



COLUMBIA CITY COUNCIL MEETING MINUTES TUESDAY, MAY 11, 2021

The Columbia City Council conducted a Budget Public Hearing on Tuesday, May 11, 2021 using video conferencing technology. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 2:05 p.m. and the following members of Council were present: The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Howard E. Duvall, Jr., The Honorable Mayor Pro-Tempore Edward H. McDowell, Jr., The Honorable Daniel J. Rickenmann, and The Honorable William Brennan. 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. *The minutes are numbered to coincide with the order of the meeting.*

INVOCATION

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

ADOPTION OF THE AGENDA

Upon a motion made by Mr. Duvall and seconded by Mr. McDowell, Council voted unanimously to adopt the agenda, subject to considering **Item 8** (*Emergency Ordinance No.: 2021-027*) after Executive Session.

BUDGET PUBLIC HEARING & ORDINANCES FIRST READING

1. Fiscal Year 2021/2022 Proposed Budget Presentation - Ms. Missy Caughman, Budget & Program Management Director

Ms. Melissa Caughman, Budget & Program Management Director presented the proposed budget for fiscal year 2021/2022. The following guiding principles were used during the budget development process: continuity of operations, continuing to provide excellent day-to-day service to our community, fulfilling the City's financial obligations, and addressing other infrastructure needs. There are still various areas of uncertainty; we will proceed with caution. We had a compressed but focused budget process this year. As we proceed, we will continue to monitor the budget. We are prepared to amend the budget as the American Rescue Plan funds become available and as we address the cost of living adjustments. The total proposed budget is \$376 million for all operating funds. The total proposed Capital Improvement Program (CIP) is \$133,250,000.



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The proposed general fund budget is \$155 million. Revenues are looking positive, but we are not at pre-pandemic levels for licenses and permits. This is the 12th straight year that the budget has not included a property tax increase. The transfers-in and other financing sources total \$23.8 million, which is an increase of \$15 million over the current year's budget due to the return of capital lease purchase proceeds, an allocation from the American Rescue Plan (ARP), the issuance of installment purchase revenue bonds, and restoration of the hospitality tax transfer. This budget does not use fund balance. The general fund expenditures total \$126 million and any increases are limited to adjustments to annual contracts, the citywide election, and the PEBA retirement rate increase. Some departments have restored previously frozen vacancies. Non-departmental expenditures total \$11.7 million, which is a \$3.6 million increase.

The proposed water and sewer fund budget is \$182 million, which is an increase of \$13.8 million. The operating revenues total \$178 million. It includes a 5.02% rate increase to fund our water and sewer CIP and the associated debt service. The annual water and sewer rate study is important in order to maintain the financial integrity of the water and sewer system and to make sure our rates are adjusted in order to provide the necessary resources to operate and maintain the system at a high standard. The rate study assumptions include cash and a bond issuance for our proposed water and sewer CIP with 68.5% coming from bonds and 31.5% from operating cash. This keeps us at a debt service coverage of 2.0. The water and sewer expenditures include \$102 million for department operations. Non-departmental is \$53.3 million which includes \$42.9 million for debt service and \$9.5 million for cash reserves. The transfers-out total \$25.4 million which includes \$18 million for the CIP.

The proposed storm water budget is \$15.6 million, which is a \$1.5 million increase. This is year 4 of the 5-year rate plan. It increases our equivalent residential unit, the flat rate charged to residential units for storm water from \$13.32 to \$14.15. The rate increase funds storm water operations and the \$11 million CIP. It also continues the 5-year plan of more than \$93 million in storm water improvements. The operating departments include public works and engineering services. The expenditures also include debt service and budgeted reserves.

The water CIP totals \$40 million with the largest portion going towards water quality projects. The wastewater CIP is \$80 million with the largest portion going towards capacity improvements and system rehabilitation. The proposed CIP list is attached to the ordinance.



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The proposed parking fund is \$9 million, which is a \$1.3 million increase. The revenues total \$6.2 million, which is a \$1.3 million reduction from the current year's budget and \$652,000 below prior year actuals. Because of the impact on the parking system by the pandemic, we are reflecting use of the ARP funds of \$2.7 million. The parking fund budget also includes \$2.8 million in existing debt service.

