

**CITY OF COLUMBIA
CITY COUNCIL
BUDGET WORK SESSION MINUTES
MAY 28, 2008 - 9:00 A.M. – 1:00 P.M.
EAU CLAIRE PRINT BUILDING – 3901 ENSOR AVENUE**



The Columbia City Council met for a Work Session on Wednesday, May 28, 2008 at the Eau Claire Print Building, 3901 Ensor Avenue, Columbia, South Carolina 29203. The Honorable Mayor Pro-Tempore Tameika Isaac Devine called the meeting to order at 9:12 a.m. The following members of Council were present: The Honorable E.W. Cromartie, II, The Honorable Anne M. Sinclair, The Honorable Sam Davis and The Honorable Daniel J. Rickenmann. The Honorable Mayor Robert D. Coble and The Honorable Kirkman Finlay III were absent. Also present were Mr. Charles P. Austin, Sr., City Manager and Ms. Erika D. Salley, City Clerk.

ORDINANCE – SECOND READING

- A. **Ordinance No.: 2008-031 - Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 14, Offenses and Miscellaneous Provisions, Article I, In General, Sec. 14-3 Begging; obstructing pedestrian or vehicular traffic – *Approved on second reading.*

Mr. Ken Gaines, City Attorney explained that the penalty for violating this ordinance would be \$500 or 30-days in jail.

Councilor Devine reminded everyone about the Homeless Court, stating that it should be used an opportunity to divert homeless offenders into some type of counseling or treatment.

Councilor Cromartie asked what could be put into the ordinance to prevent the homeless from going to jail for begging unless it is overly aggressive.

Mr. Ken Gaines, City Attorney said that he would have to look at that. He hopes that our Police Officers would field book the individual rather than haul them off to jail. A warning provision could be added to the agenda.

Councilor Cromartie asked how it is determined when or if cases go to the Homeless Court.

Councilor Devine said that the Homeless Court is a separate court to hear all cases involving the homeless, so it would be sent to that court automatically. She stated that the Municipal Court Judges will be briefed on these ordinances and will know that this is something we want diverted. A meeting is scheduled with the Judges on June 13, 2008 to discuss recently passed ordinances.

Councilor Cromartie stated that he would hate to see people go to jail for this, but he would love to see a means whereby an individual is ordered to do community service if possible. This should be a deterrent.

Councilor Devine said that this shouldn't be taken lightly, because she was approached while sitting in a drive-thru. The ordinance has already been on the books and we are strengthening it and if we don't enforce it, it's just going to continue. We have to show that we won't tolerate aggressive begging and some people might have to go to jail for a night or two to get the point.

Ms. Gladys Brown, Assistant City Manager for Administrative Services stated that there have not been many cases for the Homeless Court.

Councilor Rickenmann agreed that this needed to be done. He cited an incident wherein an individual threatened to throw urine on a woman if she did not give him money. He suggested that they look at what Nashville, Tennessee and others are doing to penalize aggressive beggars, such as early morning community service for three (3) consecutive days.

Mr. Charles P. Austin, Sr., City Manager stated that one reason the community service effort was discontinued was that the city would have to sign the inmate out of jail and accept responsibility for that inmate and there were instances where we had issues in the parks. This can be done, but the key is whether we want to assume responsibility for assigning someone to watch over them. The idea of issuing a courtesy summons is excellent, but the warning provision would be counter productive and would diminish the spirit of what we are trying to accomplish.

Councilor Rickenmann asked if the courtesy summons would be tracked to determine if there are repeat offenders.

Councilor Davis said that we would need a defined community service program, noting that the homeless would not have money to pay the fines.

Councilor Sinclair stated that these individuals are not all necessarily homeless and there are people making money off of this. Those that are aggressively begging are rewarded handsomely. We need to have a clear conversation with the judges and the police officers must understand that this is important instead of turning a blind eye when a complaint is made. We want people to feel safe and secure as they move about this city.

Ms. Dana Turner, Assistant City Manager for Commerce and Development said that the Council may see more cases going before the Homeless Court. A breakfast will be held tomorrow to announce the new indigent legal services for the homeless.

Upon motion by Ms. Sinclair, seconded by Mr. Rickenmann, Council voted unanimously to give second reading approval to Ordinance No.: 2008-031 - Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 14, Offenses and Miscellaneous Provisions, Article I, In General, Sec. 14-3 Begging; obstructing pedestrian or vehicular traffic, subject to the Municipal Court Judges and the Columbia Police Department being informed of Council's intent of this ordinance.

Mr. Charles P. Austin, Sr., City Manager stated that he will discuss this matter with the Police Chief and other direct reports so that they understand Council's intention for officers to use discretion in enforcing this ordinance to include the issuance of courtesy summons.

RESOLUTION

- B. **Resolution No.: R-2008-032 - Authorizing consumption of beer and wine at the National Bike Month Celebration at the Top of Finlay at Finlay Park - *Approved*

Upon motion by Ms. Sinclair, seconded by Mr. Rickenmann, Council voted unanimously to approve Resolution No.: R-2008-032 - Authorizing consumption of beer and wine at the National Bike Month Celebration at the Top of Finlay at Finlay Park.

PRESENTATIONS

1. Municipal Court – Ms. Terri Hooper, Deputy Director of Municipal Court

Ms. Terri Hooper, Deputy Director of Municipal Court outlined several key initiatives that are underway at Municipal Court. She talked about the use of Language Line for interpreting services by various city departments. They have received the training materials and will be scheduling training sessions with the Judges and other departments.

Councilor Devine asked if each department would be billed separately for the use of Language Line. She asked what would happen if Community Development needed the service; would they go to another department for access.

