COLUMBIA CITY COUNCIL MEETING MINUTES
TUESDAY, JUNE 14, 2022

The Columbia City Council conducted a Work Session on Tuesday, June 14, 2022 at City Hall, 1737 Main Street, Columbia, SC. The Honorable Daniel J. Rickenmann, Mayor called the meeting to order at 3:10 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 offered the invocation.

CITY COUNCIL DISCUSSION

1. Fiscal Year 2022/2023 Budget Wrap-up - Ms. Missy Caughman, Budget, Program Management, and Grants Director

   - *Budget Highlights*
   - *Updated Projected Staffing*
   - *Questions and Answers*
   - *Remaining Topics for Discussion in July*

Ms. Teresa Wilson, City Manager said this information is going to look very familiar. We will have the opportunity for any remaining questions to be answered and a memo that you all can utilize with your constituents.

Ms. Missy Caughman, Budget, Program Management and Grants Director said the proposed operating budget is $391 million. The capital improvement program (CIP) budget is $52 million. We want to highlight various things that are included in the budget that address City Council's strategic objectives. *Economic Growth:* There were discussions regarding the restructure of economic development functions to focus on business recruitment, retention and initiatives to promote a business friendly environment. There is a restructure of the department, those services, and consolidation of existing resources. The objective highlights for *safe communities* include a competitive pay plan for police officers; upgrade of body worn cameras and other technology; roll out of upgraded citywide security cameras; and accreditation renewal for 911 Emergency Communications and the Fire Department.

Councilor Herbert said we discussed the restructuring of Economic Development in the committee. Has the full Council been updated on that? Can someone review the new structure of Economic Development for the councilmembers who are not on the committee?

Ms. Teresa Wilson, City Manager said we touched on it at one of the work sessions. The structure will focus more on a project manager, recruiter, and a real estate manager. Those will be the three full-time employees associated with economic development going forward. The thought is to see how we do based on the renewed focus on the business friendly initiatives and getting the conditions right for growth and development. Then we will entertain adding additional positions as we go into the next budget season.

Councilor McDowell asked how those positions relate to the initiatives.

Ms. Teresa Wilson, City Manager said there seems to be a focus of the committee to have a hands-on approach through a project manager with any development or businesses. The recruiter will look for those opportunities. The project manager will shepherd those opportunities through for a potential developer. The real estate focus is not only internal to the city as far as opportunities for parcels we may have. There has been a lot of talk about affordable housing and infill development. There are related entities that hold properties in Columbia. While the city is not the property owner and cannot mandate anybody to do anything, we potentially can be in a position to help facilitate development. We do not have someone who is focused on that every day and marshalling the opportunities through. It could be a win-win for us and other property owners who may be sitting on parcels. You may want to talk more with your colleagues. Mr. Taylor had a lot of input on this and the mayor has been working through some ideas with the parcels and promoting affordable housing infill.

Councilor McDowell asked if those are new city positions or on a per need basis.

Ms. Teresa Wilson, City Manager said they are new positions.

Councilor Taylor said we are not looking to add personnel over where we are today.

Councilor McDowell asked if you are using existing folks.

Ms. Teresa Wilson, City Manager said it would not necessarily be existing personnel; existing positions that will be reclassified.

Councilor McDowell asked if this is part of the current budget.

Ms. Teresa Wilson, City Manager said I presented this in your last staffing report. It shows how many FTEs were in Economic Development previously and what is proposed. It is one less position in Economic Development. Someone in Public Relations will have to be dedicated to developing the economic development collateral and different materials.

Councilor Taylor said we kept the budget the same as last year. There will be a reshuffling of positions and personnel. We are looking to relocate the office from the Truist Building into City Hall. We may not replace some folks who have left. That may fall into more of a travel budget than we had before. We are going to get the capital and we are going to tell the story.

