistant City Manager recalled that during the legislative session, we were able to reach a compromise regarding Point of Sale after several years of real estate firms, schools districts, counties and municipalities working together. This year, the Municipal Association, along with its partners, were able to structure something that we think will work for municipalities like ours, going forward.

Ms. Melissa M. Carter, Research Analyst / Municipal Association of South Carolina said that the compromise is a fair deal for all of the parties involved. She recalled that Act 388 passed in 2006 along with a 15% reassessment cap that was voted on by the people of South Carolina. The properties would never true up if they were rapidly appreciating neighborhoods. The Point of Sale provision was put into law so that local governments would have a balance so that at some point and time that property would be allowed to come on to the tax rolls at its true fair market value. For us there is no fix to Act 388, without dealing with the 15% reassessment cap, which is unlikely. We needed to make sure that we protected the local government resources as well as balance that against taxpayers needs. We did not want to shift taxes anymore than had already been done from rapidly appreciating communities to those communities that aren't increasing beyond the 10%. During the last week of session, we all came to realize that the properties taxed at 6% (commercial and second homes) were the ones that needed to be addressed. We also understood that the 4% (residential) did not need to be addressed given that they were taken care of in Act 388 through the exemption of school operating millage rate. We came up with a 25% exemption off the sales price of 6% property; however, we did not want that exemption to fall below the fair market value as determined by the tax assessor. For example, on your tax bill since the last reassessment, you had a fair market value of \$850,000, the tax value is \$750,000 due to the 15% reassessment cap, property sales are \$1,000,000; 25% off of the \$1,000,000 is \$750,000; we have a floor that cannot go below the fair market value as determined by the tax assessor, therefore, the new tax value of that \$1 million piece of property becomes \$850,000. The new owner has not inherited the tax value of the seller, but at the same time the local governments did maintain some increase to be able to provide the services that is required. We also added the flexibility to bank millage increases for future use. This allows municipalities to go back in

time up to three years and capture any unused millage capacity. The biggest thing that was addressed in this bill was the millage rollback calculation correction. This corrects the millage rollback formula for cities, counties and schools so that the increase in taxable value for all property sold in a reassessment year is treated the same in the year of reassessment as in all other years. We recognize that 100% of property taxes billed are not collected. This allowed cities to not start off a year of reassessment in the negative; it allows you to truly equalize your revenue stream to the prior year. The new calculation will allow the City of Columbia approximately 4.2 mills extra that you would not have to roll back. The prior year's revenues should match up to the property you're reassessing.

Councilor Rickenmann suggested that the City conduct an audit on the city's portion of property tax collections, because it is very important to understand what the numbers are. That could be the difference in a tax increase down the road or looking for new revenue sources.

2. Public Safety Plan of Action / Budget for Hospitality Districts

Mr. Steven A. Gantt, City Manager explained that they met last week to discuss the makeup of the Taskforce and we had some differences of opinion on how that should be created.

Mr. Rueben Santiago, Deputy Chief of Operations / Columbia Police Department presented a draft proposal to address the needs of Five Points, the Vista, Main Street and Harbison. We wanted to keep in mind the potential for growth specifically within the hospitality areas. The focus of the Hospitality Taskforce would be to address quality of life issues and to reinforce public safety and business practices. The stakeholders include: Columbia business owners, patrons, surrounding residents, city government, the Police Department, Fire Department, Zoning Enforcement and the Business License Division. He cited the following statistics for 2011: over 129,000 people live in the City; we have over 530 hospitality businesses in the City; we have 384 authorized Police Officers, 9 Fire Marshalls, 4 Zoning Inspectors and 4 Business License Inspectors. When considering the proposed staffing, we were thinking in terms of effectiveness and efficiency and how to create a small team that would receive specialized training to concentrate on businesses. There are different levels of cross training and authority that would maximize the efficiency and effectiveness of the group. He provided the Council with cost estimates for personnel and equipment totaling \$671,717, excluding office equipment and a facility. The reoccurring annual costs are estimated at \$540,068.

Mr. Leslie Wisner, Assistant Chief / Chief of Staff / Columbia Police Department clarified that this would include two teams that would focus on Five Points while having application throughout the rest of the City.

Councilor Davis said that he is glad that Harbison is included, because the area is growing and they've had incidents to occur. I don't see us pulling the Zoning Inspectors to do this, because we are short with staffing as it is now. I constantly recommended that we intensify cross-training and that would help to cut costs. I am hoping that the elements of this Taskforce would be available to the spot areas that have the same issues. The purpose of the Taskforce is to address and eradicate the issues and then they can move.

Councilor Plough asked for the number of hospitality businesses within the hospitality areas, because those are the geographical areas that we attempting to address.

Councilor Newman asked if there will be new hires for code enforcement.

Mr. Rueben Santiago, Deputy Chief of Operations / Columbia Police Department said that there are two staffing proposals. Initially we considered policing then we determined that there were necessary functions.

Mr. Steven A. Gantt, City Manager said that those would be new hires; our business license

personnel are very limited. It is important for the personnel to be dedicated to the Hospitality Taskforce and not rotating into other functions within the Police Department; this would be their primary function. It is also very important that they go through the Ambassadorship Program sponsored by the Conventions and Visitors Bureau so that they are ambassadors in these Hospitality Districts. With consistent personnel, we will foster better relationships with the bar owners.

