



COLUMBIA CITY COUNCIL WORK SESSION MINUTES TUESDAY, JULY 26, 2022

The Columbia City Council conducted a Work Session on Tuesday, July 26, 2022 at City Hall, 1737 Main Street, Columbia, SC. The Honorable Daniel J. Rickenmann, Mayor called the meeting to order at 2:00 p.m. and the following members of Council were present: The Honorable Howard E. Duvall, Jr., The Honorable Edward H. McDowell, Jr., Mayor Pro-Tempore, The Honorable William Brennan, The Honorable Aditi Bussells, The Honorable Tina N. Herbert, and The Honorable Joe E. Taylor, Jr. Also present were Ms. Teresa Wilson, City Manager and Ms. Erika D. Moore Hammond, City Clerk. This meeting was advertised in accordance with the South Carolina Freedom of Information Act.

INVOCATION

The Honorable Edward H. McDowell, Jr., Mayor Pro-Tempore offered the invocation.

CITY COUNCIL DISCUSSION/ACTION

1. Fiscal Year 2022/2023 Budget Special Revenue Funds - Ms. Missy Caughman, Budget, Program Management and Grants Director
 - Hospitality Tax
 - *Committee Recommendations*
 - *Line item agency allocations*
 - *Other allocations and special projects*
 - State Accommodations Tax
 - *Committee Recommendations*
 - Tourism Development Fee Overview

Ms. Teresa Wilson, City Manager said today, we will be dealing with funding sources in an attempt to get to important discussions about capital projects, special projects and priorities. It is important to get the hospitality tax, state accommodations tax and tourism development fee funding sources on the table in case you decide to do things differently this year and in case it frees up opportunities for us as we are approaching big ticket items that we need to take care of as a city. We need to make sure the committee recommendations are addressed first and some of the standing entities that you deal with in hopes that we can also have a fair discussion to get us to a place where some of these funding sources are utilized for additional things that benefit the community. You have the option to take up these items and vote during the council meeting.



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There was a consensus of Council to amend the July 26, 2022 Council Meeting agenda to add Fiscal Year 2022/2023 Hospitality Tax Committee Recommendations and Fiscal Year 2022/2023 Accommodations Tax Committee Recommendations for consideration.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said we were glad that Council decided to bring back the hospitality tax committee after being suspended for two years during the pandemic. It is good to have funds available and events and activities to fund. The total budget is \$12,772,297. Council allocated \$3,000,000 for the hospitality tax committee. The recommendations are pending City Council approval. We had fewer applicants this year and a little more funding available. The committee recommended that the unallocated funds be used for a second round. Other allocations include debt service in the amount of \$2,534,143 and a transfer to the general fund in the amount of \$3,700,000. There is \$3,538,154 remaining for allocation.

Councilor Duvall said I have three recommendations. Increase the Vista Guild's allocation by \$115,000 for the Clean and Safe Program, which is the same allocation as last year of \$415,000. Increase the Five Points Association's allocation by \$200,000 for the Clean and Safe Program, which is a total of \$500,000. The Five Points Association asked for \$690,000 because of the two years they were not able to have their biggest fundraiser. Their funds have been decreased and they need help to put on the St. Patrick's Day event and they have increased costs. The recommendation for the Columbia Classical Ballet is for \$125,000 but with Brooklyn Mack coming into their group, they are asking for an extra \$25,000 which is a total of \$150,000.

Mayor Rickenmann said that is a total increase of \$340,000.

Councilor McDowell inquired about the skin in the game for each organization.

Councilor Duvall said we had two years of COVID and the Five Points Association has used up their reserves.

Councilor Brennan asked if the merchants provide an operational plan for the Clean and Safe programs.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said they only include the budget.



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Councilor Bussells said the Devine Street Association asked for \$100,000 but the committee recommended \$60,000. We need to stay consistent with all the hospitality tax generating areas. We have to consider what the other entertainment districts asked for as well.

Councilor Duvall said they carried \$8,500 forward. That will get them up to \$68,000.

Councilor Brennan asked why there is an increase.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said the request is for promotion and marketing of their events.

Councilor Herbert asked why the SC Women's Leadership Network was not funded.

