Columbia City Council Budget Workshop Minutes
Tuesday, May 26, 2026

Call to Order

The Columbia City Council conducted a Budget Workshop on Tuesday, May 26, 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 1:13 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 Tyler D. Bailey, and The Honorable Sam P. Johnson. The Honorable Peter M. Brown was absent. 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. offered the invocation.

Adoption of the Agenda

Upon a motion made by Mr. Johnson and seconded by Mr. McDowell, Council voted unanimously to adopt the agenda subject to adding the receipt of legal advice relating to a pending, threatened or potential claim pursuant to S. C. Code §30-4-70(a)(2) — Washington v. City of Columbia.

City Council Discussion

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

    - General Fund Recap
        - Public Safety Priorities
    - Water & Sewer Fund
    - Storm Water Fund
    - Parking Fund

<u>Ms. Teresa Wilson</u>, City Manager noted the recent Budget Workshop discussions on public safety and city growth, and reiterated the need to model future revenues, close funding gaps, and manage costs more effectively. She said compensation remains a concern, with several key positions falling below market rates as private-sector pay has risen. She added that the City is having to secure more funding than in the past, which is why measures such as mileage increases are being proposed.

There was discussion about defining a balanced budget versus a flat budget; staying within current year numbers; departmental requests; work order progress; and the continuation of contracted work for Columbia Water.

Ms. Teresa Wilson, City Manager thanked City Council for supporting several operational improvements, including outsourcing false-alarm notifications; updating animal-control and private-property damage response protocols; and improving civilian accident response times. She also noted that these changes helped implement the step program for Police and Fire. Additionally, she acknowledged Mr. Grant's work with Municipal Court and reported that the court is now fully staffed.

Mr. William "Skip" Holbrook, Police Chief / Columbia Police Department reported that the City has annexed 37 residential and 35 commercial properties in the past 30 months, which added about 2,000 units and increased demands on Police, Fire, and Public Works. He said vertical development has helped with efficiency, but overall demand continues to rise amid retention and retirement challenges. He noted that projects like Lakeshore Apartments shifted operations in the Southeast and some neighborhoods have been disproportionately affected by crime and blight.

There was discussion about increased annexations in relation to public safety measures; the difference in response between vertical and horizontal growth; the strain on the Police Department in a continually growing city; annexations in served areas; limited Department of Housing and Urban Development (HUD) inspections; creating environments in which residents feel valued; adopting new strategies to handle increasing demands; and the reassessment of long-term public safety options.

Councilor McDowell expressed concerns about a previously discussed development at Blue Ridge Terrace and the impact on public-safety within the 350-acre area.

There was a discussion about public safety operations being positioned to manage growth and developing a template for annexation data.

Ms. Teresa Wilson, City Manager reported that the Human Resources Department is making strong progress in shaping the brand of working for a growing capital city. She stated that job descriptions and recruitment materials need refinement and that ongoing efforts aim to streamline processes and improve retention. She added that identifying employees with growth potential may reduce the need for additional positions. She highlighted the need to review compensation classifications, possibly with external assistance.

There was a discussion about streamlining the hiring and onboarding process in order to remain competitive; preparing the next generation of staff; exploration of a long-term plan before millage increases; and retreat budget discussions.

Ms. Missy Caughman, Assistant City Manager/ Strategic Initiatives & Innovation explained that balancing the budget requires not only reviewing current and potential revenues but also identifying operational efficiencies and reallocating resources where needed. She noted the City has already made several adjustments, though changing service needs continue to create new opportunities for improvement.

There was discussion about the value of human capital and the need to provide employees with the necessary tools, equipment, training, and uniquely designed positions to support their work; the timeline for new property tax revenue coming online; and continuing to provide high-quality services within a constrained budget.

Ms. Teresa Wilson, City Manager explained that the City must consider multiple strategies for funding, but the millage remains the primary recurring tool available under South Carolina law. She said other options can still be explored, but if Council chooses to adjust the millage, the budget would need to be amended quickly due to the tight timeline for issuing property tax notices in Richland and Lexington Counties.

Ms. Missy Caughman, Assistant City Manager / Strategic Initiatives & Innovation shared that special revenues will be discussed at the Budget Workshop on June 9, 2026, which is also the date of the next City Council Meeting and the Budget Public Hearing. She noted that the second and final approval of the budget is scheduled for June 16, and the new fiscal year begins on July 1. She also stated that the deadline to submit millage rate information to the counties is August 31.

