



CITY OF COLUMBIA
WORK SESSION MINUTES
TUESDAY, JANUARY 27, 2015
CITY HALL – 1737 MAIN STREET
2nd FLOOR CONFERENCE ROOM

The Columbia City Council conducted a Work Session on Tuesday, January 27, 2015 at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 12:44 p.m. and the following members of Council were present: The Honorable Sam Davis, The Honorable Leona K. Plough, The Honorable Brian DeQuincey Newman and The Honorable Moe Baddourah. The Honorable Tameika Isaac Devine arrived at 2:03 p.m. and The Honorable Cameron A. Runyan arrived at 2:41 p.m. Also present were Ms. Teresa Wilson, City Manager and Ms. Erika D. Moore, City Clerk. This meeting was advertised in accordance with the Freedom of Information Act. *The minutes are numbered to coincide with the order of the meeting.*

Ms. Teresa Wilson, City Manager called for a point of personal privilege to recognize Ms. Pamela J. Ferst who has retired after twenty-six (26) years of service. She outlined the many capacities that Ms. Ferst served in to include Financial Secretary, Certified Municipal Clerk and Records Administrator. She said we are very grateful for Pam's service to the City of Columbia and presented Ms. Ferst with a service watch.

Mr. Chavis Jefferson and Mr. Moises Renteria, Records Technicians presented Ms. Ferst with a beautiful bouquet.

Councilor Plough added that Ms. Ferst has given more of her personal time over the years helping people with food and transportation.

FINANCIAL UPDATE

1. [November 2014 Financial Report](#) – Ms. Jan Alonso, Finance Director

Mr. Jeff Palen, Assistant City Manager for Finance and Economic Services said the expenditures for the Hospitality Tax Fund through November 2014 have been added to the report. He noted that staff did submit the Comprehensive Annual Financial Report (CAFR) and other reports on time. He reported that the General Fund may show a deficit, because revenues typically come in during the second half of the year with the payment of property taxes and business license fees. He reported that the Parking Fund revenues are ahead of last year's figures and ahead of the projected budget, because there are several new contracts and more usage. He said we look forward to a strong parking system. He reported that revenues in the Water and Sewer Fund are slightly ahead and that can be attributed to the dry summer.

Councilor Plough suggested that if you take the surplus in the Water and Sewer Fund and adjust the open encumbrances that would give us a better reflection of wise.

Mr. Jeff Palen, Assistant City Manager for Finance and Economic Services said it's tough to do that on an enterprise fund. He said they will look at the projects that have been encumbered this year along with projects that remain so that we can get a true picture of cash. He said this will lead into discussions with the rate analyst.

Councilor Plough said it looks like there is a lot of cash in the system.

Mr. Jeff Palen, Assistant City Manager for Finance and Economic Services agreed and he continued to report on the Hospitality Tax Fund, noting that we are on track with hospitality collections in order to meet the current year's budget.

Councilor Plough said there is no surplus.

Mr. Jeff Palen, Assistant City Manager for Finance and Economic Services explained that we are not generating a new surplus in the current year; if the revenues come in as anticipated and if the expenditures go out as budgeted, we will have a total fund balance in the amount of \$297,000.

Councilor Plough asked about carryover funds from the prior year.

Mr. Jeff Palen, Assistant City Manager for Finance and Economic Services said that includes everything. He continued to report on Columbia Common, noting that the budget hasn't changed. He closed the report with the Hospitality Bond proceeds.

Councilor Plough asked where the \$411,441 in expenditures for Columbia Common was funded from.

Mr. Jeff Palen, Assistant City Manager for Finance and Economic Services said over the last three years the majority of the funding came from the General Fund and the remainder came from the Water and Sewer Fund.

Councilor Plough asked for additional information on the funding sources.

