



Columbia City Council Budget Workshop Minutes Tuesday, May 19, 2026

Call to Order

The Columbia City Council conducted a Budget Workshop on Tuesday, May 19, 2026 at City Hall (Mayor's Conference Room), 1737 Main Street, Columbia, South Carolina 29201. The Honorable Daniel J. Rickenmann, Mayor called the meeting to order at 1:05 p.m. and the following members were present: The Honorable Edward H. McDowell, Jr., The Honorable Will Brennan, The Honorable Tina N. Herbert, Mayor Pro-Tempore, The Honorable Peter M. Brown, The Honorable Tyler D. Bailey, and The Honorable Sam P. Johnson. Also present were Ms. Teresa Wilson, City Manager and Ms. Levanie S. Summerville, Assistant City Clerk. This meeting was advertised in accordance with the South Carolina Freedom of Information Act.

Invocation

The Honorable Edward H. McDowell, Jr. offered the invocation.

Adoption of the Agenda

Upon a motion made by Ms. Herbert and seconded by Mr. Johnson, Council voted unanimously to adopt the agenda subject to adding Congaree Riverfront District **to Item 2** (Discussion of negotiations incident to proposed contractual arrangements pursuant to S. C. Code §30-4-70(a)(2)); Unaccompanied Minors - Finlay Park **to Item 4** (Receipt of legal advice relating to matters covered by attorney-client privilege pursuant to S.C. Code §30-4-70(a)(2)); and discussion of the employment of an employee pursuant to S.C. Code §30-4-70(a)(1) – Office of Neighborhood Safety and Engagement as **Item 6**.

City Council Discussion

1. Fiscal Year 2026/2027 Proposed Budget — Ms. Missy Caughman, Assistant City Manager / Strategic Initiatives & Innovation

General Fund

Ms. Teresa Wilson, City Manager said we are preparing to present a flat budget aimed at restoring balance, managing financial gaps and continuing to pursue growth. She shared that staffing has improved to 87% and reviewed general fund revenues, expenditures, and department needs. She also recommended a classification study to modernize job descriptions and better define expectations for a high-performance organization.

Ms. Missy Caughman, Assistant City Manager for Strategic Initiatives & Innovation said the proposed budget is balanced within the fiscal year 2025/2026 framework. The budget is \$203 million with \$169.6 million in revenues and \$34.2 million in transfers. She noted that last year's budget absorbed major cost increases and reduced one-time revenues. This proposal maintains current service levels with the continued use of \$5 million from fund

balance. Funding priorities include expanded litter control, key capital projects, fire station modernization, and technology upgrades for the Emergency Operations Center, Real Time Crime Center, and IT.

Mayor Rickenmann questioned proceeding with the design of a new animal services facility before deciding whether to continue the City's partnership with Pawmetto Lifeline. He suggested renovating the existing building instead of new construction and emphasized that long-term plans should support more fostering and adoption of animals.

There was discussion about increased parking-related fines; departmental requests; detention center per-diem costs and inmate stays; prior budget reserves; the Richland County fire service fee increase; defining general government spending; the Transportation Penny supplement; funding priorities; Animal Services cost adjustments and facility options with county participation; tax-exempt properties; mirroring efforts of neighboring municipalities; and millage considerations.

Ms. Teresa Wilson, City Manager noted that staff has already conducted extensive reviews of millage and related funding options, including consulting outside experts. She stated that while staff can revisit these options, the limitations on available funding mechanisms remain a significant challenge. She shared that at a recent Chamber event, participants focused on priorities like infrastructure and workforce housing but did not address how such needs would be funded.

Mayor Rickenmann said the City must explore additional funding options and raised concerns that the financial burden keeps falling on the same taxpayers as properties leave the tax rolls. He said property owners and landlords should take on more responsibility for costs tied to evictions and abandoned items. He emphasized the need for a comprehensive strategy to ensure fair and sustainable cost distribution.