The proposed hospitality tax budget is \$11.8 million, which is a \$4.2 million increase. We are seeing great improvements in the hospitality tax revenue streams but we are still below pre-pandemic levels. We reflect use of ARP funds. The budget includes \$3.4 million for the hospitality tax grant program, but we have not determined how funds will be allocated. The budget includes \$2.7 million for debt service, transfer to the general fund at \$3.7 million, \$250,000 for major repairs to the fountain in Five Points, and \$1.5 million for pre-construction work and design of Finlay Park.

The accommodations tax budget is proposed at \$1.5 million, which is a \$57,000 increase. We are seeing a significant impact from the pandemic. We have not made a determination on how funds will be allocated. State law requires a transfer of \$25,000 to the general fund, while 30% is allocated for advertising and promotion of tourism, 65% is allocated for tourism related expenditures as recommended by the Accommodations Tax Advisory Committee, and 5% is allocated for general purposes, which has been historically used to fund Together We Can Read and One Columbia. The ARP funds are included in the proposed budget and guidance from the Department of Treasury is now available and under review.

Council opened the Budget Public Hearing at 2:44 p.m.

Ms. Della Watkins, Executive Director / Columbia Museum of Art appealed to Council for support. We celebrated our 70th anniversary as the City of Columbia's fine arts institution. While considering the challenges and fiscal reality, we respectfully request full support during this budget cycle. The CMA is a city owned and supported facility energizing Main Street and the entire city. We have a special relationship as you also appoint members to our commission. In 2017, the City of Columbia made a 5-year, \$1 million commitment to our capital campaign. The City fulfilled its pledges through fiscal year 2020, but paused the investment during the current budget year. We urge the Council to make a final payment of \$300,000 to finish that pledge. In addition, the CMA requests full restoration of our grant funding for the facilities operations and tourism marketing in support of at least \$700,000. Despite the challenges posed by COVID-19, your museum has been resilient. Our collections, exhibitions, and programs are safe, open and very active. Last year, the Van Gogh exhibition was the largest in the museum's history. Our visitation continues to grow steadily. Our school children are active online and will return to the



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museum soon. I have contracted a premiere show of contemporary African American art and a major show of Rodin bronze sculptures in the spring. I promise that our museum will be inspiring, welcoming to all, and a great vibrant place to be.

Council closed the Budget Public Hearing at 2:47 p.m.

2. Ordinance No.: 2021-022 To Raise Revenue and Adopt the Budget for the City of Columbia, South Carolina, for the Fiscal Year ending June 30, 2022 – *Approved on first reading.*

Upon a motion made by Mr. Duvall and seconded by Ms. Devine, Council voted unanimously to give first reading approval to Ordinance No.: 2021-022 To Raise Revenue and Adopt the Budget for the City of Columbia, South Carolina, for the Fiscal Year ending June 30, 2022.

3. Ordinance No.: 2021-041 Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-149 Sewer service rates (a) and (b) – *Approved on first reading.*

Councilor Davis expressed angst about the rate increase. I may support it but I would like to see us revisit this or pay more attention to the actual impact of the increase on residents. This has not been a good year as a result of the increases in water and sewer. We must be mindful of this. There are people out there who are not as comfortable as we are.

Councilor Duvall said nobody ever wants to raise rates. It is a modest increase at 5.02%. It is 2.5% over two years. We did not raise rates last year. We have found from Robert's yearly presentation that if we don't have a modest increase almost every year, we will have a larger increase in the future. The average use of 6,000 gallons per month is a \$1 increase. Residents get the first 2,100 gallons with the basic rate. I urge Council to make this increase.

Mayor Benjamin said when you make investments in infrastructure, you are not making investments towards 2021, you are making them towards posterity. The thoughtful and strategic investments we've made over the last decade will inure the long-term health and benefit of our citizens. The work done by staff and our consultant helps us get to a point where we can make the right amount of investment in our water and sewer while keeping the rate increases very low. We do need to keep our eyes on affordability. These are investments during a period when interest rates are historically low.