CITY COUNCIL DISCUSSION / ACTION

2. [2014 Citizen Survey](#) – Ms. Melisa Caughman, Budget and Program Management Director and Ms. Michelle Kobayashi, Vice President of the National Research Center

Ms. Melisa Caughman, Budget and Program Management Director recalled that during last year they talked with City Council about moving forward with a citizen survey. She said the Ms. Kobayashi will be presenting a draft report of the findings.

Ms. Michelle Kobayashi, Vice President of the National Research Center explained that the firm is located in Boulder, Colorado and they've done research and evaluation for local governments for twenty years. She said they are very interested in bringing stakeholders into government decision making. She said they use a uniform survey for

communities across America to give governments feedback on how residents rate their communities. She explained that they measure eight (8) facets of community quality of life to include: safety, mobility, environment, quality of community, economy, recreation and wellness, education and community engagement. This was the City of Columbia's first time participating in the National Citizen Survey; surveys were mailed to 1,200 households; and 233 responses were received. She noted that the data will be broken down by Council district and demographics. She reported that 60% of residents give their quality of life an excellent or good rating; over 60% gave the community an excellent or good rating as a place to live; and two-thirds of respondents are likely to remain in Columbia five (5) years from now and would recommend Columbia as a place to live. She outlined the community characteristics rated the highest and lowest ranging from safety in neighborhood to travel by public transportation. She continued to report that the overall quality of city services ranked good by 41% with garbage collection ranking the highest and street repair ranking the lowest.

Councilor Plough asked how often other cities conduct surveys.

Ms. Michelle Kobayashi, Vice President of the National Research Center recommended that a survey be done every two (2) years along with strategic or budget planning. She reported that the community overall gets the highest ratings in education enrichment and natural environment. She concluded that the key findings were related to safety, economic health and mobility. She explained that staff included special topics related to cleanliness, information sources, funding for city programs and services, and important aspects of the city. She reported that the City of Columbia ranks similar to the national benchmarks on education and enrichment, recreation and wellness, and economy. When asked about the three most important issues facing Columbia, safety/police ranked at 48%; economic development/job growth at 44%; and government/taxes at 27%.

Councilor Baddourah asked if the 1,200 surveys were representative of the population. He requested a breakdown of the number of respondents by Council district and a copy of the survey that was mailed.

Ms. Michelle Kobayashi, Vice President of the National Research Center said yes; survey sampling has more to do with how you sample.

Councilor Plough asked how much of the data can be shared by district.

Ms. Michelle Kobayashi, Vice President of the National Research Center said the report will highlight the districts whenever there is a big difference. She urged Council not to make a big deal out of smaller margins and to beware of trends.

Mayor Benjamin said it would be helpful to see how we compare to the national average and peer cities in the southeast like Georgia and North Carolina.

Councilor Davis asked what cities in South Carolina conduct surveys.

Ms. Melisa Caughman, Budget and Program Management Director said Rock Hill and the City of Columbia.

Ms. Teresa Wilson, City Manager thanked Ms. Caughman for taking the lead on this. She said we wanted to use this as a baseline for strategic planning and other things.

Ms. Melisa Caughman, Budget and Program Management Director said a lot of things are different since the last survey was conducted in 2007. She said by conducting a survey every two (2) years we can keep the information fresh.

Councilor Davis asked if much will change between the draft findings and the final report.

Ms. Melisa Caughman, Budget and Program Management Director said the results won't change; the biggest difference will be an in-depth review and discussions with Council in terms of next steps and how we incorporate this into budgetary and priority setting; the data is final.

Councilor Plough told the City Manager and staff that she is very appreciative of the quality of this survey instrument and what it will do in terms of comparing ourselves on a national level; it will be helpful as we go forward.

3. Five Points Centennial – Ms. Amy Beth Franks, Executive Director of the Five Points Association

Ms. Amy Beth Franks, Executive Director of the Five Points Association announced that Five Points is turning 100 and 2015 will be big for them. She recalled that she presented their ideas for celebrating the centennial a few weeks ago and they have returned with an itemized list of funding items. She asked that the City of Columbia partner with the Five Points Association. She noted that the Five Points Association will contribute a large amount of money and they will work with Richland County and public and private sponsors for the year-long celebration with tourism initiatives, public safety/beautification efforts and arts and cultural awareness. She said this will be a real way for the City of Columbia to show how important Five Points is to our urban core. She noted that the items listed were included in the initial presentation. She announced that the celebration began on January 1, 2015 when the Centennial Baby was identified at Palmetto Health Baptist.