Mr. Charles P. Austin, Sr., City Manager said that he would arrange for the department to have their own account.

Councilor Devine noted that Council District Three is getting an increased Hispanic population and wondered if various departments should have access to Language Line.

Ms. Gladys Brown, Assistant City Manager for Administrative Services explained that each department will be assigned a user code for access to the system.

Councilor Sinclair stated that she is aware of problems experienced by her clients that have used Language Line. She hopes that staff has thoroughly researched this vendor. She stated that the interpretations have not been accurate and that she would hate for Police Officers to call and get the wrong interpretation about what was said.

Councilor Devine said that she has heard these concerns in the past and had asked staff to check with the Supreme Court to see if it was okay for the city to use this vendor and they said yes.

Mr. Charles P. Austin, Sr., City Manager agreed to evaluate the services provided by Language Line after 90-days past implementation to determine if any changes need to be made. The Community Development Department and Water Customer Service Division will be given an account with Language Line as well.

Mr. S. Allison Baker, Assistant City Manager for Public Services noted that the 911 Telecommunications Center began using Language Line two-years ago and have not experienced any issues with this service.

Ms. Terri Hooper, Deputy Director of Municipal Court said that they had an interpreter that they used for Spanish speaking inmates for some time, but they received complaints for continuing cases until the interpreter could arrive at the Detention Center.

Councilor Cromartie asked Ms. Hooper to explain how the system would work.

Ms. Terri Hooper, Deputy Director of Municipal Court explained that the defendant is given a brochure with a list of languages and is asked to point to the language that he/she understands. Staff would then call Language Line and get an interpreter on the line that speaks that particular language and everyone in the court room can hear the conversation. A call can be made at anytime throughout the day and there is a special phone line installed for these calls.

Councilor Devine said that we have to be respectful of our growing Hispanic community, whether they are accused of a crime or a victim of a crime. She noted that language goes beyond spoken words and includes body language and facial expressions.

Councilor Davis asked that staff look at the number of cases wherein a Spanish interpreter is needed and determine whether or not a Spanish speaking person should be placed on city staff. He said that Spanish speaking Police Officers are needed to respond to calls in the field.

Ms. Terri Hooper, Deputy Director of Municipal Court discussed the collection of scheduled time payments and bench warrant collections. She reported that for the last fiscal year they collected \$259,114 in scheduled time payments and \$290,627 for this fiscal year through April 30, 2008, but by the end of June we should collect \$350,000 in scheduled time payments for this fiscal year.

Councilor Devine asked if the increase in payments were a result of more fines or better collection efforts.

Ms. Terri Hooper, Deputy Director of Municipal Court said that in 2006 new procedures were implemented for collecting scheduled time payments. They stepped up efforts by making telephone calls and sending letters. The total collected for bench warrants was \$48,240 for the last fiscal year and \$29,667 for this fiscal year through April 30, 2008. The total budget request for fiscal year 2008/2009 is \$2,107, 241, which is \$18,000 less than last year's request. The budget request is less, because a vehicle was purchased last year in the amount of \$15,000.

Mr. Charles P. Austin, Sr., City Manager noted that a vacant position was removed from the Municipal Court budget.

Councilor Rickenmann questioned the reduction in the fines collected, noting that there were massive decreases in revenue in the court.

Ms. Terri Hooper, Deputy Director of Municipal Court said that the decreases in revenue are due to the Police Officers not writing as many tickets in the neighborhoods as they did in the past.

Ms. Gladys Brown, Assistant City Manager for Administrative Services explained that the Selective Traffic Enforcement Patrol Program (STEP) no longer exists, but at one time the Police Officers wrote a lot of tickets and collected fines under this program.

Mr. Charles P. Austin, Sr., City Manager stated that the STEP Program resumed on May 1, 2008.

Councilor Devine asked about the Judges reducing fines and if that had lessened any.

Ms. Terri Hooper, Deputy Director of Municipal Court said that the Judges continue to offer reductions for offenders that appear in court.

Mr. Charles P. Austin, Sr., City Manager stated that jurisdictions are successfully using the Careless Driving Ordinance in lieu of the State Uniform Speeding Summons. This does not allow for assessing points and the amount that is collected by the jurisdiction remains with the jurisdiction versus taking money off of the top for the State.

Councilor Finlay said that he has concerns about the use of the Careless Driving Ordinance.

Mr. Charles P. Austin, Sr., City Manager admitted that there were concerns at the inception of the ordinance, but since then many of those issues have been resolved and the use of the ordinance has expanded to a number of jurisdictions throughout the State.

Councilor Sinclair suggested that we take another look at the Careless Driving Ordinance, because the goal is to have people obey the traffic rules and not to penalize them for years on their care insurance.

Councilor Devine is concerned about the Judges reducing fines, because the money still has to go to the State and the city loses out on revenue.

Ms. Teresa Wilson Florence, Director of Governmental Affairs and Community Relations reported that Municipal Court staff has been extremely helpful with S088, which is legislation to abate the 107% assessment that's tapped on top of certain fines. The legislation passed the Senate and is about to pass the House. Some of our legislators added the provision to mandate that there be a 30-day waiting period before increasing certain parking fines.

Councilor Devine asked about staffing. She knows that Council has pushed for a look at reclassifying vacant positions that are no longer needed. She is concerned that the court is not properly staffed and asked if staff felt that they have the positions needed to run as effectively and efficiently as possible.

Ms. Terri Hooper, Deputy Director of Municipal Court said that they do well with what they have. There are 33 positions with 8 vacancies to include 6 full-time and 2 part-time positions. They move at least 1,000 cases per week and could always use more staff.

Councilor Sinclair asked why the vacancies had not been filled.