Ms. Teresa Wilson, City Manager said I would like you all to add an executive session item that will shed more light. I don't know if we need to keep going down this path about the positions right now. The bottom line of the budget has not increased, but the positions are different. I added that to executive session but you all haven't made the amendment.

Upon a motion made by Mr. Duvall and seconded by Dr. Bussells, Council voted unanimously to amend the agenda to add an Executive Session discussion of the employment of an employee pursuant to S.C. Code §30-4-70(a)(1) - *Organizational Review*.

Ms. Missy Caughman, Budget, Program Management and Grants Director said strategic objective highlights for *organizational effectiveness* are to ensure that departments have the resources required to provide city services to operate a clean, safe, and financially sound city; commitment to the highest level of customer care; and staffing levels that are in line with providing services effectively while utilizing contractors for service delivery where appropriate. *Communications* includes the centralization of existing resources with regard to citywide marketing and our social media platforms and a focus on consistency in branding, marketing and communications. *Beautification and appearance*: Three code enforcement officers were added as new positions. They will address blight, nuisances, and neighborhood improvement sweeps. There will be one focus on residential and another on commercial. Public Works has a contract with Keep the Midlands Beautiful for community engagement projects.

Councilor Brennan asked for the contract amount.

Ms. Missy Caughman, Budget, Program Management and Grants Director said $20,000 annually.

Councilor Brennan asked if this is our approach to litter pickup.

Ms. Missy Caughman, Budget, Program Management and Grants Director said no. There are conversations about expanding these types of activities.

Councilor Brennan asked if funding for citywide litter control is buried in the Public Works budget.

Ms. Missy Caughman, Budget, Program Management and Grants Director said one of your follow-up discussions in July will be about additional allocations for supplemental projects. This budget is maintaining some of our services. These are two examples for addressing litter.

Councilor Bussells noted for the record that under the facilities management budget we talked about the need to continue to make sure our buildings look good and that they are clean and pressure washed. I would like to reflect that, as well.

Ms. Missy Caughman, Budget, Program Management and Grants Director said with our *built infrastructure*, we are doing the capital replacement program. A capital improvement program for the water system, wastewater system, storm drains and the parking system are reflected in this budget. We will discuss general capital projects in July. For a *vibrant community*, City Council reinstated the hospitality tax committee. Many of the programs and events funded through the hospitality tax committee add to the vitality of our city, bring in tourists, and help to promote the wonderful things going on throughout our community. We look forward to discussing the type of activities that you would be interested in funding through community promotions. The budget supports our entire organization. The proposed general fund budget is $164 million, which is a net increase of $9.2 million. Property taxes, business licenses, and permits account for 77% of the general fund sources of revenue. The transfers-in are budgeted at $22.9 million, which is an increase of $711,000. The transfers-in make up 14% of the total income in the general fund, which is in line with prior years. All departmental budgets have these categories of costs: personnel, supplies, services, capital, non-departmental, and transfers-out. Personnel services account for 63% of the general fund budget and 38% of that is for fringe benefits. The general fund supports the general services of the city.

Councilor Brennan requested a maintenance plan for the cleaning of our roads and litter. I see the 9.5% increase. Did we budget for more manpower committed to that? I want to make sure we have a working plan to address that.

Ms. Teresa Wilson, City Manager said Public Works is heavy with personnel and this budget encompasses the minimum wage increase. In July, we want to look at sustainable programs through American Rescue Plan Act (ARPA) funds and fund balance. There has been discussion about gateways and the litter program you suggested.

Councilor Brennan asked if we would be able to create a maintenance schedule for corridors, gateways, and major thoroughfares. We know that Garners Ferry and Rosewood are getting the attention they need from Public Works each month.

Mayor Rickenmann said we need to put back the community service portion for youthful offenders and other offenders. A lot of communities use that to help supplement litter and cleanup programs. We need to talk to judges, prosecutors, and public defenders to use this as an option for people with low offenses to help clean up our community. We have seen great progress with that in other communities. As we work with the homeless task force, we need to include that in the conversation.