Mayor Benjamin said it's a wonderful opportunity to celebrate 100 years of Five Points and there's a possibility to split the request over two fiscal years. He told Ms. Franks that Council will consider this request along with several other hospitality requests that have been received.

4. [Process / Application for Funding Requests from External Groups and Groups Eligible for Hospitality Tax Funding](#) – Ms. Libby Gober, City Council Liaison and Ms. Melisa Caughman, Budget and Program Management Director

Ms. Libby Gober, City Council Liaison recalled that in earlier discussions, Council asked staff to establish a process for all external organizations and adhere to it. She reminded Council that the applications for Accommodations Tax and Hospitality Tax funding will be placed online next week; the applications are due March 13 and 27, 2015; a workshop will be conducted on Thursday for the Hospitality Tax application; and Dr. Hudson will discuss the study he is doing at the workshop. She recommended that all funding requests come in the form of an application and organizations that are not eligible for Accommodations Tax and Hospitality Tax funding would complete an application for Community Promotions funding. She said a deadline will be set for the funding, the requests would be presented to City Council or Council could create another committee to review all applications. She requested guidance from City Council on this.

Ms. Melisa Caughman, Budget and Program Management Director added that the Community Promotions application would not be released until funding is included in the General Fund for fiscal year 2015/2016. She noted that less than \$100,000 is available from the Accommodations Tax Fund.

Ms. Teresa Wilson, City Manager said the purpose of the memo was to determine the type of guidelines Council wanted staff to implement. She said we looked at what the surrounding governments do and Richland County stipulates that you can't receive funding in consecutive years.

Ms. Melisa Caughman, Budget and Program Management Director added that other stipulations include human service and social service type organizations. She asked that requests come from non-profit organizations within the City of Columbia.

Ms. Libby Gober, City Council Liaison reiterated that requests submitted outside of the process would also have to be in the form of an application.

Ms. Teresa Wilson, City Manager presented a list of requests that have been received to date, while noting that the requests have been submitted in various ways and that's why it's so important to have some guidance. She noted that these requests will be considered, but we need to get the information out to the public.

Mayor Benjamin made the following additions to the list of funding requests: Five Points Centennial Celebration in the amount of \$300,000; Benedict College in the amount of \$20,000, not \$15,000 as listed; and a joint application for POSSCON, ConvergeSE and Indie Grits in the amount of \$22,500 for marketing.

Councilor Baddourah said the Columbia International Festival requested \$25,000 and the Classical Ballet requested \$5,000.

Ms. Teresa Wilson, City Manager said the Girl Scouts of the Midlands is seeking capital funds, but haven't submitted a formal request.

- **Ms. Devine joined the meeting at 2:03 p.m.**

There was a review of the list of six (6) requests for funding from external organizations.

Mayor Benjamin said we have \$297,000 for the remainder of this year and we'll have more latitude in the next fiscal year.

Councilor Plough asked staff if we are spending down to zero.

Ms. Melisa Caughman, Budget and Program Management Director said for this year and the prior three years we have used \$1 million of surplus funds in the budget; next year's budget will be the revenues that are generated without a surplus. She said we will likely have a surplus at the end of this year, because we are projected to exceed the budget.

Councilor Devine said she is hesitant about spending the balance down to zero, because there may be other groups with requests that didn't know we would be entertaining requests at this point.

Councilor Davis said he'd like to see us be more conservative with the dollars coming out of the pot for capital projects; there should be more dollars to support the programmatic parts of the entity that we would fund. He said that this decreases the opportunity for new groups to be funded.