Ms. Terri Hooper, Deputy Director of Municipal Court said that the vacancies are hard to fill at the court and she has worked very hard to do so; however, she has found that people are not upfront about their criminal records and previous employment.

Councilor Rickenmann asked if Human Resources filtered out this information before it gets too far.

Ms. Terri Hooper, Deputy Director of Municipal Court cited an incident wherein an individual was hired and on the job before she found out that the individual was previously employed by another department within the City of Columbia. Ms. Hooper had to terminate that employee.

Mr. Charles P. Austin, Sr., City Manager explained that the Human Resource process is to determine if the applicant is qualified based on the information that is on the application. It goes to the department and it is only when you determine if the person is going into the next phase that you would get into the background information. The initial phase in Human Resources is to determine if the person meets the minimum qualifications based on that job description.

Councilor Rickenmann thinks that we should re-evaluate that system, because it creates a long period of time and a lot of wasted resources to come back to the end result when you could have filtered that out from the beginning. There has to be a better way to set this up so that by the time an applicant is going for an interview we already know if they are qualified or not.

Mr. Charles P. Austin, Sr., City Manager said that the Council has a legitimate concern, because one of the first things we should do is check our databank to see if an applicant was employed with the city at any point, but if they falsified the application, then of course that immediately disqualifies them by the first interview.

Ms. Terri Hooper, Deputy Director of Municipal Court said that we no longer require social security numbers on the employment application.

Councilor Sinclair asked why we don't ask for social security numbers anymore. Is there a legal reason?

Mr. Charles P. Austin, Sr., City Manager said that he is not sure why we don't ask for social security numbers, but he will find out and as a matter of efficiency he will meet with the Human Resources Director to ensure that we are checking our databank as applications are received.

Councilor Sinclair suggested that there be a checklist for applicants that pass the basic qualification to verify if there is a police record or previous employment with the city.

Councilor Devine suggested that the departments go back to Human Resources once they have decided who to interview and get the background work done before actually scheduling the interviews.

Mr. Charles P. Austin, Sr., City Manager said that as part of the Human Resources Assessment we hope to look at how we can do this more efficiently, because we recognize that there may be some steps in the process that are either out of order or should be done differently to provide a more timely review of applications.

Councilor Cromartie said that in the past Human Resources was never the clearinghouse for anything; they were never charged with getting this done. We need to change the culture of department heads that have operated as they chose to for twenty (20) years by doing things the way they want to do them.

Councilor Davis said that Human Resources are the gate keepers and there needs to be a midway checkpoint. He said that another problem is that a lot of good people never hear back from the city.

Ms. Terri Hooper, Deputy Director of Municipal Court listed the eight (8) courts that are part of the Municipal Court system as follows: Bond Settings, Criminal, Preliminary Hearings, Traffic, Quality of Life, Criminal Domestic Violence, Jury Trials and Homeless.

Councilor Devine asked if there have been any increased costs as a result of the added courts. She asked if any one court is costing more than the others.

Ms. Terri Hooper, Deputy Director of Municipal Court said that she doesn't think so.

Councilor Devine said that they have been talking about transitioning and having a Chief Administrative Judge in July 2008 to oversee some of these things. She would really like to see the specialty courts live up to their expectations and suggested that we look at those courts, the number of cases and what's happening. We need to figure out what's supposed to happen with these courts and then how do we get it to where it needs to be.

Councilor Rickenmann said that he has not seen much of an increase in Personnel Services over the last two (2) budget cycles.

Ms. Melisa Caughman, Interim Finance Director explained that the fiscal year 2007/2008 budget reflects the Cost of Living Adjustment (COLA), but the COLA will be applied to the fiscal year 2008/2009 budget later. The fiscal year 2006/2007 budget reflects actual expenditures. She said that the budget also reflects the removal of one (1) vacant position, thus reflecting a reduction in personnel services.

Mr. Charles P. Austin, Sr., City Manager noted that a supervisory position was removed.

Councilor Cromartie inquired about the capital outlay expenditure dropping to zero from the previous year.

Ms. Gladys Brown, Assistant City Manager for Administrative Services said that the capital outlay expenditure was for an automobile, which was a one-time expense.

Councilor Cromartie asked if we are making it a matter of policy to purchase all hybrid cars.

Ms. Melisa Caughman, Interim Finance Director said only if it's available.

Mr. S. Allison Baker, Assistant City Manager for Public Services explained that the City Manager has asked for an explanation from each department as to how we could purchase more fuel efficient vehicles across the board.

Councilor Sinclair said that she has been harping on this and her understanding is that the City Manager is going to establish a policy. She noticed from the newspaper on yesterday that Richland County has twenty four (24) hybrid vehicles and we have one (1) that's driven by the Mayor.

Mr. Charles P. Austin, Sr., City Manager said that he sent out correspondence on yesterday to the departments that use the vehicles the most and he will be meeting with the Police, Fire, Parks and Recreation and Public Works Departments over the next week or so to discuss alternative vehicles and to determine what areas within the department can utilize smaller vehicles. There are some areas within those departments that can purchase smaller and more efficient vehicles and that is going to be our focus. He noted that Mr. David Knoche has been checking the Columbia market over the past few days to determine the availability of more energy efficient vehicles.

Councilor Devine asked the City Manager if Richland County is purchasing their hybrids under state contract or are they buying them out right.

Mr. Charles P. Austin, Sr., City Manager said that the Superintendent of Fleet Services will contact his counterpart with Richland County to find out. He said that the next fleet of cars will not be purchased until October 2008 and it will reflect the recommendations of the Climate Protection Action Committee (CPAC).

Councilor Sinclair said that the hybrids cost less to maintain. She is frustrated, because she can't tell what the city is doing to purchase energy efficient vehicles.