Councilor Newman said that the property owners and surrounding neighborhoods are very familiar with the Police Officers they currently work with. At some point you will need to coordinate a meeting with the Five Points Association and the Vista Guild to make introductions and provide contact information. Have the boundaries for the Vista been laid out?

Mr. Rueben Santiago, Deputy Chief of Operations / Columbia Police Department said that the boundaries are Gervais Street and Lady Street. We want to be able to attack the issues as they occur; we want to be proactive instead of reactive.

Councilor Newman reiterated the need to communicate this information to the respective associations.

Mr. Steven A. Gantt, City Manager said that this would be the core group. During different times of the year with different kinds of activities going on, we can very easily add the Military Police from Fort Jackson, the University Police and the Richland County Sheriff's Department. There's a good opportunity for us to bring in additional support and to build consistency.

Councilor Devine asked if the Taskforce would work during the day and evening.

Mr. Rueben Santiago, Deputy Chief of Operations / Columbia Police Department said right. Primarily we are looking at Thursday, Friday and Saturday evenings as it relates to enforcement. It would be very flexible in order to address other business license and zoning aspects. There is no set schedule; you should be able to call them up as resources are needed.

Mr. Leslie Wiser, Assistant Chief / Chief of Staff / Columbia Police Department said that the two squad approach provides us with the opportunity to provide focus and at the same time we can put folks where they are needed. We can maintain focus on trouble spots and use a comprehensive approach in the Vista and Harbison during the day or night.

Councilor Devine said that once this is established we will have to consider the logistics of cross-training and granting authority to the Officers. We need to do what we've always said and cross train the entire Police Department to spot code enforcement issues as they drive through neighborhoods.

Mr. Rueben Santiago, Deputy Chief of Operations / Columbia Police Department concurred, adding that it can be a one-stop-shop.

Councilor Plough asked if this would be on top of the existing resources. How does this relate within the regional structure?

Mr. Rueben Santiago, Deputy Chief of Operations / Columbia Police Department explained that the largest regions are the South Region, North Region and Metro Regions. I would anticipate that this would affect all of the regions. It would relate much like the PACE Team and the Community Liaisons. We have Officers that are designated to businesses and this would be on top of that, but as a more focused group for long-term problems. There would be ongoing communications with the Regions.

Councilor Plough asked who would be trained to deal with alcohol related violations.

Mr. Rueben Santiago, Deputy Chief of Operations / Columbia Police Department said that it is currently being done in steps. We want this proposed team to be specialized in alcohol enforcement and the Hospitality Districts. We have already coordinated our alcohol team training through LRADAC, which has filtered through the PACE Team and is filtering through the Regions. He announced that SLED has authorized the Columbia Police Department to write administrative tickets to businesses on a state level. We would ask Council to allow us to do that.

Councilor Gergel reminded the Council that it was the Hospitality District Taskforce that recommended that City Council look at creating this special unit to move ahead to address the very specific issues that come up in monitoring and keeping our Hospitality Districts safe vital places. We were looking for a team that would be our experts on a range of issues from alcohol enforcement to special regulations for restaurants and other matters. We are moving in the right direction and I am assuming that this the sort of unit that touches code enforcement, fire, police, business licensing and a unit that can be focused on specific areas of the City that are having problems at any point and time. Hopefully that expertise will feed into a whole range of issues that we as a city need to look at as new areas emerge. Is that correct?

Mr. Rueben Santiago, Deputy Chief of Operations / Columbia Police Department said yes and this is the first step in a process that is a comprehensive look into a narrow area with the opportunity to expand and improve. There are a number of issues we can attack with this concept.

Councilor Gergel said that a number of cities have conducted hospitality studies such as the one we are getting ready to implement. We need to make sure that the Police Department has an opportunity to meet with the consultants that have worked with cities across the country to implement these types of units and that they have the opportunity to interact. She sought clarification on the proposals being presented.

Mr. Tom Sponseller, Co-Chair of the Hospitality District Taskforce said that the study starts on Friday.

Mr. Rueben Santiago, Deputy Chief of Operations / Columbia Police Department explained that there is a proposal which incorporates the two extra personnel for Business License, Zoning and Fire Marshalls and their associated costs which total \$671,717. There are a lot of logistics behind that. On the policing side you are looking at \$540,000 for salaries and benefits.

Mr. Steven A. Gantt, City Manager said that they will meet again on Thursday to finalize the numbers for the August 2, 2011 meeting.

3. Requests for Hospitality Tax Surplus Funding

Ms. Libby Gober, Assistant to City Council explained that the first request is for \$450,000 for Public Safety within the Hospitality Districts, that was approved by Council; then there is \$50,000 for the 9/11 Memorial, that has been approved; the request that is before you is for the Parks and Recreation Foundation for \$65,000. My understanding is that this is the same amount you all allocated last year for the Kids Day, Summer Concert Series, WOW and the Veterans Day Parade and the things that the Parks and Recreation Department handle that the Columbia Action Council use to handle. Without this funding, I am not sure they will be able to do these events. The last thing is the request from the SC State Fair in the amount of \$70,000 as a follow-up to their meeting with Mayor Benjamin. They are tying this into the 225th Birthday Celebration.

Councilor Rickenmann asked what the SC State Fair received in the regular funding cycle.