Ms. Terry Davis, Hospitality Tax Advisory Committee Chair said they asked for money for two events; one was a dinner. We traditionally do not fund dinners, galas, walks, or runs because there are so many of them. The other event is for a small focus group specifically for women who are considering running for public office. It did not fall within what we typically fund.

Councilor Taylor said in regards to Five Points, I don't mind taking it up to include the clean and safe program but I don't know about the extra \$150,000. We need to see a budget and I do not think it is our responsibility to pay for increased costs. We recently discussed how to use some of these funds to beautify the appearance of our entertainment districts. We also need to start thinking about Harbison. They collect a lot of hospitality tax. I am reluctant to move Five Points past the Clean and Safe number until we get a hard number. I am fine with handling the Vista the same way.

Councilor Duvall said we are going to have about \$450,000 for a second round. Can we make a stipulation that we increase the allocation to \$355,000 and let them apply for additional funds in the second round?

Councilor Taylor said I don't think we need to stipulate that. I would prefer we keep things separate. If they want to re-apply then they can. I wonder if it is appropriate for us to use the hospitality tax to fund fundraisers for money that will go somewhere else. While I respect our local talent, we shouldn't be funding a person. As we go forward, we need to figure out how to use this money for the beautification of the city.



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Councilor Bussells said the committee recommended funding for Ann Brodie's Carolina Ballet. If I am correct, that ballet is affiliated with the Columbia Music Festival Association which is a line item. We have the Columbia City Ballet and the Columbia Classical Ballet, both of which we are not meeting their request. I want to know more.

Ms. Terry Davis, Hospitality Tax Advisory Committee Chair said Ann Brodie's Carolina Ballet is a training ballet and the other two are professional ballets. The Columbia Music Festival Association is the fiscal agent for Ann Brodie's Carolina Ballet. The Columbia Classical Ballet is not as active and Brooklyn Mack has not accepted the permanent position.

Councilor Bussells asked why the committee recommended \$180,000 for Columbia City Ballet.

Ms. Terry Davis, Hospitality Tax Advisory Committee Chair said after looking at their needs and hearing their presentation, we determined that \$180,000 would meet their needs for this year.

Councilor Taylor asked if the city has looked into any training or development for non-profits. In previous experience, it is easier for groups to apply for money than it is to raise it in the community.

Ms. Terry Davis, Hospitality Tax Advisory Committee Chair said if a group wants to be mentored by an experienced group that has received funds then mentoring opportunities are offered. It would be great to create a workshop and bring experts in about government and private funding.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said the city has done it. TogetherSC actively promotes and utilizes this capacity. Capacity building is a concern across non-profits, especially with fundraising and managing grant opportunities. We can do a workshop prior to the application process for the additional funding.

Mayor Rickenmann said it will be well worth spending some money to help people so that they can grow. If they grow, we get better attractions and more visitors spending the night. That means we can get more money and businesses will grow. We can work with the committee to come up with a structure and find the right person to present the opportunities. There are a lot of generous people in the community and we have to work together to access those dollars. It can't just be government. There were several events that received almost double the amount they received in the past. It is helpful for us is to understand the backstory because we will get calls from people who did not get the same.



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Ms. Terry Davis, Hospitality Tax Advisory Committee Chair said some of the decisions were due to bringing them back to pre-pandemic allocations. In the past we had less money to allocate. Since we had extra money this year, we were trying to get them back to where we think they should be.

Mayor Rickenmann asked about the Black Pages International event.

Ms. Terry Davis, Hospitality Tax Advisory Committee Chair said we increased their allocation from what we have given them in the past. We did not think we could take them up to the \$50,000.

Councilor McDowell said we are funding other organizations fully and not Black Pages. They bring a lot of people into the city.

Councilor Herbert said it seems that every year you all make an allotment and then Black Pages comes to Council. You all need to make the allotment so they don't need to come back. I recommended that we increase it to \$50,000.

Councilor Brennan said Devine Street is a growing corridor and I would like to bump their allocation from \$60,000 to \$80,000.

Councilor McDowell asked to increase the Black Pages allocation by \$10,000.