Councilor Devine said capital improvements give you the long-term ability for people to come in versus funding an event. She said the investment made at the museum will pay for itself over and over again.

Mayor Benjamin asked what his colleagues thought about a relatively small, short-term hospitality tax bond to fund capital projects in the Midlands like the Historic Columbia Foundation's gardens. He deferred to the finance team to determine if that's prudent. He said we could use the Notice of Funds Available process. He agreed that capital requests take so much out of the pot.

Councilor Devine asked that we look at how these requests align with our strategic goals.

Councilor Davis said there are meaningful local organizations that deserve the opportunity to participate in this funding. He asked staff to look at the process again and provide opportunities for more groups to come in.

Ms. Teresa Wilson, City Manager said we will provide the information where we previously analyzed the different categories of requests that were coming in and how they aligned with the strategic vision. She said many of them are small groups in the youth services category. She said we need to set the directive on the types of requests that are being funded on the front-end and that will streamline the requests as they come in.

Councilor Newman commended staff and the committee, because he has received less of those requests. He said it would be great to prioritize external projects, but we need to look at the indicators and evaluate whether or not a project is a worthy expenditure. He referenced the report that the Arts and Historic Preservation Committee is trying to get done. He said having that sort of rubric would help with these funding discussions.

Ms. Melisa Caughman, Budget and Program Management Director noted that this year's Community Promotions budget was \$75,000 and there is another \$40,000 to \$50,000 available from the Accommodations Tax Fund. She agreed to include the four strategic goals in the Community Promotions application.

Councilor Plough said about this time every year requests come our way and we are going to fund them to the degree that we have resources. She suggested that an interim round of funding be built into our process. She also suggested that additional workshops be held.

Upon a motion made by Mayor Benjamin and seconded by Ms. Plough, Council voted unanimously to authorize staff to include a reserve in the fiscal year 2015/2016 Hospitality Tax budget for a second round of funding that will be broadly noticed to organizations with the requirement for a completed application to be submitted for City Council's consideration in January 2016.

Mayor Benjamin made a motion to allocate funding as follows. Mr. Baddourah seconded the motion.

- \$20,000 Benedict College / SIAC Tournaments Conference
- \$22,500 POSSCON /ConvergeSE / Indie Grits 2015 Cross Marketing Campaign
- \$20,000 Columbia International Festival
- \$20,000 Columbia Music Festival Association
- \$5,000 Columbia Classical Ballet
- \$110,000 Five Points Association's Centennial Celebration for Fiscal Year 14/15
- \$190,000 Five Points Association's Centennial Celebration for Fiscal Year 15/16
- \$100,000 Issue a Notice of Funds Available for other groups interested in applying

Councilor Plough asked about the request from Benedict College.

Coach Willie Washington, Benedict College Athletics Director said it's a four-year possibility on the table, with the ability to pull out. He said this would be the first year. He reported that in 2004 the entire SIAC Championship came to Columbia, South Carolina and over 400 rooms were booked per night during that week. He said the economic impact of this conference will be over \$500,000.

Mayor Benjamin said in terms of stewardship, the original request from Benedict for this partnership was at \$35,000; Benedict stepped up and said they would cover \$15,000; and this is reduced accordingly.

Upon a motion made by Mayor Benjamin and seconded by Mr. Baddourah, Council voted unanimously to approve funding allocations for the following organizations from the remaining fiscal year 2014/2015 Hospitality Fund Balance.

- \$20,000 Benedict College / SIAC Tournaments Conference
- \$22,500 POSSCON /ConvergeSE / Indie Grits 2015 Cross Marketing Campaign
- \$20,000 Columbia International Festival
- \$20,000 Columbia Music Festival Association
- \$5,000 Columbia Classical Ballet
- \$110,000 Five Points Association's Centennial Celebration for Fiscal Year 14/15
- \$190,000 Five Points Association's Centennial Celebration for Fiscal Year 15/16
- \$100,000 Issue a Notice of Funds Available for other groups interested in applying

Mayor Benjamin made a motion to task staff with bringing back a list of capital funding requests along with a potential plan for funding the capital projects outside of the current process. He said it could be a hospitality tax bond for the arts; we could be talking about a financial relationship with the bank that has no prepayment or bond defeasance responsibilities. He said the capital projects before us have merit and there are other outstanding requests that would also fall into this category. He said let's get them all before us and see if there is way to do something creative. This gives us a chance to take several significant requests off the table in a meaningful way. He asked staff to come back with recommendations.