Ms. Libby Gober, Assistant to City Council said \$12,000.00.

Councilor Gergel asked for the balance of the Hospitality Tax Surplus Fund.

Mr. Bill Ellis, Finance Director asked the Council how much they were going to allow entities to carry over; are you going to allow them to have a two year carryover like you have in the past? Or does their funding lapse at the end of this year? In the past, entities have had a two year budget and they could expend the allocation this year or next year. Assuming that you would allow that again, then what you have for actual carry over is approximately \$500,000.

Councilor Plaugh asked where the \$844,000 balance came from.

Mayor Benjamin sought clarification on the various Hospitality Tax Funds.

Mr. Steven A. Gantt, City Manager explained that the Hospitality Tax Surplus Fund is what was left over from previous years.

Mr. Bill Ellis, Finance Director stated that because we had to fund the Hospitality Bond in a Sinking Fund that was previously paid for with insurance, we have now gone down to \$987,000; that's cash. The number Ms. Plaugh referred to was a variance of revenue for the current year.

Ms. Libby Gober, Assistant to City Council clarified that the organizations that are funded through the committee process and by Council as line items this year are carrying forward approximately \$92,000 from 2010/2011 into 2011/2012.

Councilor Gergel asked how the funds being carried forward are reflected in Mr. Ellis' numbers.

Mr. Bill Ellis, Finance Director explained that the carry over never shows up in my numbers. All I have is the fund balance going forward then you take last year's budget and if there are authorized amounts to be carried forward, they are put back into the budget for the next year. We have \$895,000 in cash in the Hospitality Tax Fund, which is the unencumbered carry forward. I was taking \$500,000 as the budget balance for this year to go to next year to include contingencies and everything else.

Councilor Rickenmann asked if any of the \$895,000 has been encumbered for any reason. The vote was to take the \$50,000 for the 9/11 Memorial from the Hospitality Tax Surplus Fund.

Mr. Bill Ellis, Finance Director said no. The \$50,000 for the 9/11 Memorial would have to come from this or revenue from next year.

Councilor Rickenmann said that if we are going to vote on something, then I want Five Points and the Vista Guild to have their \$30,000 each returned out of this money.

Councilor Gergel asked how we are going to pay for the Hospitality Taskforce Unit.

Mr. Steven A. Gantt, City Manager said that you can pay for it out of the surplus or the \$1 million that was put in the 2011/2012 budget as a contingency. Whatever we do, we want to be able to perpetuate this Taskforce.

Ms. Melisa Caughman, Budget Director said that the Hospitality Tax Fund has a \$500,000 reserve budgeted.

Councilor Devine suggested that the Taskforce be put into the Hospitality Tax Fund budget for subsequent years.

Councilor Rickenmann concurred that the Taskforce would be a budgeted line item within the Hospitality Tax Fund.

Councilor Newman said that when they discussed the recommendations for Hospitality Tax funding, we talked about potentially using the contingency for the Vista Guild and Five Points to bring them back to the amount they received the prior year. Are we talking about the contingency for this year?

Ms. Libby Gober, Assistant to City Council said that Mr. Newman is talking about the surplus, but the contingency is what we're ending the 2011/2012 budget with.

Councilor Newman added the Sports Council to the list of agencies that should be made whole.

Councilor Plough stated that there are some other entities.

Councilor Rickenmann said that there is another round of funding.

Councilor Gergel clarified that you can't go back to the committee if you already went before them and was turned down. We are essentially serving as that committee now.

Councilor Davis said that there are also a couple of worthy projects that need to be reconsidered. I understand the argument in terms of fully funding the two major entities, but I could also make that argument for Harbison.

Councilor Gergel said that she is not comfortable with moving forward with the allocations today and suggested that the Council schedule a strategic discussion on Hospitality Tax funding.

Mayor Benjamin asked if there were any other entities with time compression issues.

Councilor Newman said that the reduction in funding for the Columbia Regional Sports Council needs to be discussed.

Mayor Benjamin said that we collectively, as a region designated the Sports Council and the ability to compete for the bigger events is significant. We do need to revisit that, but we have a couple of weeks to make some decisions.

Councilor Gergel suggested that they reserve funding for the Hospitality Taskforce; I want our numbers to reflect how we are going to fund that and then look at what's left. I would like a full report on the Sports Council, what it has done over the last 3 to 5 years, what groups it has brought in, where its challenges have been, how surrounding municipalities have funded it, where that funding is now and where they see the greatest opportunities for moving ahead in the next 3 to 5 years.

Mr. Steven A. Gantt, City Manager said that he would include that in the information for August 2nd. He reminded the Council about the pending lawsuit about the Hospitality Tax Fund; if it goes the wrong way, you won't have to worry about this, because you won't have any money to spend.

Councilor Devine said that there was a presentation made to the funding committee, but we are hearing from the Sports Council that they were not allowed to present. I would like some clarity on that.

Ms. Libby Gober, Assistant City Council said that the Sports Council presented to the Committee. Mr. Ric Lubber, CEO of the Midlands Conventions and Visitors Bureau said that Scott Powers, Executive Director of the Columbia Region Sports Council began making the presentation and was cut off and told that he didn't to go further because the committee knew what had already been done and that's where it was left at that committee level and he never had an opportunity to present where

he is, where he's going and what the future is for the development of sports business here. Mr. Luber agreed to provide the requested information, again.