Councilor Rickenmann said that funding needed to be added to the budget, because hybrids are more expensive.

Mr. Charles P. Austin, Sr., City Manager thinks that it suffices that this Council supports the concept of purchasing energy efficient vehicles when it is feasible. He doesn't know if we would want to lock ourselves in to where it has to be done, because there will be some instances where it may not be practical, particularly in the Police and Fire Departments.

Upon motion by Mr. Cromartie, seconded by Ms. Sinclair, Council voted unanimously to establish a policy wherein the City of Columbia will purchase vehicles meeting the energy standard as indicated by the Climate Protection Action Committee (CPAC); all flex fuel vehicles should be using alternative fuel; and it must be justified on the agenda when vehicle purchases are not meeting this standard.

Councilor Sinclair suggested that the City Manager share policies on energy efficiency with the members of City Council as he is made of aware of them, because they are hearing about this everywhere they go and they need to know the policies.

Councilor Devine asked where the court is in implementing audio and video recording of cases.

Ms. Terri Hooper, Deputy Director of Municipal Court said that they have a quote from a company that came in and looked at the system.

Councilor Sinclair suggested that the Public Relations Department assist with this process.

CITY COUNCIL DISCUSSION / ACTION

2. Proposed Fiscal Year 2008/2009 Budget Follow-Up

Ms. Melisa Caughman, Interim Finance Director reminded everyone that the Public Hearing is scheduled for next Wednesday, June 4, 2008 for the budget.

Councilor Sinclair said that there is a sense that first reading will be on the same day as the Public Hearing. She stated that there is a time crunch and a Plan A and a Plan B are needed. She said that the only people to attend the hearings are the ones that want money and that you hear minimal reactions to tax increases and water and sewer increases. She suggested that Council go ahead and give the Ordinance first reading on June 4, 2008, if they are comfortable. If people come to the meeting to express concerns, then we should hold first reading approval.

Councilor Rickenmann suggested that we schedule the Public Hearing for June 4, 2008 and then schedule first reading for June 11, 2008 and second reading for June 18, 2008, unless it needs to be stretched out.

Ms. Melisa Caughman, Interim Finance Director explained that two (2) projects were added to the General Capital Projects budget. One project is an Amphitheater at Emily Douglas Park in the amount of \$50,000.

Councilor Sinclair said that the Hand Middle School Foundation has almost raised their portion in the amount of \$75,000 and will look to City Council to move forward.

Councilor Rickenmann asked about what's done with the amphitheaters. He said that the one in West Columbia is always packed on Saturdays.

Mr. S. Allison Baker, Assistant City Manager for Public Services said that staff has worked with the immediate neighborhoods to do things in the parks such as scheduling concerts and art shows.

Councilor Rickenmann suggested that we promote the amphitheaters more and develop a solution for the use of the existing ones.

Mr. S. Allison Baker, Assistant City Manager for Public Services said that they have met with the residents to discuss the idea of community space inside the administration building at Elmwood Park and they applied for a grant to complete work on the outside.

Ms. Melisa Caughman, Interim Finance Director further explained that South Edisto Park is experiencing a construction shortfall and the construction of the new administration building at Earlewood Park is experiencing a shortfall in the amount of \$300,000.

Councilor Sinclair asked how much money was set aside for the Administration Building.

Mr. S. Allison Baker, Assistant City Manager for Public Services explained that \$2 million was set aside for this project and on the next agenda we will bring forth a recommendation for an architect to do the design work for the administration building; we want a LEED certified building. Initially they did the design for the renovation of the building at Earlewood Park and it was determined by a professional estimator that the design would cost \$300,000 so we moved towards constructing a building with community space to allow senior citizens to continue to meet there along with community meetings. There was discussion about using it as a rental facility, but he doesn't support that without some criteria on the type of events. We are looking for an architect to come in and give us an administrative building that will fit into the landscape with an environmental feel as you transition from the outside into the lobby. It is an exciting opportunity to have a very unique facility that speaks to the environment.

Councilor Sinclair hopes that it is a part of the criteria to find an architect who has a track record for designing green buildings. She is not sure if it needs to be LEED certified, but we can use the green building practices and save money.

Mr. S. Allison Baker, Assistant City Manager for Public Services said that they are looking at a 20,000 sq. ft. building to include the community space. We are not sure what the construction market will bear now. The projected cost for the Animal Shelter was \$1.2 million, but it came in at \$969,000. He believes that the additional \$300,000 that was going into the renovation of the old building at Earlewood Park is still needed.

Councilor Cromartie announced that the City of Columbia received an award for excellence in architectural design for the Charles R. Drew Wellness Center. He asked Mr. Baker to schedule this award presentation before the members of Council. He noted that they saw some beautiful and environmentally friendly buildings that were constructed around trees and waterways.

Councilor Sinclair suggested that staff provide the members of Council with the selected firm's response package, which should include pictures of previous design work. The selected firm should make a presentation to Council once they have completed their analysis of the property and other preliminary work.

Councilor Davis said that Hyatt Park is another area, wherein a committee is working with Mr. Baker to give an idea of how to approach this.

Mr. S. Allison Baker, Assistant City Manager for Public Services explained that the neighborhood began discussing Hyatt Park at a meeting and we agreed to and are working as a department to put into place a landscape architect to help work through the visioning for the recommended improvements. The committee, which includes the President of the Hyatt Park Neighborhood Association, has an extensive list of what they want to get done. The committee process will yield a final product. It is expected to be a multi-year project at an estimated cost of \$500,000. This does not about the community center, because it was built in 1996 and renovated 3-4 years ago. This is for outdoor improvements, which we hope to complete in phases.

