

**CITY OF COLUMBIA CITY COUNCIL
BUDGET WORKSHOP MINUTES
APRIL 24, 2012 – 2:00 P.M.
CITY HALL - 1737 MAIN STREET
COUNCIL CONFERENCE ROOM – 2nd FLOOR**



The Columbia City Council conducted a Budget Workshop on Tuesday, April 24, 2012 at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 2:15 p.m. 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 was absent. Also present were Mr. Stephen A. Gantt, City Manager and Ms. Erika D. Moore, City Clerk. This meeting was advertised in accordance with the Freedom of Information Act.

CITY COUNCIL DISCUSSION / ACTION

1. Columbia Empowerment Zone, Inc. – Ms. Teresa Wilson, Assistant City Manager

Ms. Teresa Wilson, Assistant City Manager stated that the recommendation made last week remains the same as it relates to the Columbia Empowerment Zone, Inc.'s request to become a component unit of the City. The original budget request was based on a component unit operating with a new executive director and an assistant. I am now requesting up to \$35,000 and no less than \$9,000.

Mr. Bill Ellis, Finance Director explained that component unit is an accounting term and it's not germane to this discussion. The component unit discussion is determined from accounting criteria. CEZ, Inc. is severed from the City, but there is involvement of personnel. That automatically makes it a component unit of the City. Funding is totally irrelevant. When you involve City staff in any entity, they become a component unit of the City.

Upon a motion made by Mayor Benjamin and seconded by Mr. Rickenmann, Council voted five (5) to one (1) to proceed with Option 4, which is to do nothing and allocate up to \$35,000 in order to formally and properly align staff in the Office of Business Opportunities with their roles and responsibilities to the Columbia Empowerment Zone, Inc. Voting aye were Mr. Newman, Mr. Rickenmann, Ms. Devine, Mr. Davis and Mayor Benjamin. Ms. Plough voted nay.

- The CEZ, Inc. is to provide quarterly reports to City Council and supplement funding for operations and service expenses.
- The City Attorney was asked to determine the disposition of assets if the 501(c) (3) were to be dissolved; can the assets be transferred to another component unit; and to determine if that can be articulated in the bylaws.
- A formal contractual relationship with the Office of Business Opportunities and the CEZ, Inc. will be executed, outlining all issues needed to protect the City of Columbia and detailing the roles and responsibilities of City staff and that of the CEZ, Inc. Board of Directors, to include cost sharing responsibilities.
- This matter will be reviewed again in one year, at which time the CEZ, Inc. Board of Directors and City Council will be asked to re-consider all options to include incorporating CEZ, Inc. with another City Development Corporation.

2. Fiscal Year 2012 / 2013 Budget Review

Councilor Rickenmann explained that staff has put together a budget with input from the Finance, Audit and Budget Committee. We are evaluating the level of rate increase needed for the Water and Sewer Fund. We have discussed moving the line items funded directly out of the Water and Sewer Fund into the General Fund and making a straight transfer. It will make it very clear and it will help determine what should come back to the rate payers and tax payers. It will also create competitiveness.

Mr. Steven A. Gantt, City Manager said that they have worked diligently over the last few weeks with staff and the consultant to develop a more palatable number for the water and sewer rate increase.

Ms. Missy Caughman, Budget Director presented the proposed budget for fiscal year 2012/2013. She reviewed the upcoming meeting schedule, noting that May 15th is the last City Council meeting before the budget public hearing is advertised in the newspaper. The Budget Public Hearing will be scheduled for June 5, 2012.

There was a consensus of Council to defer the June 19, 2012 Council Meeting to June 26, 2012.

Ms. Missy Caughman, Budget Director reported that the Hospitality Budget is in balance. The Parking Fund is in balance and staff has proposed an increase in parking fines. The Storm Water Fund is in balance and it includes a proposed rate increase that will be used to fund additional capital improvement projects. The Water and Sewer Fund is not in balance; however, a rate increase is being proposed. The General Fund is in balance and it includes proposed revenue increases, as well. We have requests from outside agencies that may need to be addressed along with the lobbyist contracts.

There was an in-depth discussion among the members of Council, administration and staff.

EXECUTIVE SESSION

Upon a motion made by Ms. Devine and seconded by Mr. Newman, Council voted unanimously to go into Executive Session at 4:44 p.m.

3. ****Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.***

- **Council adjourned the meeting at 5:30 p.m.**

Respectfully submitted by:

Erika D. Moore
City Clerk