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Councilor McDowell recalled voting no for a rate increase, then I realized over the years that the increase represented infrastructure, tools, and needs within the water system.

Upon a motion made by Mr. McDowell and seconded by Mr. Duvall, Council voted five (5) to two (2) to give first reading approval to Ordinance No.: 2021-041 Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-149 Sewer service rates (a) and (b). Mr. Brennan, Mr. McDowell, Mr. Duvall, Ms. Devine, and Mayor Benjamin voted aye. Mr. Rickenmann and Mr. Davis voted nay.

4. Ordinance No.: 2021-042 Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-144 Special water service fees – *Approved on first reading.*

Upon a motion made by Mr. Duvall and seconded by Mayor Benjamin, Council voted six (6) to one (1) to give first reading approval to Ordinance No.: 2021-042 Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-144 Special water service fees. Mr. Brennan, Mr. McDowell, Mr. Duvall, Ms. Devine, Mr. Davis and Mayor Benjamin voted aye. Mr. Rickenmann voted nay.

Councilor Davis said I spend a lot of time driving through areas. I am encouraging us to look at the amount of water flowing down streets and the impact that has on asphalt. I'd like to see us have the best streets this side of the Mississippi. I hope we can minimize the complaints we get about the roads. What do you observe when you down these streets? We have to show more progress in that area. People are gratified when we fix the problems, but there are so many.

Councilor Duvall reminded his colleagues that the special water service fees allowed us to get the largest water user ever on our system and the increased revenue from that client allowed us to have the 5.02% increase. If not, the rate increase would have doubled. The increased revenue from this special fee we adopted allowed our system to afford \$120 million worth of capital improvements during the coming year.

Councilor Rickenmann said the special water service fee is about increased fees for delinquencies and reconnection fees.



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Mayor Benjamin said when you make historic investments in your infrastructure, there will be some disruptions to quality of life. I don't want it to fall on deaf ears that our staff is working hard to be responsive and to deliver on the promise of real and legitimate infrastructure that meets the sustainability commitments that we have made.

Councilor Devine said in order to continue to improve, we have to make the investments. I can agree with Mr. Davis to a certain extent. It is frustrating as we continue to talk with folks about the investments we are making but we still get calls about not being able to get a response or having an exorbitant water bill and not getting a resolution until they contact one of us. Things have gotten a lot better, but responses have slowed down during COVID. As we continue to make improvements and as we return to some semblance of normalcy, let's continue to be responsive to customers and make sure they understand the problems that may come up.

Ms. Teresa Wilson, City Manager said customer care all across the city is my primary goal and that our service delivery meets the highest of expectations and be what our citizens deserve. With Tiffany is such an experienced professional with customer care and that is going a long way. The other issue that we are working through is the amount of work out there to be done. I heard all of you emphasize the need to mobilize small local contractors who are capable of doing this work. You will see on your next agenda some additional funds that we have reallocated to moving these projects forward. It will also boost the economy. Mr. Davis, I hear you loud and clear. We are doing great things, but we always have to push to do better and remember the people that we serve and affordability issues. The bulk rate was captured in the previous item and the expansion fee is the next item you will take up. Those are economic drivers for us and it is a balance that we have to strike. Your combined directives and guidance doesn't fall on deaf ears. We don't take the small rate increases lightly and we will make sure the upgrades continue.

5. Ordinance No.: 2021-043 Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-152 Sewer plant expansion fee – *Approved on first reading.*

Upon a motion made by Mr. McDowell and seconded by Mayor Benjamin, Council voted six (6) to one (1) to give first reading approval to Ordinance No.: 2021-043 Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-152 Sewer plant expansion fee. Mr. Brennan, Mr. McDowell Mr. Duvall, Ms. Devine, Mr. Davis and Mayor Benjamin voted aye. Mr. Rickenmann voted nay.