Councilor Brown stated that the Council's work requires balancing the value-added services the City provides with the needs of various organizations. He emphasized that as the city continues to grow, it is necessary to re-evaluate certain practices and consider new approaches.

Mr. Jeff Palen, Assistant City Manager of Development & Finance / CFO noted that the last review of tax-exempt properties was in 2018/2019, and updates to the county's assessment system warrant a new review with current valuations. He recommended sending the updated list to the Economic Development and Infrastructure Committee and consulting the county assessor on audit processes and exemption evaluations. He added that some exemptions handled by the Department of Revenue may require renewed discussions with the state.

Ms. Missy Caughman, Assistant City Manager for Strategic Initiatives & Innovation said the general fund already includes tourism-related revenues, with about \$4 million from hospitality taxes and \$1 million from the tourism development fee. She noted that a millage increase could be considered, but growth is limited by Act 388. The 4.6% rise in the tax base is not keeping pace with costs. She added that the City's share of the property tax bill is less than 17% of the total millage.

Mr. Jeff Palen, Assistant City Manager of Development & Finance / CFO also explained that the local option sales tax provides a significant offset to the City's property tax burden. In the previous fiscal year, the City collected approximately \$72 million in property taxes, of which nearly \$30 million was covered by local option sales tax revenues. As a result,

residents and business owners were responsible for about \$42 million of the total amount. He indicated that the current year is expected to reflect a similar distribution.

There was a discussion about property taxes and credits.

Ms. Missy Caughman, Assistant City Manager for Strategic Initiatives & Innovation reviewed potential millage changes and noted that items tied to an increase depend on Council's compensation decisions. A \$5 million increase would generate about \$3.7 million to fund expanded litter control, police and fire capital needs, and animal shelter assessments. An increase of up to \$7 million would cover those priorities and provide additional capacity for capital needs outside the City's replacement-based lease program.

There was discussion about capital additions coming out of the general fund requests.

Ms. Teresa Wilson, City Manager explained that one of the main areas in which the budget is deficient is capital funding. Another critical point this year is the number of items that the City now has to absorb without the support of ARPA funds.

There was a discussion about plans to address the decreased ARPA dollars.

Ms. Missy Caughman, Assistant City Manager for Strategic Initiatives & Innovation said departmental budgets are being held at current-year levels while we await further direction from City Council. She noted that the budget must be advertised tomorrow, making this the final meeting before publication, though allocations can still shift. She also reminded Council of the next budget workshop, which will cover remaining funds and include updates from Lake Murray Tourism and the Convention Center.

There was discussion about council-directed activities.

Mayor Rickenmann noted that while the advertised budget amount cannot increase, it can be reduced or adjusted internally. He stressed the need for a long-term plan given ongoing uncertainties and suggested reassessing City functions, exploring facility consolidation and asset disposal, and reviewing the structure and funding of Development Corporations. All options should remain open as the City evaluates future revenue needs.

Councilor Brown stressed the need to separate funding for basic services from capital needs, so the City can plan long-term while balancing costs. He noted that not all expenditures carry the same weight, comparing investments in public safety to those in animal control. He said the City must carefully set its priorities as it plans for the next decade.

Ms. Missy Caughman, Assistant City Manager for Strategic Initiatives & Innovation explained that while many of the City's needs are long-term, there are also immediate needs that cannot be addressed with bond funding or other borrowed sources. She noted that these ongoing operational demands, particularly within police and fire, continue to drive most of the budget increases each year. As the budget grows, a significant portion is consistently directed toward public safety, tying the City's immediate challenges back to its long-term capital needs in that area.

Mayor Rickenmann urged the exploration of public-private partnerships, noting cost savings from lease-back models in other cities. He said the City needs a long-term plan to manage major expenses like fire services and rising public safety and technology costs. He also highlighted the revenue potential of the City's 2,100 vacant lots and stressed putting

unused land to better use.