Mr. Davis seconded the motion.

Councilor Plaugh asked if that includes any of the City's parks where we have significant capital needs.

Mayor Benjamin agreed that we should look at all parks.

Councilor Baddourah asked that organizations not double dip from the different funding sources. He suggested that we develop criteria for capital funding, noting that remodeling an office is not a capital need.

Mayor Benjamin suggested that Mr. John Whitehead, Chair of the Hospitality Tax Advisory Committee be involved in the process for establishing the criteria.

Councilor Plough expressed concerns about continuing to look at debt as an answer to our funding issues; it may or may not be a legitimate way to deal with some of our needs.

Upon a motion made by Mayor Benjamin and seconded by Mr. Davis, Council voted unanimously to task staff with bringing back a list of capital funding requests along with a potential plan for funding the capital projects outside of the current process. Mr. Baddourah was not present for the vote.

Ms. Melisa Caughman, Budget and Program Management Director asked if the requests submitted in response to the Notice of Funds Available would come back to Council or a committee for consideration.

There was a consensus of Council for a committee to review the external funding requests submitted in response to the Notice of Funds Available.

Upon a motion made by Mayor Benjamin and seconded by Mr. Newman, Council voted unanimously to approve the following staff recommendations regarding the process for receiving requests for funding from external organizations. Mr. Davis and Mr. Baddourah were not present for the vote.

- I. Requests must come in the form of an application, no letters or email requests will be considered. Any organization that has submitted a letter or email to request funding will need to submit the appropriate application. *(This will also apply to Hospitality Tax & Accommodations Tax requests.)*
 - II. Programs and projects being requested for funding must occur within City of Columbia city limits.
 - III. Only non-profit or charitable organizations are eligible to submit applications.
 - IV. Applications are for projects and programs that occur between July 1, 2015 and June 30, 2016.
 - V. The application for the Community Promotions will be based upon funding being included in the final approved budget.
- **Mr. Runyan joined the meeting at 2:41 p.m.**
 - **Council recessed at 2:42 p.m.**
 - **Council reconvened at 2:52 p.m. Mr. Newman was not present at this time.**

5. [Parking System Master Plan Recommendations](#) – Mr. John Spade, Director of Parking Services and Mr. Peter Flotz, P.E., AICP, Principal for the Lansing Melbourne Group, LLC

Mr. Peter Flotz, P.E., AICP, Principal for the Lansing Melbourne Group, LLC recalled that they prepared the first parking master plan for the City of Columbia in 2001. During 2004 to 2005 the firm conducted financial studies to help the City with expanding the system, which resulted in the three (3) new garages. Additional studies were conducted in 2005 to 2006 and the City helped USC with two new parking garages. During 2006 to 2008 the firm conducted check-ups and were asked to come back in 2013 for an update. He said that the parking system should be customer oriented and seen as an essential part of the community's economic development strategy. He presented a financial performance graph for the parking system from 2002 to 2014. He said that the system is performing very well and the City's Chief Financial Officer has worked with the City's Financial Advisor to refinance a portion of the bonds to capture a lower interest rate. He noted that the current model for operations and facilities is working well. He said they are considering nighttime and weekend enforcement.

Councilor Devine asked if the meters would be enforced during nights and weekends.

Mr. Peter Flotz, P.E., AICP, Principal for Lansing Melbourne Group, LLC said yes; it started with Five Points requesting that. He added that the meters are there to ensure that spaces are available for customers; if we don't get that turnover, then the customer has nowhere to go. He said there are also issues with cars being left overnight. He continued to report that Parking Services is undergoing a staffing pilot program by using temp agencies to add staff for special events.