Ms. Libby Gober, Assistant City Council stated that there was some discussion at the committee with him.

Councilor Plough said that the Council needed to determine what they are trying to achieve with the allocation of these dollars. It's important that we look at all applications that were not fully funded and some that weren't funded at all. If we are going to open the door to look at those then we should open the door to look at all of them. There are some groups that struggled to put together a first application and didn't do a very good job, but they are struggling to do something in this community anyway. It would be very helpful to get that information earlier than the Friday before the City Council meeting on Tuesday.

Ms. Libby Gober, Assistant to City Council asked if Ms. Plough was requesting all of the applications; I'm just afraid that without looking at the application, that it is going to be very difficult for you. Copying the applications of everyone that was not funded at the full level requested or either at the full level received last year or not funded at all would be a challenge, but my concern is that when you are just looking at a spreadsheet, it's very difficult when we go through an application interview process.

Councilor Devine recognized the fact that the committee spends lots of hours going through all of that.

Councilor Newman clarified that he is not trying to nitpick as to which entity should receive funding and which shouldn't, but I think that we've been discussing our goals for the Hospitality Tax Fund and what it should be doing; hopefully we'll clarify that next month. Again, I think there needs to be a lot of changes in terms of the amount of money that the committee actually disperses throughout these various organizations. Going forward I think it's important to know that there's a difference between these associations that work to bring people to a region opposed to one entity planning one event or concert. I agree with Dr. Gergel, Mr. Luber needs to provide information about what the Sports Council has accomplished in the past. These are entities that need to be fully funded like they were for prior years. That's why I mentioned the Vista Guild and the Five Points Association and what we can do to facilitate more people traveling to the region. I don't want to open the door for everybody to receive calls from all the applicants about how they can get more money, because that is not the appropriate process. The committee worked for days to make their recommendations, I understand that, but I think we need to step in at some point. I see it as protecting these areas of the City.

Mayor Benjamin concluded the discussion by reiterating the request for a report so that they are all operating on the same page. We agree that the Public Safety allocation will make the amount of available funds much smaller. We are on the same page with most of our views; at some point they become some what divergent, but it's more important for us to give the committee some direction. He asked the City Manager provide a potential solution for funding the Greater Columbia Community Relations Council; it's an important issue, the areas that they deal with in terms of racial issues.

Councilor Rickenmann said that this Council sat around a year ago and discussed if it's period of existence had come and gone based on the last seven years of history.

Mayor Benjamin stated that they've had leadership changes. It has less to do with the organization and more to do with the times. I am an advocate for funding and rebuilding the CRC.

Councilor Gergel expressed her support for taking a look at what we can do. She also reminded the

Council that this cannot be funded through the Hospitality Tax Fund.

Councilor Davis expressed his support of finding a way to right that ship.

Councilor Plough said that the CRC needs to be revamped; it cannot continue to be what it has historically been.

Councilor Devine reported that she met with several of the board members last week and she asked that this matter be placed on the agenda for several reasons. They have had some changes in leadership and they are currently searching for an Executive Director. How do you go out and recruit a good Executive Director if you have no money or commitment for funding. They need to know if they are going to be sustainable. They have gone through a strategic planning process. Currently, they do not have a fully constituted board and by their bylaws the City of Columbia has ten (10) appointees, but we only have three (3) members serving. She recalled that when the budget was approved, she asked that they consider using surplus funds for organizations that were under Community Promotions last year. Richland County made their commitment to the organization. We need to move forward with advertising the vacancies on the board.

Mayor Benjamin added that the CRC has spent a significant amount of time with the Furman based Riley Institute preparing their strategic plan.

4. Vista Greenway Project – The Honorable Brian DeQuincey Newman

Councilor Newman reminded the Council about the Vista Greenway Project to redo the tunnel under Washington Street as well as the railroad track that ends at our storage area at Finlay Park. This is a possibility to beautify our City and increase the connectivity as one of our major initiatives to help increase pedestrian traffic not only from the park but in the Vista as well. The Project has been broken down into several different phases to make it more financially feasible. The first phase is from Lincoln Street at Lady Street under the Washington Street tunnel to Finlay Park at a cost of \$105,000. The committee has been fundraising and completing the plans. I am requesting that we remove the matching funds requirement for the Hospitality Tax funding, because this is a city project and it is City of Columbia property. We are looking at a 90-day construction period after a 45-day bid process.

Ms. Libby Gober, Assistant to City Council said that \$75,000 was approved for this year and \$26,000 from the prior year carry forward for a total of \$91,000. We require a dollar for dollar match.

Councilor Plough asked if the construction work, coordination and bid process will be done by an outside group or by our staff.

Ms. Dana Higgins, City Engineer said that the Vista Greenway Committee requested that the City of Columbia handle the construction management and bidding of the project.

Councilor Rickenmann asked if maintenance costs are built in and if contingency funding is available.

Ms. Dana Higgins, City Engineer said that there is low maintenance. She said that Columbia Green will work on the trail cut and the Forestry and Beautification Division will provide irrigation.

Councilor Rickenmann said that the tunnel will require lighting and call boxes. Is all of that figured into the \$91,000? It sounds like you don't have all of the capital costs either. There's also a safety figure.