There was discussion about millage increases; needed revenue sources; potential partnerships with the State; the Assessor's Office; financing options; additional fire fees; shortfalls for both County and City fire operations; Municipal Court debt service; and millage options as it relates to the Fire Department.

Councilor Herbert stated that she could not support raising themillage for projects costing between $200,000 and $600,000. She would prefer to evaluate potential budget cuts.

Ms. Missy Caughman, Assistant City Manager / Strategic Initiatives & Innovation reported that departments were reset to their current-year budget levels, resulting in the same funding for two consecutive years. She noted that most budgets are driven by personnel costs, along with capital and contractual expenses. She added that this year's primary cost increases are related to debt, Police and Fire step and merit adjustments, 911 services, and updates to internal service charges.

Ms. Teresa Wilson, City Manager stated that the budget remains balanced by keeping allocations flat while covering essential obligations. She noted that neighborhood beautification, litter control, and initial fire improvements were prioritized for their impact on public safety. She added that coordination with the County will continue and emphasized the need for a long-term plan for the Municipal Court as staff prepare for a future move to Justice Square.

There was discussion about data points from the general fund budget for Fiscal Year 2025/2026 versus 2026/2027; separate billing for county residents; the long term rationale behind the millage increase; and selling available parcels before the end of the year.

Ms. Missy Caughman, Assistant City Manager / Strategic Initiatives & Innovation shared the proposed $232 million water and sewer budget, which serves 375,000 customers and supports two water treatment plants. She noted that water sales make up 61% of revenues and sewer sales make up 35% of revenues. The proposal includes a 5% rate adjustment, which is in the final year of the five-year plan. She reported that the budget maintains the annual Capital Improvement Program but remains heavily debt-reliant. The operating budget is $127.7 million and debt service totals $61 million.

There was discussion about the average million gallons per day (MGD) processed at the treatment plants; overall water capacity; how much of the Metro Wastewater Treatement Plant remains outside city limits; adjusting service boundaries to protect capacity; offsetting utility costs for treatment plants; accessing production tax credits; generating revenue beyond the avoided-cost rate; and selling excess wattage.

Ms. Missy Caughman, Assistant City Manager / Strategic Initiatives & Innovation presented the proposed $20.5 million stormwater budget, noting that $18.6 million comes from stormwater fees paid by city residents and that revenues remain flat. Expenditures total $20.5 million, with $18.8 million for Public Works and Engineering. She reported that the system includes 538 miles of storm drains across four watersheds. A rate review is underway to assess revenues and debt capacity. Debt service is $2.9 million, which is a 16.7% increase. The capital program totals $6 million in revenues and debt capacity. She added that the largest transfer from water and sewer is the cash-funded portion of the Capital Improvement Program.

There was discussion about a potential fee increase and clarification regarding cash-funded components and interest.

Ms. Missy Caughman, Assistant City Manager for Strategic Initiatives & Innovation reported that parking fund revenues are primarily generated from parking decks and lots, with additional revenues from parking meters and parking tickets. She noted a 28% increase in revenues, which reflect a full year of the rate adjustments.The budget is allocated across operations, parking facilities, and debt service. The total proposed parking fund budget is $7.2 million with debt service at $3 million.

Mr. Henry Simons, Assistant City Manager of Operations introduced Mr. Larry Hall as the new Parking Operations Administrator. Mr. Hall brings 18 years of parking industry experience and comes to the city from Charlotte, North Carolina.

Ms. Missy Caughman, Assistant City Manager for Strategic Initiatives & Innovation noted that transfers out of the general fund for indirect costs remain at $500,000 and internal service charges are unchanged. She also presented the Capital Improvement Program, which includes $93 million for water and sewer, $32 million for drinking water system improvements and $60 million for wastewater improvements, along with $6 million for stormwater and $2.6 million for parking services, consisting of improvements for parking facilities and gate replacements. No general fund capital program is proposed for this year.

There was discussion about Environmental Protection Agency (EPA) involvement with wastewater projects; private investments and impact fees; water system rehabilitation; capital wastewater needs at treatment plants; digital signage for available parking; technology upgrades to include cameras and license plate readers; local government revenue options being pursued; and the financial impact of vacant buildings.

Executive Session

Upon a motion made by Ms. Herbert and seconded by Mr. Bailey, Council voted unanimously to enter into Executive Session at 3:30 p.m. for the discussion of **Items 2** and **3**.

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

    - 801 Blossom Street
    - 816 Greene Street

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

- *Washington v. City of Columbia*

Adjournment

The meeting was ajourned at 4:04 p.m.

Respectfully Submitted:

Erika D. Moore Hammond, MMC, CPM
City Clerk