There was a consensus of Council hold off on the additional \$25,000 for the Columbia Classical Ballet until the request is verified. Five Points can apply again to make-up the difference. We are adding \$20,000 to the Devine Street Merchants Association, \$10,000 to Black Pages, \$115,000 to the Vista Guild, and \$55,000 to the Five Points Association for a total of \$200,000 and reserving 10% (\$28,000) for workshops on leveraging investments and financial resources to help the smaller organizations.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said next we have the line item allocations.

Councilor Duvall said I am good with the line item allocations.

Mayor Rickenmann said we are missing the budgeted amounts.



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Ms. Missy Caughman, Budget, Program Management, and Grants Director said you are left with a budget of \$3.5 million. The line item agencies, specific City Council initiatives, and other line items will come from that.

Councilor Brennan asked if the \$400,000 I asked to hold back is being calculated into that. I would look to see One Columbia approved at their traditional amount of \$83,000. Keep in mind the potential use of the \$400,000 for arts and culture in whatever form we agree on with the arts community and City Council. This came out of the Arts and Historic Preservation Committee a year ago.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said that is pending City Council's consideration. There are line item agencies and \$116,000 for allocations to the Parks and Recreation Foundation, the River Alliance, and Leisure Fun.

Councilor Bussells asked if these funds would also support other initiatives around beautification and gateways.

Ms. Teresa Wilson, City Manager said you can consider things like that from the hospitality tax but we also are going to bring you fund balance in additional work sessions. That is a wonderful opportunity to consider beautification efforts in the entertainment districts.

Councilor Bussells asked we are bound by the capital campaign for the Columbia Museum of Art.

Mayor Rickenmann said we committed that money over a period of five years.

Councilor Herbert said this is year five of five.

Councilor Taylor asked about the increased funding allocations for line item agencies.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said it is for promotions and marketing and additional operational costs.

Councilor Taylor asked about Famously Hot New Year.

Mayor Rickenmann said we should budget \$20,000 for fireworks and something else.



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Councilor Taylor said having something nicer that gives families a place to be together and watch something on New Year's Eve is important. We should have a \$50,000 place holder.

Councilor Bussells requested more information on the increases for line item agencies.

Councilor Taylor said if we don't have any additional information, we might need to take the allocations back to last year's funding levels.

Mayor Rickenmann said we need to hold back some of the \$3.5 million. I need a deeper dive on EdVenture. We made a deal with them several years ago on this allocation and I want to know what has changed.

Councilor Taylor said I read that we do all of the landscaping. That is a significant contribution and I wonder if we get credit for that.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said these groups are line item agencies because the city has a fiduciary responsibility with some of the organizations or facilities. The city owns the EdVenture facility. Part of their operating cost is funded through the hospitality tax.

Mayor Rickenmann said we worked out some things with the board several years ago. That is why it is hard for me to consider a \$275,000 increase at this point without having a deeper discussion.

Ms. Teresa Wilson, City Manager said there are several in-kind things that we handle in addition to repairs that we have taken on.

Councilor Taylor said I understand that but we don't get financial credit for that.

Mayor Rickenmann said we are taking the \$83,000 from One Columbia. Nobody has reached out to Council with any changes or updated information. We need that on our agenda at some point.

Councilor Taylor suggested that the requests be deferred until further information is received.

Mayor Rickenmann said we need to hold \$600,000 out of the \$3.5 million.



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Councilor Herbert said since non-profits need funds to operate and we are already into the fiscal year, I would recommend that we fund them at prior year funding levels since the only issue we have is with the excess amounts.

Councilor Bussells asked about the city's fiduciary agreement with the Columbia Music Festival and the South Carolina Philharmonic.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said the Columbia Music Festival is an old relationship. The Philharmonic was added by Council a couple years ago, but there is no fiduciary responsibility.

Councilor Duvall said the Columbia Music Festival is more than an initiative. State law says that the city will fund them. They also serve as the fiscal agent for other groups.

Councilor Bussells said I want to be transparent as to how we decide something is a line item. I want us to discuss being fair and equitable in terms of how we fund certain organizations and events and revisit if they should be a line item or if they should go through the application process.

Ms. Teresa Wilson, City Manager clarified that the commitment at EdVenture entails the major HVAC replacements, roof repairs and replacements, and any structural issues with the building. This varies from year to year. We do not pay for landscaping. Parks and Recreation does the landscaping at Canal Park and Coble Plaza. We will put a dollar amount to that.