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ORDINANCE - FIRST READING

6. Ordinance No.: 2021-045 Consenting to the Inclusion of Property in a Multi-County Industrial/Business Park (Project Catawba, 919 Catawba Avenue, 318 Lincoln Street and 312 Lincoln Street, Richland County TMS # 08914-08-02; 08914-08-07; 08914-08-09) – *Approved on first reading.*

Councilor Duvall asked if this is the same ordinance number we had before for Project Catawba.

Ms. Erika D. Moore Hammond, City Clerk said no sir.

Councilor Devine said there has been a lot of commitments made by the developer but several of the commitments are vague. Are we going to require those commitments to be flushed out before second reading? How are we going to make sure those commitments actually get fulfilled? Will there be an enforceable memorandum of understanding?

Councilor Davis said I would be comfortable with first reading and coming up with a timeframe for further clarification. There are efforts to meet our requirements. I am attracted by the relationship with that neighborhood; they seem to be on the same page.

Councilor Rickenmann said it was stated that \$1 million in revenue is coming to the county. We need to make sure that staff vets that before second reading and provide us with verification. We are taking a fee in lieu. This is not an economic development deal. This is clearly a one-off project because the taxes in Richland County are too high to do it without it. Why can't we get a better split with the county? The City bears all of the service costs. This is a good opportunity for the City to take a portion of that money and invest it in affordable housing.

Mayor Benjamin said as it relates to the characterization of this not being an economic development deal, I couldn't disagree more. The property taxes go up precipitously because of our ability to help create the environment for investment. I agree that when dealing with fees in lieu of taxes, we should seek every opportunity to get more involvement from the county; we should always seek that. Whatever we can do legally, let's articulate that. Let's deliver on those things that can be delivered on before second reading. We are not going to hold up second reading in perpetuity to get this done.

Councilor Duvall reminded Council of President Caslen's letter regarding safety concerns that USC has with this project. We need to look at requiring safety considerations for students living in that development.



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Councilor Devine said I forwarded Dr. Caslen's letter to Dinerstein and I am waiting for that response. There are still some things being worked out. I am supportive of trying to work things out with the developer. Although this is not proposed as student housing, that was a concern of mine. The developer has made significant progress over the past week to address concerns like the wetlands, infrastructure, safety, and traffic. The affordable housing piece has been addressed. Some will say that it is not enough but it is more than a lot of developers do. We have to ask for it and make sure they are helping us meet our affordable housing needs. The developer has checked all of the boxes, received the county's support, and met with and addressed a lot of the neighborhood's concerns. This is the kind of person we want doing development in our City. I want us to address this Council's desire to continue to work on projects like this for student housing. Do we want to change our criteria to include money for affordable housing and whether we want multi-family instead of student housing? If we are not doing student housing going forward, we need to let developers know that upfront. I am supportive of this on first reading. There are other things that we need commitments on before second reading.

Councilor Rickenmann said it would be helpful if we gather all of the things we need to look at. It needs to be put together and our staff needs to affirm the numbers to ensure that the projections are in line with what is being presented. This is a much project than when it first came to us. It can be better. We do need better criteria and we need to pre-negotiate with the County for a better split on the fee in lieu.

Ms. Teresa Wilson, City Manager asked if any of the clarifying points need to be a part of the motion.

Mayor Benjamin said a firm letter and commitment from the developer should be incorporated by second reading. Other clarifying documents or extraneous conversations should be summarized into one document as requested by Mr. Rickenmann. Let's look at a different split on the FILOT, but I wouldn't make that a condition.

Upon a motion made by Mr. Davis and seconded by Mr. McDowell, Council voted six (6) to one (1) to give first reading approval to Ordinance No.: 2021-045 Consenting to the Inclusion of Property in a Multi-County Industrial/Business Park (Project Catawba, 919 Catawba Avenue, 318 Lincoln Street and 312 Lincoln Street, Richland County TMS # 08914-08-02; 08914-08-07; 08914-08-09). Mr. Rickenmann, Mr. McDowell, Mr. Duvall, Ms. Devine, Mr. Davis and Mayor Benjamin voted aye. Mr. Brennan voted nay.