Councilor Johnson said the City should revisit its legislative priorities next year, especially regarding public-private partnerships, because current state laws are too restrictive. He raised concerns about limits on collecting revenue from non-taxpaying entities and said this needs to be part of the City's strategy. He emphasized working with the Municipal Association, the Association of Counties, and using the City's voice at the State House to advance these issues.

Mayor Rickenmann said the City should explore a "penny" option with Richland County and pursue future legislative changes that might allow the City to implement its own. He noted that Columbia's tax base is limited, with only about 46,000 taxable properties despite a daytime population that grows by roughly 90,000. He stressed the need to recover costs from non-resident users, citing Lexington County's approach to funding public safety wear and tear as a model Columbia should consider.

Ms. Teresa Wilson, City Manager said there was support for advertising the budget without a millage increase, noting that once advertised, the rate cannot be raised but can still be reduced. She explained that advertising without an increase preserves flexibility, and staff will continue pursuing cost-recovery measures and growth modeling with legal guidance. She added that while legislative changes will be sought next year, a millage increase is still necessary to close the current gap.

There was discussion about mileage increase/advertisement and constituent engagement.

Ms. Teresa Wilson, City Manager said the City should continue building its case with new approaches but stressed that comparisons to other cities must be meaningful. She noted that staff has explored many options and will keep evaluating and educating stakeholders on the City's financial realities. She cautioned that without major state-law changes, the situation is unlikely to improve next year.

Mayor Rickenmann said the City could still make revenue-generating changes this year, even if some are one-time fixes. He stressed the need to understand precise budget needs before choosing between a \$5 million or \$17 million increase. The City should identify essential services and consider restructuring others. He added that long-term, the City should not remain heavily invested in homelessness efforts. All of these factors must guide the City's financial path forward.

Ms. Missy Caughman, Assistant City Manager for Strategic Initiatives & Innovation explained that the budget must be advertised now because the fiscal year begins July 1, but the millage rate itself would not take effect until later in the fall when it is sent to Richland County. If Council were to consider a millage increase, the supporting information could still be evaluated and finalized before the rate is officially submitted.

There was discussion about millage deadlines and options for revenue drivers.

Councilor Brown said the Economic Development and Infrastructure Committee is the right place for detailed budget and revenue review. He urged evaluating departmental costs and fees, sending specific proposals to the committee, distinguishing discretionary from non-discretionary spending, and completing a three-month review to clarify the City's cost structure.

There was discussion about the number of millage rates.

Executive Session

Upon a motion made by Ms. Herbert and seconded by Mr. Johnson, Council voted unanimously to enter into Executive Session at 2:46 p.m. for the discussion of **Items 2** through **5**, as amended to include adding Congaree Riverfront District to **Item 2**; Unaccompanied Minors - Finally Park to **Item 4**; and the discussion of the employment of an employee pursuant to S.C. Code §30-4-70(a)(1) – Office of Neighborhood Safety and Engagement as **Item 6**.

2. Discussion of negotiations incident to proposed contractual arrangements pursuant to S. C. Code §30-4-70(a)(2)

*CRC 911 Communications Agreement
Congaree Riverfront District*

3. Receipt of legal advice relating to a pending, threatened or potential claim pursuant to S.C. Code §30-4-70(a)(2)

*Lake Windermere Dam
Ballpark, LLC v. City of Columbia, et al.*

4. Receipt of legal advice relating to matters covered by attorney-client privilege pursuant to S.C. Code §30-4-70(a)(2)

*Forest Acres Franchise Fee
Washington Square leases
Green Street Bridge
Unaccompanied Minors - Finlay Park*

5. Discussion of the compensation of an employee pursuant to S.C. Code §30-4-70(a)(1)

Municipal Court

6. Discussion of the employment of an employee pursuant to S.C. Code §30-4-70(a)(1)

Office of Neighborhood Safety and Engagement

Adjournment

The meeting was adjourned at 4:41 p.m.

Respectfully Submitted:

Erika D. Moore Hammond, MMC, CPM
City Clerk