Councilor Brennan said we need to educate property owners on our expectations for them to maintain their responsibilities. A public education campaign will help with the general appearance of these corridors.

Councilor Herbert said the increase in Public Works does not reflect an increase in staff; it reflects an increase in pay.

Ms. Missy Caughman, Budget, Program Management and Grants Director said right; there is not an increase in staff in the Public Works Department.

Councilor Taylor said it is technically an increase in hired staff. We were understaffed earlier in the last fiscal year. We budgeted for those replacements to be on staff plus the ten percent.

Ms. Missy Caughman, Budget, Program Management and Grants Director said a question was asked about the increase in general government and what the increases looked like the prior two years. This budget is a net increase of $3 million from fiscal year 2019/2020. The Support Services Division accounts for $2 million in increases attributed to the operations of 1401 Main, 2221 Devine Street, and reinstatement of the replacement roof program for city facilities.

Councilor Taylor asked about the net operating cost differential for 1401 Main Street.

Ms. Missy Caughman, Budget, Program Management and Grants Director said there's a $200,000 shortfall between the revenue and cost for operations. The variation from fiscal year 2019/2020 to fiscal year 2022/2023 is smaller whenever you account for a pre-pandemic budget. Of the $9.2 million increase, $7.7 million is for public safety. The general fund budget includes a $2 million allocation from ARPA but not for a specific item.

Councilor Taylor asked if ARPA funding for the Pathways Unit is included in the $7.7 million.

Ms. Missy Caughman, Budget, Program Management and Grants Director said no. That is separate. We are tracking that as part of grant activities.

Councilor Bussells said we also allocated $200,000 in grant money for fire extraction and safety equipment.

Ms. Missy Caughman, Budget, Program Management and Grants Director said the allocation to the Fire Department also included bunker gear for the firefighters and consideration of repairs to fire facilities. Those funds were proposed but not allocated. The only thing designated from ARPA for the Fire Department is for the second set of bunker gear. There was also consideration for the exhaust systems in fire stations.

Councilor McDowell asked if any of the $9 million represents salaries for the Fire Department.

Ms. Missy Caughman, Budget, Program Management and Grants Director said there are not additional adjustments in the budget.

Councilor McDowell said the conversation should be inclusive. There needs to be realistic conversations about that.

Councilor Herbert said going forward we have to consider how we look at our first responders. I was here when the Fire Department received an increase and the Police Department didn't. We need a better approach to ensure that morale is not impacted. We need a strategic approach to how we treat the areas. I would not commit to doing them at the same time because I don't know if that is possible.

Ms. Teresa Wilson, City Manager said I would encourage you to have a conversation about the non-sworn personnel in public safety. Then there are the functions of Public works employees. The cleanliness and safety of the community are also determined by other general fund departments that have sacrificed in many years when public safety departments have gotten increases. It is a hard discussion to have and to have it equitably.

Councilor McDowell said the conversation has to be inclusive and proactive and involve the other workers. That is beyond our reach right now but we cannot negate the conversation. As soon as we can start barking up that tree, it gives us the flexibility to see what our options are.

Mayor Rickenmann said we also have to remember that we haven't instituted and used the merit system. I have talked to a great portion of our employees and there is heartburn about across the board increases when people aren't equally working together. There are a lot of discussions we need to have. We can't say it's equitable because it is not. As we move forward, we need to have a true conversation and make sure we are doing the evaluations and instituting the necessary programs. We have made strides in this budget and will continue to have conversations.

Ms. Missy Caughman, Budget, Program Management and Grants Director said some of the increases in Public Works is annualizing the cost of increasing pay to $14.50. There were fuel increases and electricity increases for streetlights. There are additional costs at the Animal Shelter for the continuation of our no-kill initiative, vaccinations and preventive treatments. We added $50,000 for sidewalk grinding through contracted services. The Parks and Recreation Department shows a net reduction. We will discuss the department in July as part of the capital improvement program and improvements to park facilities. The pickle ball courts have been opened. There is improved access to the Saluda Riverwalk and Hyatt Park phase 1 improvements are complete. They will be utilizing the CityWorks work order system. Part of the increase for General Services reflects the addition of Washington Street, 2221 Devine, and the roof replacement program. The Public Relations Department's budget reflects centralization of existing resources. There will be technology improvements for customer service, service delivery and a business friendly environment.