Ms. Dana Higgins, City Engineer said that this is the first phase, which includes a two-block section. The estimated maintenance budget is \$1,200.

Mayor Benjamin said that there is a pending grant application with the Department of Parks Recreation and Tourism.

Mr. S. Allison Baker, Senior Assistant City Manger said that this is a great project. I do want to make sure that we have enough funding to do all that needs to be done with an understanding of exactly where we are, what we are asking for now and what will be required in the future.

Councilor Gergel said that Maxcy Gregg Park has a walk area that leads to Vista.

Councilor Davis said that this connects with the neighborhoods and parks to the north and the Bull Street property.

Councilor Plough requested that they involve the Columbia Police Department in addressing lighting and security issues.

Mr. Steven A. Gantt, City Manager explained that the tunnel is gated and can be closed in the evenings. The Police Chief has already walked the area.

Councilor Newman said that this project area can be included in the Hospitality District.

Upon a motion by Mr. Newman and seconded by Dr. Gergel, Council voted unanimously to remove the matching grant requirement for previous Hospitality Tax funding allocations for the Vista Greenway Project.

5. Funding Reallocation and Budget Setup for 413 Streetscaping Fund

1	Resurfacing Roads and Rehabbing Sidewalks	\$1,000,000.00
2	Design & Right of Way Acquisition for North Main Streetscape (Phases 1A2, II, III & IV)	\$1,000,000.00
3	Additional Funding for Maxcy Gregg Park Renovations	\$ 300,000.00
4	Maxcy Gregg Pool Improvements	\$1,000,000.00
5	City Hall Elevator Upgrade	\$ 250,000.00
6	Landscape upgrade at the Entrance to South East Industrial Park	\$50,000.00
7	Install Pedestrian Bridge at Martin Luther King Jr. Park	\$125,000.00
8	Project Y Jackson Blvd	\$100,000.00
9	Streetscaping on Monticello Road (Richland County)	\$71,000.00
10	Burton Pack Elementary School Demo	\$300,000.00
11	Security System at Various City Buildings	\$250,000.00
12	Parks and Recreation Administration Building	\$500,000.00
13	Rosewood Park Paving	\$80,000.00
14	Hampton Ridge Lighting Project	\$40,000.00
15	Parking along Gist & Senate	\$87,500.00
16	Crosswalks along Gervais Street	\$150,000.00
17	Design for Main Street Streetscaping Blanding to Elmwood	\$225,000.00
18	Parking at 1000 block of Park Street	\$85,000.00
19	SCRA Parking along Catawba Street in Right of Way	\$100,000.00
20	1300 block of Lincoln Street Parking	\$70,000.00
21	Vista Greenway Project	\$20,000.00
22	Contingency for Projects	\$303,762.28
	Total	\$6,107,262.28

Mr. Steven A. Gantt, City Manager explained that we've been in the streetscaping business for ten (10) years starting with Main Street, Two Notch, Five Points, Lady Street and North Main. As we place utilities underground within a streetscaping project, SCE&G reimburses us for some of our expenses at the end of the fiscal year under a Non-Standard Service Fund. Staff has gone through

every purchase order and every project that we've had over the last ten (10) years along the Non-Standard Service Fund and generated over \$6 million for one-time capital projects. I talked to all of the departments in the City and Kelvin Keisler has identified projects that require additional funding in order to be completed. This is staffs' proposal on where we need to spend this money. We think this cleans up a lot of things that need to happen; a lot of things that will be necessary for us to do. The lighting in Finlay Park is woefully inadequate and we need to go back in and relight Finlay Park at a cost of \$135,000. That needs to come from the contingency for projects. We propose that you give us permission to move forward on these projects; Dana Higgins and her folks will hit the ground running and by January 2012 we will have another report on where we are over on our anticipated expenses, where we are under and what money we have left over for reallocation.

Councilor Davis asked if surplus funding from the North Main Street Project as a result of the completion of Phase 1b would remain in the pot for the next phase.

Mr. Steven A. Gantt, City Manager said that there is \$1 million included for the design, acquisition of right of way and design of Phase IA2. This money came from closed out projects.

Councilor Rickenmann inquired about the additional funding for Maxcy Gregg Park Renovations. We are spending a tremendous amount of money in that park.

Mr. Kelvin Keisler, Construction Management said that there was additional work for fencing, columns and a historical marker that we bid out as alternates. We can select those if this funding is approved

Mr. S. Allison Baker, Senior Assistant City Manager stated that the fencing and curbing frames the park. Adjacent to Maxcy Gregg Park is fencing around a park owned by USC; this will be a continuation of that. It does serve as an aesthetic property, but it also a safety issue; it clearly separates the park and park activities from a major street.

Councilor Rickenmann inquired about the \$125,000 cost to install a pedestrian bridge at Martin Luther King Park.

Mr. S. Allison Baker, Senior Assistant City Manager compared the project to the bridge at Riverfront Park that cost \$53,000 to repair it. The Army Corp of Engineers determines how it can and must be done. I believe that the estimate is very close; I am comfortable with it.

Mr. Joey Jaco, Director of Utilities and Engineering further explained that you have to tie the bridge in with the parking lot and sidewalk in order to meet the American Disabilities Act compliance. It's not just a bridge; it's site improvements and the foundation for the bridge, because the park floods.