- **Mr. Newman returned to the meeting at 3:01 p.m.**

Mr. Peter Flotz, P.E., AICP, Principal for Lansing Melbourne Group, LLC reported that cleaning and maintaining the garages is a weak link, but changes are being made. He said the report will include recommendations to add a full-time marketing position for Parking Services and the development of a prototype for Parking Services to begin managing private lots. He said they were asked to look at privatization and he recommended that the City look at control issues, pricing, economic development and other issues. He suggested that the City outsource staffing and specific cleaning and maintenance tasks, but control and economic development need to remain in the City's hands. A rate survey was conducted among the City of Columbia, Savannah, Greenville, Raleigh and Richmond. He recommended that the City charge significantly more for reserved spaces in the garages and implement dynamic pricing for meters in an effort to manage the demand in places where it's the highest and attract demand in places where it's the lowest. He said the focus will be on a customer centric model with the rollout of pay by phone; by reinvesting reserve funds to maintain safe and clean garages; add a marketing position to work with strategic partners to build a parking brand; third party management; and flexible staffing to support the events outlined on a sample schedule. He outlined numerous opportunities for partnerships and growth.

Councilor Plough asked about air rights in City garages.

Mr. Peter Flotz, P.E., AICP, Principal for Lansing Melbourne Group, LLC said they are aware of that and a baseline will be provided in the report. He presented photos of the improvements made in the Lady Street and Sumter Street garages. He recommended that the City have enough revenue to maintain the garages. In closing, he asked for input on how to use the flat surfaces in the garages.

Councilor Plough asked if the walls could serve a combination of purposes.

Mr. Peter Flotz, P.E., AICP, Principal for Lansing Melbourne Group, LLC said yes; the columns can be used to market a business; there can be art displays in the elevator lobby; there is a balance between them; and this is where you can make those kind of decisions.

Councilor Baddourah asked where we are with a garage in Five Points.

Mr. Peter Flotz, P.E., AICP, Principal for Lansing Melbourne Group, LLC said if you want economic development to happen in Five Points you have to lead by investing in a garage. He said there's a need to change the character of the tenant mix in Five Points. He said if we can consolidate some of the parking, create an air rights opportunity on top of that parking, then the likely user would be market rate housing. He said it would be great to get a non-student housing project anchored in Five Points. He said they will be conducting market studies to determine if they are correct. He said that Five Points isn't completely out of parking, but there are operational and late night issues.

Ms. Melissa Gentry, P.E., Assistant City Manager for Operations added that we are not looking at a standalone garage for Five Points.

Councilor Baddourah asked when the night and weekend enforcement will be implemented in Five Points.

Mr. Peter Flotz, P.E., AICP, Principal for Lansing Melbourne Group, LLC said as soon as possible.

Ms. Melissa Gentry, P.E., Assistant City Manager for Operations said this is needed on Main Street also.

Councilor Davis said he received calls about towing; why do we tow vehicles.

Ms. Teresa Wilson, City Manager said we aren't towing for meter violations.

Ms. Melissa Gentry, P.E., Assistant City Manager for Operations said we tow on Saturday mornings in the 1400 and 1500 blocks of Main Street. She said there is signage that clearly identifies this.

Councilor Baddourah asked that the plans be communicated with the Five Points' merchants.

Mr. Peter Flotz, P.E., AICP, Principal for Lansing Melbourne Group, LLC said we want the parking system to be inclusive with the business community; we do this to create turnover so that they can be successful; and we should start this as soon as we can with an effective communications program.

EXECUTIVE SESSION

Upon a motion made by Mr. Davis and seconded by Mr. Runyan, Council voted unanimously to enter into Executive Session at 3:29 p.m. for the discussion of **Items 6 and 7**. Ms. Devine was not present for the vote.