Councilor Devine asked if Mr. Davis is looking at putting money in this budget for Hyatt Park.

Councilor Davis said yes and that they understand that it is going to take short range and long range projects to get this done. He said that Hyatt Park is on a major artery and it is bare and you don't know that it's there when you drive by. The problem is we don't have a master plan at this point, but that's where they are going with this. He is hearing that they want a fountain, but he doesn't know what that means. Like any other park or any other neighborhoods, people have their wishes and we have to see what we can do now and what we can do later. Rather than us relying solely on park staff to do this, we are getting input from those with direct ownership.

Mr. S. Allison Baker, Assistant City Manager for Public Services stated that there are some small things that can be done, but one big issue is curbs and gutters around all parks. We can start with that as a major improvement. We built attractive fences at Pinehurst, Emily Douglas and Melrose Parks and changed the look.

Councilor Cromartie asked about the request for sidewalks around Finlay Park.

Mr. S. Allison Baker, Assistant City Manager for Public Services said that it is a matter of funding. There are curb, gutter and sidewalks on Taylor Street. The bollards are not very attractive and need to be changed on Taylor Street and Gadsden Street. The other areas of the park have curb, gutter and sidewalks and it's just a matter of improving the landscaping. An effort was made last year to get a professional to design the landscaping, but it did not work. He has spent a lot of time at Finlay Park and we need to limit the groups and the kinds of activities there. They tried to divert the Gospel Fest to the stadium because of the large groups, but they didn't want to. He noted that Finlay Park is almost 20-years old and there are mechanical things that won't continue to work without repairs. Funding for repairs is down to \$76,000. He said that wrought iron fencing is needed around the cafe to block it off.

Councilor Cromartie said that Finlay Park is well used and we need to ensure that it's clean, safe and that there are sidewalks on Gadsden Street.

Mr. S. Allison Baker, Assistant City Manager for Public Services said that keeping it clean has to do with staffing. He asked that the staff support fees be returned to existing operations.

Ms. Melisa Caughman, Interim Finance Director said that the funds can be returned to the Parks and Recreation Department's budget, but there are some questions that need to be worked out. She said that staff is looking at reimbursing the department versus the revenue coming in. There have been discussions about setting up a separate fund to capture those revenues. We need to get consistent with our departments in terms of rates used and equipment costs.

Councilor Davis suggested that we consider whether the parks we construct in the future should be moderate maintenance or high maintenance due to ongoing maintenance and repair costs.

Mr. S. Allison Baker, Assistant City Manager for Public Services said that they also have to look at how they schedule people's time. He asked the Council to consider using SCE&G to install lights at Finlay Park, because parts of our existing lights are no longer available.

Councilor Cromartie stated that SCE&G installed the lights at Drew Park within two weeks and it worked out very well. He asked about the sidewalks on Gadsden Street, because people walk down that street all the time.

Mr. S. Allison Baker, Assistant City Manager for Public Services said that we needed to install the sidewalks on Gadsden Street, but funding is not available.

Mr. Charles P. Austin, Sr., City Manager urged the Council defer the discussion on sidewalks, since they previously talked about prioritizing the requests.

Councilor Cromartie asked the City Manager to ensure that the request for sidewalks on Gadsden Street is on the sidewalk prioritization list.

The Public Hearing is scheduled for June 4, 2008 at 10:00 a.m. and first reading consideration of the Budget Ordinance will be given on June 11, 2008 at 9:00 a.m.

- **Council recessed at 11:18 a.m.**
 - **Council reconvened at 11:32 a.m.**
3. GASB45 – Ms. Heather McBride, Chief Financial Officer for Risk Management Services / Municipal Association of South Carolina

Ms. Heather McBride, Chief Financial Officer for Risk Management Services for the Municipal Association of South Carolina explained that GASB 45 was issued in 2004, because the Governmental Accounting Standards Board was concerned that state and local governments were not accounting for other post employment benefits (OPEB) as they are being earned. The state and local governments were accounting for these benefits on a pay-as-you-go basis. The most common and expensive other post-employment benefits are the retiree's health and prescription benefits, which are usually lumped together. The other post-employment benefits include dental, vision, long-term care and life insurance if the city's is subsidizing any portion of that. She explained that GASB 45 is being phased in and is actually looking back to the same revenue thresholds that cities and towns have used in implementing GASB Statement 34. It is looking back at governmental fiduciary fund revenues from 1999. Based on the schedule and revenue thresholds, the City of Columbia is in Phase 1 of implementing its statement and it would need to comply with this accounting pronouncement in its June 30, 2008 financial statement.

Councilor Rickenmann asked if this requirement would be recorded as a liability.

Ms. Heather McBride, Chief Financial Officer for Risk Management Services for the Municipal Association of South Carolina said that it depends on whether or not it is funded.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina stated that the city is required to fund it this year or list it as a liability.

Ms. Heather McBride, Chief Financial Officer for Risk Management Services for the Municipal Association of South Carolina explained that GASB requires actuarial calculation of several different items, but the two (2) most important calculations are Unfunded Actuarial Accrued Liability (UAAL), which is basically a calculation of all of the previously earned benefits for all of the city's current employees and retirees and the Annual Required Contribution (ARC), which is recorded in the financial statements and consists of the annual cost for benefits to be earned in the current year and the amortization of the unfunded accrued liability. She showed how the ARC would be calculated. She continued to explain that GASB requires that an actuary calculates the present value of the future other post-employment benefits. They are looking at the subsidized benefits that are provided by the city to include the explicit and implicit benefits. They are now requiring a substantive plan, which is defined as what is understood by both the employer and the employees and typically this is outlined in a policy or procedure manual. An actuary has to identify the implicit rate subsidy, which occurs when retirees and active employees are essentially paying the same group rate, thus causing active employees to subsidize retiree benefits which are used at a greater rate creating higher claims costs. This also applies to the spouses of retirees that may be provided coverage through the city's healthcare system. She stated that GASB doesn't require you to fund the annual retiree contribution, but we know that every year you will begin to have a growing net OPEB liability in the financial statements. It will grow every year and begin to impact bond ratings. If the city decides to fund it, it will require an irrevocable trust, which needs to be separate from the employer and the assets need to be protected from the employer. She said that if the city simply decided to set aside money in the General Fund and earmarking it for OPEB that would not qualify as a qualified contribution. GASB considers the following to be qualified contributions: payments directly to or on behalf of the retiree, which is what the city is doing