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CITY COUNCIL COMMITTEE REFERRALS / REPORTS

Upon a motion made by Mr. Davis and seconded by Mr. Brennan, Council voted unanimously to assign a policy discussion of student housing project incentives to the Economic and Community Development Committee.

PUBLIC INPUT

Mr. Michael Bailey inquired about the vote to extend the mask ordinance.

Mayor Benjamin said we haven't discussed the ordinance yet.

Mr. Adam Beck, Vice President of Acquisitions and Development / The Dinerstein Companies said we can address everybody's issues in one concise memo and get that out to everybody soon.

Mayor Benjamin said stay engaged with our economic development people, continue listening to Council, and keep your ears to the ground with the neighborhood leaders. It will make this happen faster and make it much more successful. Thank you for your family and company wanting to invest in Columbia.

Councilor McDowell said we received a resolution for a Chief Health Officer. It has gone through the necessary processes and I would like to have it futuristically on the agenda.

Mayor Benjamin said let's have it go through the agenda review process and I would encourage you to socialize it with Council. We will take it up at the appropriate time.

Councilor Rickenmann said the rest of Council has not been notified and I don't think staff has it either. What process has it gone through?

Mayor Benjamin clarified that it is going to go through the proper process before it gets to Council.



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EXECUTIVE SESSION

Upon a motion made by Mr. Duvall and seconded by Mr. Davis, Council voted unanimously to enter into Executive Session at 3:37 p.m. for the discussion of **Item 7**.

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

COVID-19

Council adjourned the Executive Session at 4:58 p.m.

EMERGENCY ORDINANCE

8. Ordinance No.: 2021-027 An Emergency Ordinance Extending and Amending Certain Emergency - *Approved*

Mayor Benjamin said we are at a point in the evolution of the pandemic that continues to give this Council great concern but at the same time incredible hope. We are seeing a deceleration in the number of cases. Our measure has always been significant deceleration in the positivity rate below 5%. As of today, 34.6% of our residents have been vaccinated. We see a direct correlation between the local efforts led by cities and towns to institute mask ordinances and with acceptance of the vaccine. This Council is of the opinion that our efforts going forward ought to be significantly enhanced and focused on pushing up our vaccination numbers so we can get closer to the 80% range. We realize that universal and equitable access are two very different things. We are going to announce a strategy over the next few days to aggressively begin delivering the vaccine to families and households across the city. I am confident that the leadership of County Council and their administration will work closely with us in the effort to ensure that every resident of Richland County and the City of Columbia will have unfettered access to the vaccine and confidence in leadership. We are all happy that 12 to 15 year olds will now be eligible to get shots. We want an on ramp for teenagers to be able to get their vaccines as we approach Memorial Day. We are fortunate that the on ramp will give us an off ramp when the county ordinance expires on June 5th. My proposed amendment to the ordinance is to extend our mask ordinance to June 5, 2021. Unless there is an uptick in cases, I would expect fully that there will not be a renewal of this ordinance after June 5th. The rest of the ordinance extends for 61-days which means that on July 20, 2021 we will return to regular order and Council will begin meeting in public. That may be at some place other than Council Chambers.



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Councilor Rickenmann said I fully support efforts to get vaccinations door-to-door.

Upon a motion made by Mayor Benjamin and seconded by Mr. Duvall, Council voted six (6) to one (1) to approve Ordinance No.: 2021-027 An Emergency Ordinance Extending and Amending Certain Emergency as amended to extend the use of face coverings until June 5, 2021 and to extend the temporary suspension of the normal operating procedures for 61 days. Mr. Brennan, Mr. McDowell Mr. Duvall, Ms. Devine, Mr. Davis and Mayor Benjamin voted aye. Mr. Rickenmann voted nay.

EXECUTIVE SESSION

Upon a motion made by Mr. Duvall and seconded by Mr. Davis, Council voted unanimously to enter into Executive Session at 5:09 p.m. for the discussion of **Item 9**.

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

City Manager
City Attorney

ADJOURNMENT

The meeting was adjourned at 5:48 p.m.

Respectfully submitted:

Erika D. Moore Hammond, CMC
City Clerk