6. Receipt of legal advice which relates to a matter covered by attorney-client privilege – *This item was discussed in Executive Session. No action was taken.*
7. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.*

Upon a motion made by Mr. Davis and seconded by Mr. Runyan, Council voted unanimously to adjourn the Executive Session at 4:38 p.m.

FISCAL YEAR 2015/2016 PRIORITY PLANNING & GOALS

7. [Water and Sewer System Update](#) – Mr. Joey Jaco, P.E., Director of Utilities and Engineering
 - Overview of Proposed Ordinance Changes ([Ordinance No.: 2015-013 \(Revised\)](#) – *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. 23-148 Sewer tapping fees and Sec. 23-152 Sewer plant expansion fee*)

Mr. Joey Jaco, P.E., Director of Utilities and Engineering explained that the recommended ordinance change addresses the current allocation for the equivalent residential unit (ERU) that has been reduced from 400 to 300 gallons per day. This means that when we add a residential unit to our system, we are adding 300 gallons per day worth of capacity to our system leaving an additional 100 gallons per day in our capacity; we are adding less to our system and it helps our overall checkbook at the wastewater plant. When we do calculations for expansion fees DHEC has agreed that we can use 75% of what they have recommended in their regulations. He said in the past if an expansion fee came out to 1.2 taps, we charge for two taps. This ordinance change allows us to charge for 1.2 taps rather than rounding it up to two. He explained that when the ordinance was changed in 2007 we didn't increase the expansion fees at one time. Beginning January 1, 2008 the tap fee went to \$2,640.

Councilor Plough asked about the financial impact.

Mr. Joey Jaco, P.E., Director of Utilities and Engineering said there will be an impact to our expansion fees, but it is going to be minimal.

Councilor Plough inquired about the reduction in the ERUs.

Mr. Joey Jaco, P.E., Director of Utilities and Engineering explained that it is a reduction in allocation to our system; we are reducing the DHEC recommended values to .75.

Mayor Benjamin asked if there is a potential fiscal impact.

Mr. Joey Jaco, P.E., Director of Utilities and Engineering said it's nominal; it's very business friendly. He clarified that DHEC wrote us a letter stating that we are okay to go to 300 gallons per day; other utilities are doing this as well; and it leaves room for growth in the future.

Councilor Plough said it is strange to be making this adjustment while we are in the middle of a rate study as opposed to looking at it in its entirety.

Mr. Joey Jaco, P.E., Director of Utilities and Engineering explained that these recommendations were made a year ago when we were looking at mega users. He said the attempt is to lower the allocation on our treatment plant and become more business friendly to our smaller customers.

Councilor Davis said the public needs to know that this is a regulatory requirement that we are ahead of and there's no dollar impact.

Ms. Teresa Wilson, City Manager said Council received a letter of endorsement from the Homebuilders Association in support of this.

Councilor Baddourah asked if this will affect the student housing projects that are already receiving tax credits.

Mr. Joey Jaco, P.E., Director of Utilities and Engineering said this will not change any of that. He explained that we look at 100 gallons per day per bed and this will not have a negative impact on fees.

- [Clean Water 2020](#)

Mr. Joey Jaco, P.E., Director of Utilities and Engineering provided an update on the Consent Decree. He noted that all of the early action projects have been completed; the Sewer Mapping Program has been submitted and approved; we have begun working on the Maintenance Management Plan, the Satellite Sewer Agreement template, the Transmission System Operations and Maintenance Program, and the Continuing Sewer Assessment Program which are all due in May and June 2015. He added that the Financial Analysis Program is due in November 2015. He explained that the Industrial