There was a consensus of Council to fund the line item organizations at last year's funding levels; allocate \$300,000 to finish the Columbia Museum of Art's capital campaign for a total amount of \$2,516,385; and we will discuss the balance, review additional information, and possibly render a decision next week.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said the fiscal year 2022/2023 budget for the state accommodations tax is \$2,660,000. In accordance with state law, we have allocated \$25,000 to the general fund and \$131,750 as a 5% general purpose allocation which includes \$40,000 for Community Promotion grants. There is \$2,503,250 remaining for allocation. The state accommodations tax is then divided up by 30% for tourism related promotions and marketing and 65% for tourism related activities. Historically, Council has allocated those funds to two groups: the Conventions and Visitor's Bureau (Experience Columbia) and Capital City/Lake Murray Country Regional Tourism Board.



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Councilor Duvall said about 15 years ago, we started the 85%/15% split because funds are reported to the Tourism Expenditure Review Commission (TERC). These two agencies were pre-qualified. They bring people in to sleep in the beds.

Councilor Taylor said I have no quarrels with any of their operating budgets. We are the only entity that puts 100% of our state tax into two groups. We need to see what the City of Columbia's fair share is. As we look at our parks, particularly Finlay Park, we can spend this money on parks. We need to make sure we pay our fair share and maintain our share to take care of the things we need to take care of. Carrying the load for everybody else is not equitable to the city. We need to capture our state and local accommodations tax and dedicate it to a city parks renewal and maintenance account starting with Finlay Park and downtown Columbia. We can spend accommodations tax funds on parks according to the state's guidelines. Let's pay our fair share and retain some of our money to take care of some of the things other entities are able to use to take care of theirs.

Councilor McDowell said over a period of time we can garnish an excessive amount of money to go towards Finlay Park.

Councilor Taylor said we could see \$3.5 to \$4 million annually for the maintenance of parks and beautification of the city. It is about making our city a better place. We should reserve a significant portion of this money and new monies to rebuild and make that park the crown jewel of downtown that it should be.

Mayor Rickenmann asked if Mr. Taylor is considering reserving a portion of the accommodations tax, tourism and other taxes.

Councilor Taylor said I am talking about taking our fair share of the local and state accommodations tax. A backstop will probably be needed for the Convention Center. What we have historically called a tourism development fee is the local accommodations tax. We should backstop a portion of the loss on the Convention Center but it is not our responsibility to backstop all of it. If we backstop half of the Convention Center deficit, that would bring it down to \$2.9 million available annually on the local accommodations tax. It gives us the ability to not do 15 or 30-year bonds for maintenance projects, but to fund them in short order. It is an excellent financial move for the city and it is fair to our citizens.

Councilor Duvall said we need to look at what we will be giving up if we take money away from these agencies that are bringing people into town. These two agencies are using the money for publicity and to bring people to the city.



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Councilor Taylor said I do not have a problem with their operating budgets. Other entities should be compelled to make contributions to these entities, too.

Councilor Duvall said I have seen budgets that show other entities in the Midlands do contribute to Experience Columbia and Lake Murray.

Ms. Teresa Wilson, City Manager said the issue is the history of City Council doing it to the exclusion of everybody else. Whatever percentages other entities are doing, I don't know if they are doing it to the exclusion of any other groups, purposes, or needs. There is nothing binding you to do it the way it has been done.

Councilor Duvall said nothing is binding us from using the \$8 million we get in the local option sales tax for Finlay Park, tax reductions or anything else.

Councilor Taylor said we carry a bigger load than what the fair share should be. We should be able to use tourism funds to improve the city outside of contributions to two things.

Councilor Duvall said the majority of this money is for the Convention Center. It is our responsibility to put in 85% because it brings people in.

Mayor Rickenmann said we are one of three entities responsible for it. Why wouldn't we keep \$500,000 of the budget to do other things that will improve the community? We are taking the load for the majority but it has to be equitable. We can't fund everything, and if you look throughout our budgets we are funding everything.

Councilor Herbert recommended referring it to the Economic and Community Development Committee. This will give us six months to come up with a plan. You want to give organizations at least six months lead time.

