

**CITY OF COLUMBIA
BUDGET WORKSHOP MINUTES
MAY 23, 2007 - 9:00 AM
EAU CLAIRE PRINT BUILDING
3901 ENSOR AVENUE**



The City of Columbia City Council held a Budget Workshop on Wednesday, May 23, 2007 at the Eau Claire Print Building, 3901 Ensor Avenue, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 9:12 a.m. The following members of Council were present. The Honorable E. W. Cromartie, II, The Honorable Anne M. Sinclair, The Honorable Tameika Isaac Devine and The Honorable Kirkman Finlay III. The Honorable Sam Davis and The Honorable Daniel J. Rickenmann were absent. Also present were Mr. Charles P. Austin, Sr., City Manager and Ms. Erika D. Salley, City Clerk.

CITY COUNCIL DISCUSSION / ACTION

**Upon motion by Mr. Cromartie, seconded by Mr. Finlay, Council voted unanimously to amend the Workshop Agenda by adding the *Discussion of the Employment of an Employee* to Executive Session.

1. Animal Services Resolution – Mr. S. Allison Baker, Assistant City Manager for Public Services

Mr. S. Allison Baker, Assistant City Manager for Public Services, explained that they have worked with Richland County to develop a contract for the construction of an addition and an operating agreement in which the City would be responsible for the care of their animals once the facility is built. He recommended that the Council approve a Resolution that has been adopted by Richland County Council. Mr. Baker noted that City staff and some City Council members are in agreement with the terms of the agreement.

Councilor Sinclair added that the agreement is the beginning of the formal process and that there will ultimately be a more formal contract. She explained that the Resolution would set the ground rules for the City and County Animal Services Divisions and Legal Departments to work through it and finalize the details. She encouraged open discussions with everybody in the room to avoid volleying agreements back and forth and misunderstandings. The next step should be for those responsible for implementing the agreement, to get together and think through it.

Upon motion by Ms. Sinclair, seconded by Mayor Coble, Council voted unanimously to approve Resolution No.: R-2007 – 027.

2. Citizen Survey Results – Dr. Robert Oldendick, Director of Survey Research / Institute for Public Service Policy Research University of South Carolina

Dr. Robert Oldendick, Director of Survey Research / Institute for Public Service Policy Research / University of South Carolina, presented the results of the Citizen Survey conducted from March 26, 2007 through May 1, 2007. The survey is a representative sample of the citizens of Columbia and the potential for error is +/- 4.9%. Those being surveyed were asked to rate their responses on a scale of 1 to 10 or 1 to 5, with 1 being the low for negative impressions and ten or five being high for a positive impression. When asked to rate Columbia as a place to work and live responses were high for being a good place to raise a family, overall quality of life and recreational opportunities and low for being safe and secure and transportation.

Councilor Finlay asked what the percentages would look like compared to other cities of similar size. He wanted to access the value of the data.

Dr. Robert Oldendick said that there wasn't a standard mechanism for comparison. He explained that the data could be analyzed in comparison with the other aspects or by setting a standard prior to conducting the survey.

Councilor Devine stated that 7 should be considered marginal and that any rating below that should be a cause for concern. She said that the survey should be viewed as a tool for budgeting as well as knowing our citizens' perceptions are as to the quality of services being provided.

Councilor Finlay stated that the areas that are viewed as sub par by citizens are not being funded at the rate of inflation. He said that the survey results should be applied to the budgeting process.

Councilor Sinclair agreed that the survey should be used as a tool to give them guidance as they move forward to finalize the budget process. She said that this isn't the first time the City has conducted this survey and while they can't compare it to what people say about cities comparable to us, we should be able to take this tool and compare it to previous surveys to see if we are improving or not improving in certain areas. She asked if that had been done during this process.

Dr. Robert Oldendick replied that a cross analysis is forthcoming.