now through its self-insured plan; payments to an insurer such as a commercial insurance provider that provides healthcare coverage; and contributions to a qualified irrevocable trust. She said that the city's annual required contribution is going to be at least two to three times greater than the current pay-as-you-go costs. There is not a balance sheet impact as long as those qualified contributions equal the annual required contribution as calculated by the actuary. If more contributions are made than what the annual required contribution is then it is recorded as an asset. If your contributions made are less than the annual required contribution then a liability is recorded on the balance sheet. The benefits of funding GASB 45 are avoiding the net OPEB liability, protecting the bond rating and offsetting future benefit costs due to accumulated interest.

Councilor Sinclair asked why funding GASB 45 would "potentially" protect the bond rating.

Ms. Heather McBride, Chief Financial Officer for Risk Management Services for the Municipal Association of South Carolina explained that some of the bond rating agencies come out and say that they are looking for you to litigate your liabilities, but at this point it is still unknown what they are going to do. She added that it would take a while for the liability to accumulate before it really impacts the rating. As a result of the statement, the Municipal Association decided to sponsor a trust and it is a qualified trust per GASB 45 standards. It is a section 115 trust, which allows governments to pool together for essential government functions. The Municipal Association has received an IRS Private Letter Rule stating that the income of this trust is non-taxable.

Councilor Rickenmann asked Ms. McBride where that income goes.

Ms. Heather McBride, Chief Financial Officer for Risk Management Services for the Municipal Association of South Carolina said that it's basically the interest earnings that are allocated out to the respective members based on a prorata share.

Councilor Rickenmann asked how the trust would be set up.

Ms. Heather McBride, Chief Financial Officer for Risk Management Services for the Municipal Association of South Carolina said that it is restricted to the same investments as the City of Columbia. The Municipal Association is involved in a lawsuit that was heard before the Supreme Court on February 5, 2008, seeking to clarify whether the trust could invest in equities or not, but they have not heard anything on that. The long-term goal would be a balanced portfolio that would include 50% equity and 50% fixed income.

Councilor Cromartie asked what interest rate the trust is receiving as a return on its investment.

Ms. Heather McBride, Chief Financial Officer for Risk Management Services for the Municipal Association of South Carolina said that the interest rate is approximately 2.3%. She explained that the trust is an agent multiple employer trust, which means that each participating employer within the trust is responsible for their own liabilities within the trust, but they get the benefit of pooled administrative costs as well as pooled investment earnings. Part of the benefit of participating in the trust is also separate actuarial reports. There must be a separate audit in the trust each year. They recently issued financial statements from the first audit and have retained the services of an actuary and an investment manager for the trust. As of today, SC Orbit has seven (7) official members and twenty-two (22) cities, towns and special purpose districts that are in the evaluation phase.

Ms. Melisa Caughman, Interim Finance Director noted that Columbia had an actuarial done in 2005 in anticipation of GASB 45 and it is currently being updated.

Ms. Heather McBride, Chief Financial Officer for Risk Management Services for the Municipal Association of South Carolina explained that Columbia currently subsidizes benefits after 25 years of service; benefits grow with the healthcare trend; benefit continues after someone reaches Medicare eligibility; and spouses are allowed access to coverage. She cited that Columbia's July 1, 2005 Report showed that the Unfunded Actuarial Accrued Liability (UAAL) was \$95.6 million; the Annual Required Contribution (ARC) was \$10.3 million; and there was an assumed interest rate of 5.25%. She noted that the city had 1,300 employees and 580 +/- retirees in 2005 and now there are about 2,100 employees. The actual claims experience is worse now than projected in the 2005 valuation, which projected the claims costs for retirees to be \$2.4 million, but it is actually twice that amount. Ms. McBride added that Millman is preparing the draft results for the current actuarial. The city is already budgeting for approximately \$5 million pay-as-you-go costs that will count towards the Annual Required Contribution (ARC). She said that it is likely that the City of Columbia will have to restructure its benefits plan for the future and there are several options available. She outlined the following options for managing the city's liability: change the years of service required; change the amount of subsidy caps; remove healthcare trend from a portion of or the entire benefit; and cease benefit at Medicare eligibility for future and/or current retirees; and pass through full costs for spousal/dependent benefits.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina said that the City of Columbia will have to make changes to their benefits plan in order to be able to fund the benefits. There are things that can be done post age 65 to reduce the city's Annual Required Contribution. He understands that the city wants to provide good benefits for its employees and retirees. He suggested that the city provide a flat benefit rate to retirees post age 65.

- **Council recessed at 12:43 p.m.**
- **Council reconvened at 12:59 p.m.**

4. Parking Fund - Mr. John Spade, Parking Services Director

Mr. John Spade, Parking Services Director explained that the expenditures are identical to last year's with the exception of the addition of a half year of operations at the Lincoln Street Parking Garage in the amount of \$124,000 and the continuation of added security services within parking garages in the amount of \$112,320. He reported that crime has decreased significantly as a result of this added security.