Councilor Rickenmann inquired about the parking at Park Street and SCRA parking.

Mr. Steven A. Gantt, City Manager said that there is a parcel of land that belongs to the railroad on Catawba Street that is being trespassed upon by student parking; it's a safety issue of trying to clean the area up and organize that parking so that we don't have individuals parking there haphazardly and getting out and causing accidents on Assembly Street.

Mr. John Spade, Parking Services Director further explained that SCRA has done this as part of their development on the south side of the street. We will rent the spaces.

Mr. Steven A. Gantt, City Manager said that this is not being paid from the Parking Fund, because there is not a whole lot of money flowing through the Parking Fund.

Councilor Rickenmann asked for the rental specifics. I don't want to find out that we are giving spaces away to any group.

Mr. John Spade, Parking Services Director said that the rates need to be set. SCRA already leases a portion of it and then they would have to lease the individual spaces within the lot. There will be rental income.

Councilor Rickenmann asked where the 1300 block of Lincoln Street is.

Mr. John Spade, Parking Services Director said that it's on the other side of the Lincoln Street Garage and the tunnel. People are parking on that side and can only walk down the little streets. We are installing sidewalks and curbs.

Mr. Kelvin Keisler, Construction Management further explained that they would have to do some painting to tie in the curb and cutter and ensure that there is drainage.

Councilor Devine inquired about the funding for resurfacing roads and rehabbing sidewalks.

Mr. Steven A. Gantt, City Manager said that his original plan was to have \$250,000 per year for four (4) years, but after talking to Assistant City Manager Gentry, I realized that is not a realistic number for the first year.

Councilor Davis said that he would like to review the street and sidewalk survey, because there are areas that most people don't drive through unless you live there where you have even elderly folks walking the streets and sidewalks are needed.

Councilor Devine inquired about Project Y Jackson Boulevard.

Mr. Steven A. Gantt, City Manager clarified that it is the Whole Foods project at Jackson Boulevard. It is for improvements around the perimeter; there's nothing on the property. This includes sidewalks, possibly street realignments and beautifications.

Mayor Benjamin clarified that parking along Gist and Senate Streets is for the Girl Scouts.

Mr. Steven A. Gantt, City Manager said that's correct.

Councilor Devine asked what is being done at Burton Park Elementary School.

Mr. Steven A. Gantt, City Manager explained that there's an old school and the property would be given to the City at no cost and we would demolish the school and have an open play area. Hopefully in the future we will come up with funding for a center.

Councilor Newman added that this is part of an effort to construct a community center in Belvedere. The issue is that it is school district property and it comes with the first right of refusal if they plan on selling the property. They can do a long-term lease for us, but it's too expensive to up fit the building. The best thing to do is to demolish the building and work with our Grants Writer to obtain funding for the construction of a park over there. We are still working out the actual details with the school district, but the first thing is to get the funds for the demolition.

Mayor Benjamin said that he supports it, but we need to make sure we get a significant long-term lease and that it's not just a play area, but that there are improvements made to the property.

Councilor Plough expressed concerns about the process; we are sitting here going through a list prepared by the staff that fits the amount of money we have; I don't know what the full laundry list looks like. I can come up with things that I think should be on this list. It is hard for me to understand how we decided which ones made the list and which ones didn't unless there is a big picture where projects were determined based on having a clean, safe, viable city or leverage. There's nothing dealing with storm drainage and we know that we have insufficient dollars to deal with storm drainage. Several of these projects are potential for federal funding and I don't know why we continue to not try to look at those resources as opposed to prioritizing General Fund monies. The thing that concerns me, but is not on this list is Southeast Park. This park was started and not completed, there are portable restrooms and it's hard for me to understand how that didn't wind up being considered as a priority; it's a commitment that we partially made. Hampton Park is another park building that's in deplorable conditions. There are many other things like this, but I don't understand how you did this.

Ms. Dana Higgins, City Engineer explained that these are projects that are already underway that just needed the extra push to complete them. There are projects requested by Construction Management, but most of them are constituent driven.

Mr. S. Allison Baker, Senior Assistant City Manager further explained that the Environmental Center with permanent bathrooms and an area for tennis players was at an \$800,000 price tag five or six years ago. It is currently designed as a LEED certified building that would have been used primarily for restrooms and an education center. I would agree with Ms. Plough that it would complete what needs to take place. Hampton Park is an old building that has been in the system for a long time; staff continues to do maintenance and improvements; and the community could warrant a new and larger building. Mr. Pat Connolly, Interim Executive Director, would need to determine what renovations will take place. Several years ago we had a list of park buildings that needed improvements or complete renovations. That building is on that list. We did get to Lorick Park and Pacific Park and then we had to stop.

Councilor Rickenmann suggested that Council accept this as a concept; request numbers and facts behind it; and then consider each project individually.

Councilor Gergel asked Mr. Gantt what we are ready to roll on.

Mr. Steven A. Gantt, City Manager said that he would like for you to approve us to moving forward with these projects as submitted and let us come back in January 2012.

Mayor Benjamin said that if we start picking apart this list we will never get it approved. This is a perfect example of relying on staff and their recommendations. Mrs. Plough's concerns are valid and we must figure out some way in the very next cycle of getting those pressing needs in there.