Councilor Cromartie asked if the 441 citizens surveyed was a representative sample based upon the population of the residents in the City of Columbia. He agreed that the results should be compared to past years to determine the progress made over the last 5 years. He noted that some of the same questions have been asked over the years and that we will be able to determine if perception has changed at all. He requested that this information be provided.

Dr. Robert Oldendick responded that everybody that could be reached by telephone had the chance of being selected. Given that number, spread through out the City, it is representative. They looked at eight different areas on a ten-point scale. They rated the cleanliness of the city and the lowest rated areas were Five Points and city streets.

Councilor Sinclair stated that the issues of construction impacted the scoring for Five Points. She is concerned, because the Vista was rated low as well. She said that the hubs of our tourism development are downtown, the Vista and Five Points and they need to be clean. She said that this is an issue.

Councilor Finlay concurred with Ms. Sinclair and added that this perception is going to take us a very long time to change, because once an area is deemed unclean people quite moving through the area so they don't have a chance to see the improvements. He said that there is some concern over homelessness that people are unwilling to voice and that the City needed to work on that very closely. He said that we will spend \$45 million in Five Points and at this point citizens don't see the value.

Councilor Cromartie said that Five Points looks very good now. He said that it is interesting that people that come to the City of Columbia they always tell him this is one of the cleanest cities they have ever seen. He said that the rating is a perception, because there is no base for comparison. He stated that the group coming from China is going to be surprised at how clean our city is, even though they clean their city every night. He said that we have a very clean city and that we sweep every our streets every night.

Councilor Devine said that this information should be incorporated into the overall marketing plan and other things.

Mayor Coble noted that the central business district received the top two ratings for appearance and cleanliness, although most of the homeless activity is in this area. He said that there is a significant differentiation between the central business district and Five Points. He asked that this be looked into.

Dr. Robert Oldendick, stated that this is the overall perception and not underlying factors. They rated 16 city services on a five points scale and fire protection rated the highest and the four lowest rated services were Residential Code Enforcement, sidewalk maintenance, the development of affordable housing, and road maintenance and repair.

Councilor Sinclair stated that most people don't know that bulk of our roads are controlled and maintained by the State. She suggested that this information be sent to the South Carolina Department of Transportation (SCDOT).

Councilor Devine noted that although citizens rated residential code enforcement as a poor service, they did not rank it high for funding.

Councilor Finlay stated that as he drove down Crosshill, near Beltline Boulevard, where we had the blow out on the water line and there was one lane of traffic and it speaks eloquently to what was said. There were eight pieces of city equipment there; a four-lane street blocked down to two and at 12:30 p.m. there wasn't a soul there. All of the equipment was sitting there idle.

Dr. Robert Oldendick reported that they were asked about funding for 14 items and whether funding for these items should be increased, decreased or kept at the same level as it is not. They found that there was very little sentiment for citizens to say that funding for any of these services should be decreased. The highest percentage of decrease was for arts and cultural events. Most said that funding should be kept about the same.

Mayor Coble said that the most shocking news of every survey is that aid to the homeless is at the top of the list and that residential and commercial code enforcement is at the bottom of the list. He said that the elected officials hear "get those people out of town" and "we want a code enforcement person on every street corner". He said that normally law enforcement is also at the top of the list and arts are always at the bottom of the list.

Councilor Finlay said that there is a very large segment that wants to help, but there is also a large segment that just wants the homeless population to go away. He suggested that they drill down on that question and determine what people are really driving at. He is afraid that people are saying that they have had enough with the homeless issue in general and feel that it is too prevalent and pervasive. He suggested that they do an in-depth study on this to find out where the issues are.

Mayor Coble said the question should be do you want the City to spend more money providing services to the homeless or do you want the city to spend more money enforcing the law. Ask some questions that get to what should we do in terms of this.

Councilor Sinclair noted that the survey narrative indicated that the City should take the lead on addressing homelessness.