Councilor Cromartie noted that there is a quality security firm owned by an African American female.

Mr. Charles P. Austin, Sr., City Manger stated that we would keep that in mind for future security needs. He further noted that staff's recommendation is to defer any movement with the Parking Amnesty Day until we have a chance to further discuss this matter to include the consideration of an amnesty day for other delinquent debt categories. He said that the program would be most successful when school is in session.

Mr. John Spade, Parking Services Director stated that there is a request for a hybrid vehicle within this budget and he is testing LED fixtures within the Lady Street Garage and looking at relighting some of the existing garages under the Capital Improvements Program.

Councilor Rickenmann talked about how Charlotte, North Carolina utilizes one parking meter per block with solar lighting and it accepts credit/debit cards. He said that this would clean up the cluttered look in Columbia.

Councilor Devine asked if we talked to the Vista Guild or others about businesses leasing parking in the new garage for employees like Five Points is doing.

Councilor Sinclair suggested that there be more places to purchase and replenish Smart Cards, because it is a great program.

Mr. John Spade, Parking Services Director said that they are in the process of purchasing three (3) of the devices that are needed to activate and replenish the cards. A device will be placed at Washington Square and they are considering a consignment system with merchants in Five Points.

Councilor Devine suggested that the City of Columbia provide free parking access cards for Legislators to park behind the SunTrust Building at Main and Assembly Streets.

5. Proposed Fiscal Year 2008/2009 Accommodations Tax and Hospitality Tax Funds

Ms. Melisa Caughman, Interim Finance Director stated that there was an error in the memo provided. There is a projected \$7.3 million in Hospitality Taxes to be allocated to specific organizations. There is \$2.75 million remaining in Accommodations Tax to be allocated, but the memo indicated that there was \$2.5 million.

Councilor Sinclair explained that during the last Retreat the Council discussed this matter and that some of the things on the list are in other places in the budget. She said that it's more than the Hospitality Tax Fund; it is also the Liquor Rebate Fund that can be used for very limited items. She reminded them that the Eau Claire Community Council / Monteith School and the Renaissance Foundation can use the Liquor Rebate Funds to complete their projects. The Council also talked about how to use the Hospitality Tax Surplus Fund, which has a significant amount of one-time funding, which can be used for the Skate Park; contingency funding for the committee to allocate throughout the year; and the State Museum.

Councilor Devine explained that the following line items would come from the Hospitality Tax Fund: Hospitality Tax Committee \$2.5 million; Debt Service \$1.7 million; Museum of Art \$695,250; EdVenture \$509,850; Historic Columbia Foundation \$451,500; Columbia Music Festival Association \$225,000; Allen University \$250,000; Columbia College \$250,000; and the General Fund \$800,000. She stated that three (3) years ago the Council pulled out the Museum of Art, EdVenture and Historic Columbia and all three (3) have done what the city has asked them to do. She noted that the city owns the Museum of Art and EdVenture building and the city has a contractual obligation with Historic Columbia to include the addition of the Modjeska Simpkins House. The Columbia Music Festival Association was added to list, because their charter prohibits them from raising money and we are required by State Statute to fund them. The funding for Allen University and Columbia College is the last installment from the allocation for their capital projects. The \$800,000 is being transferred to the General Fund for the Park Rangers. This is a total of \$7,381,600.00. She said that these groups will still have to go through the requirements previously set up to include the committee process. She said that this process simply ensures that the money is in the budget.

Councilor Cromartie inquired about the contributions to Allen University and Columbia College asking if they have received their full allocations.

Mr. Charles P. Austin, Sr., City Manager reported that Allen University's project will cost less than originally projected and that the city will not give them money simply because it was authorized. They were told that the necessary back-up documentation is needed and they will be given the amount that fits with the documentation. There haven't been any issues with Columbia College.

Councilor Rickenmann noted that the same thing happened with the Olympia lighting project so the remaining funds were reallocated.

Ms. Libby Gober, Ombudsman said that when Council approves funding for someone they must provide the back up to get their funding.

Councilor Devine stated that all of these organizations being funded would have to meet the criteria. She said that additional funding is being held for the Monteith School to ensure that they have enough funding to complete their project.

Councilor Cromartie inquired about the funding for The State Museum asking what the city will get in return since this is a State agency.

Councilor Devine said that The State Museum has outreach programs in which they have targeted schools such as C.A. Johnson and Eau Claire High Schools. To help show our citizens why the city is participating in this project, The State Museum provided information regarding students from District One Schools that have participated in their outreach programs. She added that they can't start construction until they raise their entire match funding.

Councilor Cromartie suggested that they enter into a Memorandum of Understanding of what they will do for the city on an on-going basis, because this is a lot of money. He asked for an explanation on the Skate Park, the Capitol Senior Center and the Museum of Art.

Councilor Sinclair explained that the Museum of Art and EdVenture received that same amount of funding for the last three (3) years and this year's funding reflects a 3% increase. She noted that funding for the Historic Columbia Foundation was increased by \$60,000 when they began managing the Modjeska Simkins House.

Council-Elect Belinda Gergel said that the three (3) year commitment allowed the Historic Columbia Foundation to plan strategically for the first time and to determine where they wanted to be three (3) years from now. She believes that the contributions of many organizations have taken this city to another level.

Councilor Davis said that his constituents really appreciate the support for the Monteith School and that his goal is to make it a destination. He doesn't have any problems with the funding arrangements and believes that it is a good mixture this year. He suggested that smaller groups be added to the funding pool in the future.