Councilor Plough reiterated that some of the projects are eligible for block grant funding. I forgot to ask about why we are now looking at \$500,000 for a Park Administration Building, because that was funded out of a bond and the block grant.

Mr. Steven A. Gantt, City Manager said that we will provide a very specific explanation.

Mr. Kelvin Keisler, Construction Management said that there is \$200,000 that we did not believe that

we would get through the Community Development Block Grant; it has become apparent that we are going to get that and we can reduce that cost by \$200,000 on that budget item. We have already received \$207,000 of the \$400,000. We need additional money to account for the demolition of the existing community center building; we have additional costs with our architect; their original agreement was only for five (5) months; the construction duration for the project is twelve (12) months.

Mr. S. Allison Baker, Senior Assistant City Manager added that there were environmental issues that prohibited staff from demolishing the building. Council approved a change order to allow us to add demolition to the architectural and engineering agreement.

Mr. Kelvin Keisler, Construction Management said that it is an additional \$80,000 to include testing and an extension of the timeframe. We also have other change orders from the contractor that we need to evaluate. I feel that we need additional funding.

Councilor Devine requested that playground equipment for Earlewood Park be included.

Mr. S. Allison Baker, Senior Assistant City Manager said that staff received your request, but nothing has been done.

Councilor Devine insisted that the playground equipment be included before the funding is reduced.

A motion made by Dr. Gergel and seconded by Mr. Newman to adopt this plan; to review this contingency fund balance and contingency funding from other projects to help address concerns at Southeast Park and Hampton Park; and explore to the fullest, anything that is eligible for Community Development Block Grant funding, was not voted upon.

Councilor Devine said that you would have to amend the Community Development Department Action Plan in order to use CDBG funding and that's muddying the water. It's fine if we are going to move forward with looking at CDBG funds for more City projects in the future, but to hold up projects in order to amend the plan, especially when we've made certain commitments in the community for those funds is not the way to do that.

Councilor Davis expressed concerns with reducing funding for the Earlewood Park project. We have to go with this list and we don't want to deplete the contingency so that you can't address change orders. I don't want to see the CDBG requirement to change the plan hold up some of these projects.

Councilor Plough asked her peers for their serious consideration for Southeast Park. What if you had a park in your community with sixteen (16) tennis courts and two (2) port-a-johns? We have an area for picnicking, fishing and it is a wonderful pond, but if I had known that this project wasn't on this list I would've been at the Manager's doorstep. Think about it before you make this decision.

Mr. Steven A. Gantt, City Manager said that he hopes that other projects will come in under budget; by January 2012 we should have another packet of money; and I am certainly willing to commit that to the Councilwoman from District Four.

Ms. Teresa Wilson, Assistant City Manager said that outside of messing up those projects that are in waiting; we all need to get our processes straight going forward; to go back now without knowing our entitlement amount would not be appropriate.

Upon a substitute motion made by Ms. Devine and seconded by Mr. Newman, Council voted six (6) to one (1) to approve the Funding Reallocation and Budget Setup for 413 Streetscaping Fund as presented and to direct Mr. Pat Connolly, Interim Director of Parks and Recreation and staff to prepare cost estimates and plans for restrooms and/or a full building for Southeast Park and

renovations or a new building at Hampton Park. To fund these park projects, Council will consider surplus funding that may become available after the completion of the fiscal year 2010/2011 audit and the remaining contingency funding from the projects listed and any other projects. Voting aye were Mr. Davis, Ms. Devine, Dr. Gergel, Ms. Plough, Mr. Newman and Mayor Benjamin. Mr. Rickenmann voted nay.

Mr. S. Allison Baker, Senior Assistant City Manager clarified that Southeast Park doesn't have port-a-johns; they are temporary restrooms that cost \$60,000.

**Mayor Benjamin reiterated Ms. Plough's request to receive additional information on funding requests earlier than Friday. We need to look at the economic impact of local preference for this past year. He stated that the County will soon be taking up the question of whether or not they will have the penny referendum next year; if they decide to move forward then we need to have a comprehensive list of City projects that need to be on that list. Several of you have sent me ideas; let's keep those going and get those to staff.

5a. **Central Midlands Regional Transit Authority (CMRTA)

Mayor Benjamin said that we've had frank discussions with the CMRTA Chair and Vice Chair. The fiscal issue they are facing for the balance of their fiscal year is a \$400,000 +/- shortfall. But the most pressing issue is a cash flow issue as they try to meet their obligations for the last three (3) months of their fiscal year. There are several needs over there, but the two most important needs go back to them having no leadership or fiscal infrastructure. The limit of the City's participation, particularly is the 2% franchise fee, which Mr. Gantt says is \$3.8 million this year, it's a little bit more than we expected and that's what we will expect to spend over the course of our fiscal year, July to July. I put forth to them that if they were open to hiring an outside accounting firm immediately and we talked about several prominent private firms in this city. The Executive Committee moved forward on that recommendation last week. Secondly, consider hiring an interim Executive Director. They have fifteen (15) applicants. They need someone in there immediately to start getting their arms around fiscal affairs and looking forward to find ways to reduce certain significant costs that they have in their budgets. I'm supporting limits to our participation being what will be generated by the Franchise Fee this year, but going ahead, if they hire the outside accounting firm and start giving us regular financial reports, that we forward over the first quarter payment that is from July to the end of September payment, which should be enough to help them with cash flow. I do believe that tonight, the County is taking up similar proposal that should be significant in helping. I did float the idea of us paying for the accounting firm out of the franchise fee.