Councilor Taylor asked for clarification on the more than $1.4 million increase associated with the expenses for operation of the recently acquired 1401 Main Street Municipal Complex and 2221 Devine. We said that 1401 was a $200,000 net increase. What does that mean for 2221 Devine?

Ms. Missy Caughman, Budget, Program Management and Grants Director said 2221 Devine is about $200,000 of the $1.4 million increase. Revenue from 1401 Main is $1 million. The Washington Street operations is about $1.2 million and revenue is about $1 million. That is a net of $200,000 in costs. Part of the $1.4 million is offset with $1 million in revenue. I will clarify that going forward. We talked several times about the capital replacement program of $9 million for general fund rolling stock to include 120 different pieces of equipment. The remainder of the discussion is regarding other parts of our operating budget and capital improvement program. The water and sewer fund is $185 million. No rate increase is included in this budget. It is a net increase of $2.4 million or 1% over the prior year. Revenue projects moderate growth in the customer base and assumes normal consumption of water. Water is the majority source of revenue for the water and sewer fund. The water and sewer fund budget is funded with water sales, sewer sales and a smaller portion for fines and interest. The operating budget for the water and sewer fund is $104 million. A large portion of the budget is for debt service related to the capital improvement program as well as the cash portion of the capital improvement program. Utilities makes up the largest portion of the operating budget. It includes the two water treatment plants, a wastewater plant, water quality and compliance, water maintenance and distribution, and wastewater maintenance and distribution. This budget includes $22.6 million in cash from the water and sewer operating budget for the capital improvement program. The storm water budget is proposed at $16 million, which is a 3% increase from the current year. It is funded with the storm water utility fee on city residents. No rate increase is included in the proposed budget this year. We are recommending suspension of the fifth year of the five-year rate adjustment plan as we evaluate our remaining needs. The operating budget is $7.8 million, which is a 5% increase over the current year. Debt service is $2.4 million on existing debt. Transfers-out is $5.7 million, which includes $5.1 million in cash towards the CIP for the storm water program. The parking fund budget is at $10.2 million for the operation of our parking system. This includes the parking decks, lots, meters, facilities, maintenance and enforcement. This budget includes the operation of two new decks at Freed Street and Sabal Street. This budget uses $1 million from fund balance towards the CIP.

Councilor Taylor said a parking fund study should be complete in September. This budget doesn't assume any rate increases anywhere.

Ms. Missy Caughman, Budget, Program Management and Grants Director said correct; the budget is flat from the current year. We have not included any ARPA funds in this year's budget. Instead, the offset to ARPA is revenue in the parking system and the additional revenue from Freed Street and Sabal Street.

Councilor Taylor asked how much was the ARPA money.

Ms. Missy Caughman, Budget, Program Management and Grants Director said ARPA money is closer to $2 million in the current year. We are projecting $2.7 million in new parking revenue. It is new revenue in the sense of collections being so low in prior years. Now we are projecting normal collections rates.

Councilor Taylor said we are seeing $2.7 million in increased parking revenue. That makes it the same because of the ARPA. It was $7.7 million last year plus $2 million from ARPA. Next year it is going to be $9.7 million from parking.

Ms. Missy Caughman, Budget, Program Management and Grants Director said the current year budget anticipates the use of $2.7 million in revenues from parking.

Mayor Rickenmann said we are not subsidizing this budget.

Councilor Taylor said our garages and meters will generate $2.7 million more in fiscal year 2022/2023 than they did in 2021/2022.