Mayor Coble said that road maintenance and improvements have always been a priority for the City and that the concern must be with potholes. We need to emphasize what's being done.

Councilor Sinclair added that the metal plates that cover potholes are a concern.

Councilor Finlay explained that one division will fix a burst pipe and another division will come back and repair the road. He spoke of a constituent whose leaking pipe was repaired on Thanksgiving Day 2006 and was just asphalted last week. It took almost seven months to get the metal plate off the street after the repair. He said that their timelines are different and we need to look at this while considering combining these agencies.

Mr. Charles P. Austin, Sr., City Manager agreed that as he worked to realign some functions, they will see functions placed in categories that better relate and should in fact have that ideal transition time.

Councilor Devine concurred with Mr. Finlay noting that she hears the same concerns during the monthly open house sessions. She described it as basic tasks and suggested that each project have a start time and end time and a tracking mechanism to avoid extensive disruptions.

Dr. Robert Oldendick reported that the majority stated that funding should be kept about the same. When asked who should be the primary provider of services to the homeless, the majority said the City of Columbia.

Councilor Cromartie stated that there is a correlation between the homelessness and affordable and rehabilitated housing. He said that this was ranked as #4 and funding should be provided for this.

Councilor Finlay suggested that we drill down on the affordable housing questions. He said that if two out of every three houses in the city are affordable by HUD definition, under our programs there is a limit on how much more affordable housing we can build.

Councilor Sinclair explained that there is a lot of affordable housing throughout Council Districts 1 and 3 as well as 2. She doesn't want this to be jeopardized in any way, because it helps to make this a vibrant city.

Councilor Cromartie said that we needed to be proactive and look at the houses being built in the future so that we can maintain

Councilor Devine stated that a lot of people don't know the provisions the City has made for affordable housing. We need to do a better job about educating people about the City Lender Program. She noted that a lot of people that don't agree about the definition of affordable housing, so we need to help them understand. She suggested that the City analyze the impact of projects prior to loaning or allocating any money in order to maximize our dollars.

Ms. Dana Turner, Assistant City Manager for Commerce and Development explained that the Community Development Department is educating the public by participating on a monthly radio program to market the City Lender Program, by attending neighborhood association meetings and by attending departmental meetings to talk about the employee loan program.

Councilor Cromartie asked for the number of affordable housing units developed and the number of housing loans given by the City of Columbia.

Mr. Charles P. Austin, Sr., City Manager, believes the problem is created by the definition of affordable housing and that citizens must believe that what we are providing is affordable.

Councilor Sinclair said that it is key to get individuals to feel comfortable with going through the process to determine if a house is affordable for them. She commended the Community Development Department for their efforts to keep the affordable housing message out there continuously.

Dr. Robert Oldendick reported that citizens were asked about the perception of a gang problem citywide and in their neighborhood and that 70% viewed it as a major problem citywide and 18% viewed it as a problem in their neighborhood.

Mayor Coble suggested that this question be drilled down.

Councilor Finlay said that the perception comes from the media and shows a discomfort. He agreed that the assessment is needed and that something needed to be done.

Councilor Cromartie said that he has dealt with this issue for a long time and that every gang member is a member of somebody's family we know. We need to educate and empower the public on what to look for and how to handle this, because grandparents and parents are scared of these individuals.

Councilor Sinclair suggested that the raw data from this survey be given to the team doing the Gang Assessment so they can use it as one of their tools as they move forward.

Councilor Devine asked for the demographics of the sampling board.

Dr. Robert Oldendick agreed to provide the information requested, noting that addresses were provided and coded out. When asked about the perception of the Central Business District and Five Points they found that about 65% of people said they have done business or shopped in the CBD in the past twelve months and about 61% had shopped or done business in Five Points. The CBD's ratings were more positive than Five Points'. Both areas ranked lowest on traffic flow and the availability of parking.

Councilor Sinclair noted that both areas have been impacted by construction. She hopes that the next survey will show improvements in these areas.