Councilor Rickenmann asked why we have to give them a quarter at a time. They don't have a very good track record. I would feel much more comfortable providing them a monthly staple until we know what's going.

Mayor Benjamin clarified that the problem is that wouldn't help with cash flow issues. At some point over the next 24 to 36 months, we must sync up our fiscal years, but they are at a point right now where they require more on the front side. We laid out other requests to the CMRTA; ideas as to how they can right size their budget. They have been very conservative on the Veolia contract; maybe too conservative. It's going to take a hard and serious look at the Veolia contract and whether or not that's extended past September 30th; if it isn't we forth some ideas for them to possibly save significant operating costs prospectively.

Councilor Rickenmann said that he is concerned, because there is only so much. We can't be here six (6) months and they have blown twelve (12) months worth of cash flow.

Mayor Benjamin said that the approach he was previously thinking about was more aggressive. But

if we take this approach by making the quarterly payment by October 1st; we are largest contributor to the system; it is front-loaded; if the County does the same thing, we will be looking at getting to mid-Spring and getting the CMRTA out of crisis mode and they can go into the planning mode. They are in constant crisis mode. The condition for receiving this money is hiring an accounting firm this week, which will hopefully be Thursday when the board meets. It puts them in a position where they can start looking at reducing the cost of the system. We also have to consider that they've asked us for \$618,000 in restricted funds to be used for Lucius Road improvements. I do not support releasing those funds; the City Manager doesn't support it either. I'd much rather them find some way to put the guy back on the payroll who's charged with fueling the compressed natural gas buses and use that money as local match dollars for electric buses. We could aggressively transform a third of the fleet off of diesel. Those are the things that the board and others can't focus on, because we are in constant survival mode. My recommendation is that we require them to bring an accounting firm on and we are willing to pay for that out of the franchise fees; we requested that they get an interim Executive Director, but that might be more difficult and we would also be willing to pay for that out of the franchise fee money; that we forward over one-fourth of the payment as opposed to a monthly payment; and that we do not release the \$618,000. The first report from the accountant needs to be to us by next month.

Councilor Rickenmann said that after the six months, we need to be able to make a decision, because the money between us, the County and what they bring in fares doesn't provide a minimum service. That's what concerns me.

Councilor Devine asked if there is a willingness of the board to hire an accounting firm.

Mayor Benjamin said yes.

Mr. Bob Liming said that there is a called meeting on Thursday.

Councilor Plough asked if our contribution will put them in a positive cash flow that the revenue versus expenses will cover.

Mayor Benjamin said yes, but they are still going to have to deal with the \$400,000+/- delta. We need someone to tell us how to find those savings inside the budget.

Councilor Gergel stated that there is real strong support for restructuring the board; we recognize that we need a new board in place with new talents, new interests and new energy. It is an important next step and probably a part of the next Intergovernmental Agreement. The challenges ahead are very real and serious. I anticipate that if we don't do this, we are saying goodbye to the bus system.

Mr. Bill Ellis, Finance Director stated that the 2% franchise fee has been restricted for public transportation. You need to clarify in your motion that the CMRTA will get it.

Councilor Plough stated for the record that she did not support the franchise fee and she still doesn't support it. I do support public transportation and I do hope that this is successful and as a result of that I would like to support this motion.

Councilor Rickenmann said, I too am going to vote for this, but I want to make sure that we're doing it on a quarterly basis until we know where we are and how it is and we need to move it to the next level with the board restructuring.

Upon a motion made by Mayor Benjamin and seconded by Dr. Gergel, Council voted unanimously to approve the disbursement of the first quarter collections of the 2% franchise fee that is set aside for public transportation to the Central Midlands Regional Transit Authority with the following conditions:

- The CMRTA is to hire a Certified Public Accounting firm that will provide a report to City Council before the end of August 2011.
- The CMRTA is urged to strongly consider the hiring of an Interim Executive Director. The salary of the Interim Executive Director can be paid from the quarterly allocations of the 2% franchise fee.
- The fees charged by the Certified Public Accounting Firm and the salary of the Interim Executive Director would not come from the 1st quarter installment payment, but from future installments.
- We will not release the \$618,000, as requested by the CMRTA.

EXECUTIVE SESSION

Upon a motion by Mayor Benjamin and seconded by Ms. Devine, Council voted unanimously to go into Executive Session for the discussion of **Items 6** through **10**. Mr. Newman was not present for the vote.

6. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.*
 7. Discussion of negotiations incident to the proposed sale of property – *This item was discussed in Executive Session. No action was taken.*
 8. Receipt of legal advice which relates to matters covered by attorney-client privilege – *This item was discussed in Executive Session. No action was taken.*
 9. Discussion of matters relating to proposed location or expansion of services to encourage location or expansion of industries or other businesses – *This item was discussed in Executive Session. No action was taken.*
 10. Receipt of legal advice which relates to pending, threatened or potential claims – *This item was discussed in Executive Session. No action was taken.*
- **Council adjourned the Executive Session at 5:54 p.m. and convened the Regular Meeting.**

Respectfully submitted by:

Erika D. Salley
City Clerk