Ms. Missy Caughman, Budget, Program Management and Grants Director said collections are coming in stronger than projected in the current budget. We are not projecting to use the $2.7 million in ARPA funds. It frees those funds up in the ARPA budget. The water CIP is budgeted at $13 million with water quality at 62% and the water plants at 19%. This does not take into account the existing CIP. The wastewater program is budgeted at $27 million for the CIP, with 61% for capacity projects and 12% for rehabilitation projects. One of the large projects is the Saluda River Force Main Extension at $14 million. The storm water CIP is $11 million, which includes $5 million for Penn Branch drainage improvements and $3 million for North Tanglewood. The $1 million for parking system improvements includes replacing an elevator at the Sumter Street and Lady Street decks and exterior painting and stucco repair at $400,000 at the Taylor Street and Lady Street decks. Support Services' operating budget also includes maintenance programs for different parking garages.

Councilor Bussells asked if the parking system CIP is separate from the parking items we just discussed.

Ms. Missy Caughman, Budget, Program Management and Grants Director said this is an enterprise, but the capital budget is separate from the operating. That wraps up our enterprise funds. Special revenues include the hospitality tax budgeted at $12.7 million, which is a $2.7 million increase over the current budget. Revenue projections are coming in stronger than we originally projected. City Council already allocated $3 million of the proposed budget for the hospitality tax committee. There is a remaining $3.5 million pending City Council's allocations including the line item agencies. The transfer to the general fund remains at $3.7 million. Debt service is budgeted at $2.5 million for the existing debt schedule. The accommodations tax budget is $2.6 million. This is a significant increase over the current year's budget because revenues reflect actual collections. State law determines the expenditures. The first $25,000 is a direct transfer to the general fund. An additional 5% is general purpose, which is $131,000. Other allocations are pending City Council's consideration. The committee has $2.5 million available for allocation. Recommendations from both committees will be coming to you.

Councilor Taylor asked if the $2.5 million is restricted by state statute.

Ms. Missy Caughman, Budget, Program Management and Grants Director said the 95% is: 65% is dedicated for tourism related activities and marketing and 30% is related to the Convention Center and other marketing as well. They are both related to tourism and marketing.

Councilor Taylor requested copies of those statutes. We owe it to the taxpayers to look at the full range of what we can do before we bump it back up to $2.5 million. When I hear about marketing programs for appearance and pride in the community, I would like to see if this opens the door for us to do any of those type things. I would like to see if we have flexibility in what we can do.

Ms. Missy Caughman, Budget, Program Management and Grants Director said both the accommodations tax and hospitality tax did a grant program about 15 years ago. When the hospitality tax program took off, the organizations in the accommodations tax were shifted to the hospitality tax. City Council decided to allocate the tourism dollars to the Conventions and Visitors Bureau/Experience Columbia at 85% and 15% to Lake Murray with the expectation that the two groups would help promote the events of the hospitality tax. One of the requirements of the accommodations tax is that a committee has to make the allocations and it comes back to City Council for consideration.

Mayor Rickenmann said it is a recommendation; we don't have to act on it at that time. We should take it as information as we learn more about the flexibility we have and those recruitment tools would be a good investment.

Ms. Missy Caughman, Budget, Program Management and Grants Director said the hospitality tax and accommodations tax committees will bring their recommendations for fiscal year 2022/2023 allocations to Council on June 21, 2022.

Councilor Taylor said we haven't given the accommodations tax committee a number. I would hate for that to get out of the gate before we have a chance to look at our options.

Ms. Missy Caughman, Budget, Program Management and Grants Director said they met, but they also understand that the remaining 95% is available until City Council decides on additional allocations. State law has a distinct amount to be recommended for allocation.

Councilor Taylor asked if Council could provide guidance.

Ms. Missy Caughman, Budget, Program Management and Grants Director said yes; in prior years, City Council provided guidance that 85% goes to one organization and 15% to another.

Councilor Taylor said we might want to suspend that process until we get a chance to review it. We might come back with guidance on how they consider the allocation.