Councilor Devine requested that the Museum of Art, EdVenture and Historic Columbia Foundation brief the members of Council on their outreach efforts and programs and what the 3-year funding commitment has allowed each organization to do. She said that Ms. Libby Gober is hosting workshops for committees to better understand the application process. She suggested that the outreach efforts of The State Museum be combined with the "Together We Can" initiatives.

Councilor Davis said that it is important to look at partnerships with these organizations to include all local kids, not just those within the school district. This would help to keep them out of trouble and provide first time experiences to a lot of kids, especially during the summer.

The members of Council discussed the proposed funding recommendations for the fiscal year 2008/2009 Liquor Rebate Fund, Hospitality Tax Surplus Fund, Community Promotions Fund and the Hospitality Tax Fund. No action was taken.

Councilor Rickenmann asked the Council to consider a commitment to pay back the Water and Sewer Fund for the Tax Increment Financing settlement that was paid off in the amount of \$4 million. He would like for Council to use a portion of the \$1.6 million from the Village at Rivers' Edge to pay back the Water and Sewer Fund, noting that it would be good for the bond rating. He also asked the Council to consider entertaining the option of offsetting some of this debt with unallocated funding or putting more funds towards risk management.

Councilor Sinclair asked if Council allocated \$3 million of surplus from fiscal year 2006/2007.

Ms. Melisa Caughman, Interim Finance Director said yes, but we don't reflect it unless we need it and that's how it gets carried forward from one year to the next.

Mr. Charles P. Austin, Sr., City Manager said that it has provided a safety net to avoid the temptation of spending it.

Councilor Devine said that there would still be a safety net. She suggested that they get the audited numbers first.

Councilor Cromartie suggested that funding be set aside for disaster recovery services.

Councilor Sinclair said that she is supportive of Mr. Rickenmann's recommendations and noted that the unallocated surplus was historically used for capital projects. She reminded the Council that funding is needed for the Three Rivers Greenway, the section at the Zoo and the Waterfront Steering Committee for the new park at Innovista and the groups were all hoping this money would go in that direction.

Councilor Davis said that Ms. Sinclair made a profound statement and those groups can't penalize us for paying off our debt. He doesn't have a problem with the recommendation. He is not hearing negative comments about the rate increase and potential tax increase.

Councilor Sinclair asked what would happen to the pending projects in water and sewer if we reduce the 5% rate increase to 2.5%.

Mr. Steve Gantt, Senior Assistant City Manager for Operations said that the repayment of the TIF was unanticipated. The rate increase has been combined with the maturity of three (3) bonds to meet capital improvement project needs. He suggested that if we don't do the 5% increase we would have to revise the capital improvements program accordingly and that would put us behind on routine major maintenance and other capital projects. He said that the repayment of the cash would not be new money.

Ms. Melisa Caughman, Interim Finance Director said that it would reduce the amount of the transfer from the Water and Sewer Fund and then the Water and Sewer Fund sees that \$1.5 million reduction in the transfer to the General Fund. She reported that approximately \$6.5 million additional capital projects were applied to water and sewer, which came from a combination of the 5% rate increase; the additional \$1.5 million coming from the reduction in the transfer to the General Fund; the additional \$465,000 indirect costs in the transfer; and from the projection in growth of the system.

Mr. Steve Gantt, Senior Assistant City Manager for Operations said that the revenues will increase if there is a dry summer.

Councilor Davis asked that they consider what should be a reasonable surplus.

Councilor Sinclair suggested that they wait until the next audit is complete and then make the allocation based on that.

Councilor Rickenmann said that these are only directives that we can't make final until late fall, but if the Council agrees to do this, he will vote for the tax increase.

Upon motion by Mr. Rickenmann, seconded by Ms. Sinclair, Council voted unanimously to direct staff to work with Mr. Rickenmann on a proposal to allocate surplus funds from any net fund balance carried over from 2006/2007 and 2007/2008 toward the city's debt reduction once the numbers are audited. Such debt would include the repayment to the Water and Sewer Fund from the Tax Increment Financing (TIF) settlement; the repayment of funds disbursed for the Village at Rivers' Edge; and to place the balance of funding in Risk Management.

Councilor Devine said that there is \$50,000 for cameras, but she thought the Council decided to reprogram that money. She cited a story done by News 19 on Mr. Bruce Trezvant because he purchased and installed cameras in the College Place Neighborhood. She is concerned that someone is going to raise the issue and we need to do something to utilize the money we have. She suggested that the City Manager work with Mr. Bruce Trezvant to see what we can do.

Mr. S. Allison Baker, Assistant City Manager for Public Services reported that Mr. Davis and Mr. Rickenmann have been working with the Greenview Community to accomplish some things there. There is a list of potential things that we would like to see take place due to the growing number of seniors that exercise there. They would like to purchase more commercial grade exercise equipment at a cost of \$15,000 - 20,000. A public announcement system is needed in the gymnasium and the old part of building at a cost of \$5,000. The kitchen equipment needs to be upgraded for a total amount \$30,000. He added that new playground equipment and a shelter are needed outside as well.

Mr. Steve Gantt, Senior Assistant City Manager of Operations reported that the City of Cayce came across the river and annexed a good portion of the Green Diamond Property. The City of Columbia has a covenant on the development that has been built on this property, but it's not contiguous to the city. He explained that Richland County negotiated with the City of Cayce to zone the condominiums as single family residential.

EXECUTIVE SESSION

Upon motion by Ms. Sinclair, seconded by Mr. Rickenmann, Council voted unanimously to go into Executive Session at 2:33 p.m. for the discussion of **Item 6**.

6. **Discussion of employment of an employee
 This item was discussed in Executive Session. No action was taken.

▪ **Council adjourned the meeting at 3:50 p.m.**

Respectfully submitted by:

Erika D. Salley
City Clerk