Councilor Finlay noted that the CBD has numerous parking garages and Five Points has none, but that rated very similarly in terms of the availability of parking. He suggested that parking doesn't always solve the perception of the availability of parking. He further suggested that this be added to our list of issues to determine what's driving the number. He recommended that they look at meters and other factors.

Councilor Sinclair said that there are challenges with the use of parking garages. She admitted that she would park at a meter before she enters a garage due to the hassle. She said that we needed to look at how the proposed garage for Five Points is utilized in order to maximize the spaces that customers want to use. She said that the parking garages are needed, but we needed to work on how they are used.

Dr. Robert Oldendick outlined the responses to the top activities citizens participated in and the top activities were recycling, visiting a city park, and watching the access channel. 42% said that the City should provide low cost Wi-Fi access and 40% said that they are for providing some Wi-Fi with some cost involved.

Councilor Devine recommended that Council start preparing for the future now by ensuring that the necessary infrastructure is in place, that technology upgrades are made as needed and that budget and planning investments be in place.

Dr. Robert Oldendick When asked about things the City can do that are important to our future, they responded favorably to attracting businesses and industry and supporting and retaining existing businesses.

Councilor Finlay requested that Council have a discussion of the City's business license fees in July 2007. He said that our licensing fees are comparatively more expensive than Charlotte, Spartanburg, Charleston and Lexington. This needs to be addressed in terms of attracting new business and retaining existing businesses. He said that it is an antiquated process that taxes on the gross and not the net. He said that it has driven two companies out of the City and our tax structure must support businesses. He will provide the figures for Council, but we may need to schedule a Work Session.

In conclusion, Dr. Robert Oldendick, reported that 45% rated City government as fair and 50% rated the annual city property tax bill as too high.

- **Council recessed at 10:42 a.m.**
 - **Council reconvened the meeting at 10:58 a.m.**
3. Fiscal Year 2007 / 2008 Proposed Budget – Ms. Melisa Caughman, Budget Director
- General Fund

Ms. Melisa Caughman, Budget Director, explained that staff has allocated the recommended \$350,000 to finalize the energy audit for all city facilities to help us in terms of inventory, where we are and what needs to be done. This doesn't include the performance based contracting. The remaining \$250,000 is being recommended for allocation towards street resurfacing projects in addition to the annual allocation of \$125,000. They have asked Public Works to complete an inventory of our streets as well.

Councilor Sinclair expressed concerns about the maintenance of our assets being listed as capital projects. She recalled a time when park buildings were not properly maintained and caused the city more to repair and replace in the future. We have a responsibility to maintain the buildings we have and to have a safe environment for employees and equipment.

Mr. Charles P. Austin, Sr., City Manager said that they are searching for additional funding sources for maintenance and repairs and hope to be able to report back with that information. He said that \$12 million was never needed for the cameras and that he isn't sure where the number originated, but the reality is that the camera project can be done for \$2.5 million. The entire project from camera selection to installation will be included in the contract bid. One option is to not raise the rainy day fund percentage this year.

Councilor Finlay concurred with Ms. Sinclair's assessment of the deferred maintenance costs, noting that it won't be any easier next year. He recommended that they commit to reducing the \$99 million operating budget and begin shifting funds to deal with maintenance projects. He further recommended that they increase the rainy day fund by 1% and use the remaining \$800,000-\$900,000 for maintenance costs.

Councilor Devine urged staff to be sure that funding allocations are placed where they belong and that projects are not being over funded. She asked if there was enough funding for the evaluation of the roads and if the findings would result in additional capital projects being added to the list.

Ms. Melisa Caughman, Budget Director, stated that the evaluation would allow us to access what's out there and then to prioritize. The same is true for the comprehensive energy audit. She noted that the maintenance of sprinklers and alarms have always been a part of internal budget discussions.