Councilor Herbert said out of courtesy for their time and effort, we should let them know that we are considering other options. I don't know what the timeline is. I am assuming that we won't do something different. Let them know that there may be other directives.

Ms. Teresa Wilson, City Manager said the recommendations are on the draft agenda. On July 26, 2022, you were going to take up the remaining funds you have to distribute.

Ms. Missy Caughman, Budget, Program Management and Grants Director said the accommodations tax committee is aware that City Council may make additional allocations aside from what is recommended by the committee.

Ms. Teresa Wilson, City Manager said the committees have already met. They are bringing the recommendations on Tuesday and that's when you all would give additional input or guidance.

Councilor Taylor said I don't agree with that. We discussed a budget number to give to the hospitality tax committee but we never did that for the accommodations tax.

Ms. Missy Caughman, Budget, Program Management and Grants Director said the accommodations tax committee wasn't given guidance about how much to allocate or whether or not to fund the two groups or other groups. They heard from other applicants this year.

Councilor Taylor asked Attorney Knox to send the statutes to City Council.

Councilor Bussells asked if the accommodations tax committee receives a document detailing their role or what they are expected to do. Was the 85%/15% communicated in writing?

Ms. Missy Caughman, Budget, Program Management and Grants Director said they are familiar with state law and prior guidance from City Council. They meet to hear from the applicants and then they make recommendations. City Council can accept or adjust those recommendations. The split has been communicated in writing, but we did not give the committee that specific instruction for this fiscal year.

Ms. Teresa Wilson, City Manager asked if Council wanted to move forward with both items on the agenda for Tuesday.

Councilor Herbert said I want to make sure that all of Council understands that Ms. Caughman said that we could go with the recommendations or reduce the recommendations.

Ms. Missy Caughman, Budget, Program Management and Grants Director said Council has done that in prior years. The change is usually to the apportionment of how much goes to the organizations.

Ms. Teresa Wilson, City Manager said the additional allocations in previous years [from the 5%] was provided as information. You don't have to deal with those until July.

Councilor Duvall asked to discuss doing the allocations on Tuesday.

Mayor Rickenmann said I am not interested in doing allocations. I want to get the recommendations and understand what our option is. We are talking about double the amount of money from the current year. Why would we do that? We should look at hospitality and make sure we are comfortable with what we have done. I want to make sure we are spreading that money out. Are there other ways to utilize a portion of accommodations tax funding to make sure we are doing other things than giving it to the two groups? What happened with a lot of that money over the last two years? We don't have to act on it on Tuesday. We want to make sure we are using the hospitality tax to affect lots of groups and to impact the community as well.

Ms. Missy Caughman, Budget, Program Management and Grants Director said we normally receive up to 90 applications. We received 57 applications this year.

Councilor Taylor said I heard that they had to ask people multiple times to apply.

Mayor Rickenmann said I heard that they talked about holding money back for mid-year allocations.

Ms. Missy Caughman, Budget, Program Management and Grants Director said applications closed in March and the environment was different then. One Columbia is funded from the hospitality and accommodations taxes. They would be considered as a line item agency for City Council's consideration.

Ms. Teresa Wilson, City Manager asked if there are any other items that you want to come back on July 26, 2022.

Ms. Missy Caughman, Budget, Program Management and Grants Director said we will produce a budget in brief document after the July 26, 2022 meeting.

Councilor Taylor said other than the three Code Enforcement officers and the four Pathways Unit officers; no other new positions were authorized.

Upon a motion made by Mr. Duvall and seconded by Dr. Bussells, Council voted unanimously to enter into Executive Session at 4:32 p.m. for the discussion of the employment of an employee pursuant to S.C. Code §30-4-70(a)(1) - *Organizational Review*.

ADJOURNMENT

City Council adjourned the meeting at 6:15 p.m.

Respectfully submitted:

Erika D. Moore Hammond, CMC
City Clerk