Councilor Taylor said I have no desire to put anybody that receive these funds in a bad way.

Councilor Brennan said soccer season is right around the corner and we have been looking for ways to get a new facility at Owens Field. It is eye opening to know that there is a path forward. We scramble for capital improvement budgets. Thank you for providing a snapshot of what other local governments are spending their accommodations taxes on.



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Councilor Bussells said I agree with Ms. Herbert and I agree with Mr. Taylor. We need to revisit not allocating the full amount next year, looking at our priorities, and using it towards beatification. This year we need to move forward with full disclosure that this is likely to change for these organizations next year and they should prepare accordingly so there are no surprises when we discuss this next year.

Councilor Taylor recommended allocating \$375,487 to Capital City/Lake Murray as recommended by the committee and 75% of the \$2,127,762 to Experience Columbia. In Richland County, the City of Columbia population is 32.74%. In Richland and Lexington combined, the City of Columbia population is 19.24%.

Mayor Rickenmann said if we send this to the committee tonight, we need to have it resolved by the end of the calendar year.

Councilor Taylor said we need to give them the ability to go see the counties and the cities that may not be contributing at all and get them in the program.

Mayor Rickenmann clarified that \$1.6 million will go to Experience Columbia and \$375,487 will go to Capital City/Lake Murray.

Ms. Miriam Atria, President/CEO of the Capital City/Lake Murray Country Regional Tourism Board said there is a difference between state and local accommodations tax dollars. What does this mean when the state check comes in because we have entered into contractual obligations? When we received the application this year we were under the understanding it will still be the 85%/15% split. No other entity collects the same level of money as Columbia and that is where TERC comes in. They look for the large governmental entities to do what the law says.

Councilor Bussells asked about the anticipated surplus amount.

Ms. Missy Caughman, Budget, Program Management, and Grants Director explained that the budget for 2021/2022 was at \$1.4 million. We are at or close to those collections to date. We could have a surplus of several hundred thousand dollars this year.

Councilor Bussells asked why the Convention Center was cut back.

Mayor Rickenmann said their funding has already increased at this point. I don't want to spend \$2.5 million today without understanding how we can enhance other parts of our community. We may decide to send them the surplus, but we don't know yet.



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Ms. Teresa Wilson, City Manager asked if the recommendations to not fund the other four entities is because of the percentage breakout or eligibility issues. Will Council be given that information?

Ms. Missy Caughman, Budget, Program Management, and Grants Director said it is a combination of both.

Councilor Taylor said the High School League's request was too much but we can always come back and make an allocation if they qualify. We may charge the Sports Authority with looking at the high school leagues as bowl games and ask them to assist with finding sponsors.

Mayor Rickenmann said those funds will sit there until we make a decision.

Councilor Taylor said as the city manager and Ms. Caughman work to refine the maintenance capital expenditure plan and a capital expenditure plan, we are working to identify funding streams so we can plan ahead. This is a good track for us to be on.

Councilor Herbert asked if applicants are made aware of the projected budget amounts.

Ms. Missy Caughman, Budget, Program Management, and Grants Director said we don't usually know during the application process, but we do share it at some point.

Councilor Herbert said I have heartburn with the 75% and with the entities being treated differently. I am comfortable with \$2 million.

Councilor Taylor said we are adding \$500,000 more than they got last year.

Mayor Rickenmann said we did fund \$2.2 million of their shortfall. We are funding them in multiple ways. If something comes up, the money will be there.

Councilor Duvall said the opioid funds are being discussed.

Councilor Bussells said a municipal allocation will be coming over the next year. It is several hundred thousand dollars for Columbia. We are creating criteria and there will be three cycles throughout the year.



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There was a consensus of Council to allocate \$1.6 million to the Conventions and Visitors Bureau and \$375,487 to Capital City/Lake Murray Country Regional Tourism Board. The discussion of using hospitality tax and local accommodations tax funds for a city parks renewal and maintenance account will be referred to the Economic and Community Development Committee.

ADJOURNMENT

The meeting was adjourned at 3:52 p.m.

Respectfully submitted:

Erika D. Moore Hammond, CMC
City Clerk