Pretreatment Program will require an ordinance change and we are working with a consultant to analyze our system discharges and guidelines. He reported that under the Clean Water 2020 Program we have completed our pump station assessment; the sewer mapping program is being implemented; and Cityworks improvements have been made. He reported on the staff improvements to include the apprenticeship programs that are offered and the many employees who have passed voluntary exams. He presented a performance graph that demonstrated improved operations. He outlined the major accomplishments in the water system to include the Wales Garden Tank winning a recognition in the National Tank Contest; water works pumped 21.1 billion gallons of water to its customers in fiscal year 2013/2014; and the City placed second in the SC Best Tasting Water Competition. He outlined several of the water system projects that have been completed; projects that are underway; and community outreach efforts. He explained that we have capacity limited areas in our collection system and projects will have to be completed before we can accept new developments. He said the Crane Creek Basin project will be complete by September and it will help with this. He noted that the Burnside area is no longer limited due to the completion of the large gravity sewer line. He noted that these are not small projects; we must have the ability to do these projects and the time to complete them. He presented maps of the capacity limited areas. He noted that the project design for the Lake Katherine area is nearly complete and it will be in next year's capital improvement plan. He explained that the hydraulic model will predict future capacity limited areas and we will need an aggressive plan for the development, funding and construction of projects. He presented a map indicating a five year projection for capacity limited areas. He said there are some projects in the year one and year two CIP to address these areas. He insisted that we need to complete these projects to prevent these areas from going into capacity limited areas where we will not be able to add larger developments. He presented a map of recent major wastewater CIP efforts that have been completed or are underway. He noted that the completed projects have prevented the global capacity limitations we could have faced. He provided an illustration of wastewater and water CIP financial needs through fiscal year 2019/2020 and agreed to discuss this more in-depth at a future meeting.

- Customer Audit

Mr. Joey Jaco, P.E., Director of Utilities and Engineering explained that URM is the contractor working on the customer audit and the intent is to evaluate our customer database. To date they've looked at 17,000 accounts; flagged 1,471 accounts; verified 441 accounts in the field; and we project having \$1.95 million in additional revenue.

Councilor Davis asked if customers will be notified of discrepancies.

Mr. Joey Jaco, P.E., Director of Utilities and Engineering said letters were sent for every account that was updated and phone calls were made in some instances.

- [Rate Study](#)

Mr. Clint Shealy, Project Manager for Black & Veatch said they are looking at the revenue that is needed to balance the capital investment. He reported that on February 17, 2015 Council will be presented with a 5-year financial forecast and cost of service results and in March 2015 Council will be presented with the rate recommendations and the structure. He outlined the issues that are being considered such as achieving financial stability for the water and wastewater utilities; the cost of service; a new large/mega user rate classification; a potential rate increase; efficiencies; and adjustments to wholesale rates. He presented a comparison of the City's rates to Charleston, Greenville and Rock Hill for a combined water and wastewater bill. He noted there is room for reasonable growth while remaining competitive within the region.

Councilor Plough said per capita income must be compared for the areas, because affordability is also an issue.

Mr. Clint Shealy, Project Manager for Black & Veatch agreed that affordability is a concern and the true cost of service will be discussed.

Councilor Baddourah said we are competing with Lexington, West Columbia and Cayce.

Mr. Clint Shealy, Black & Veatch said they will look closer within the region to include smaller utilities. He explained that mega/large users would be those that use 500 gallons or more per day and that won't have a tremendous impact on existing customers, but it might have an impact on drawing a large industrial base. He said the City has multiple wholesale contracts and the rates need to be looked at. He noted that there are potential revenue gains.

Ms. Teresa Wilson, City Manager said we will continue these discussions on February 10 and 17, 2015 and Council will be asked to make some decisions in March 2015.

EXECUTIVE SESSION

Upon a motion made by Mr. Runyan and seconded by Ms. Devine, Council voted unanimously to enter into Executive Session at 5:28 p.m. Mr. Baddourah was not present for the vote.

8. Receipt of legal advice which relates to a matter covered by attorney-client privilege – *This item was discussed in Executive Session. No action was taken.*
9. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.*
10. Discussion of negotiations incident to the proposed purchase of property – *This item was discussed in Executive Session. No action was taken.*

Respectfully submitted by:

Erika D. Moore
City Clerk