Councilor Sinclair said that there are a number of items on the list that need to be completed immediately. She recommended that they seek professional guidance to help fairly determine which roads should be priorities.

Councilor Devine suggested that they evaluate the sidewalks as well.

Councilor Finlay requested clarification on committed and non-committed funding, a goal for funding the rainy day fund over years, how to address the proposed \$3 million surplus and how to facilitate the maintenance projects. He requested the delivery of this information prior to Friday, June 1, 2007.

Mayor Coble supported the concept of funding the camera system over a three-year period, as long as the first year funding is available this year. He doesn't recommend increasing the rainy day fund to 15% at this time. He encouraged staff to determine how to address the capital needs since there is a significant fund balance.

Councilor Finlay reiterated the need to grow the rainy day fund balance to 15% over time to help cover known and unknown contingent liabilities such as the TIF dispute and a class action lawsuit. He is unwilling to commit to any project.

Councilor Sinclair said that it is appropriate to move forward with funding the cameras now and if other sources come up then that's fine.

Councilor Finlay asked the City Manager to develop a five-year funding plan for the capital projects (\$12.5 million) and the cameras (\$2.5 million) and bring it back to Council for review and consideration.

Mr. Steve Gantt, Senior Assistant City Manager for Operations, explained that they are looking in the areas where the fire stations need to go and once parcels are found, land acquisition funds will be used to acquire the property.

Councilor Devine suggested that they plan further out to understand what impact these developments are going to have on our long term operating budget.

Councilor Finlay suggested that we focus all residential growth in the city around existing fire stations to dramatically decrease our costs.

Mr. Steve Gantt, Senior Assistant City Manager for Operations explained that other municipalities were surveyed to determine how we compared with their costs of services. There are no proposed significant increases for single-family residential developments. The homebuilders and commercial builders will be interested in this. They analyzed how much time staff spent preparing and working on the services provided. The increases would add \$180-195.00 in fees to Development Services. The objective is for Development Services to self generate 80% of its operating funds within 3 years. They are currently at 60%. These proposed revenues are not included in the budget.

Councilor Finlay noted that our goals are not to be first in fees. He said that Richland County and Lexington County are our natural competitors, but we don't want to be more expensive than them.

Councilor Devine said that we must look at ways that we are not providing more services and short changing ourselves. She asked about the rationale behind charging a flat fee instead of the zoning permit.

Mr. Steve Gantt, Senior Assistant City Manager for Operations, explained that they reviewed the amount of staff time used to provide a service and the cost incurred to provide the service. Some areas have improved in efficiency.

Councilor Cromartie said that there should be some increases, but they should be more reasonable than proposed.

Councilor Finlay suggested that fees be changed to impact the larger projects. He further suggested that staff create a way to drive this cost on the commercial side so that people get better service, quicker.

Councilor Devine suggested that the proposed fees be phased in. She recognized that there is a considerable amount of staff time being paid for and that needed to be recouped.

Mr. Steve Gantt, Senior Assistant City Manager for Operations, suggested that they phase 50% of the fees in this year and the remaining 50% next year. He urged the Council to support the concept of departments generating their own revenue. They are fine-tuning the express review process and will be reporting back to Council.

- **Council recessed for lunch at 12:17 p.m.**
- **Council reconvened the meeting at 12:48 p.m.**
 - Water & Sewer Operating

Ms. Melisa Caughman, Budget Director, explained that the proposed Water & Sewer budget is a total of \$94,696,119, which is relatively no change from the current year. The primary sources of revenue are water sales at 62% and sewer sales at 35%.

Councilor Finlay suggested that we utilize our abundance of water as a driving force for development.

Ms. Melisa Caughman, Budget Director, explained that the expenditures for Water & Sewer are primarily for the Department of Utilities and Engineering encompassing our engineering services to water distribution. She said that there has been an overall reduction in general government from Water & Sewer as a result of the reduction in transfers for indirect costs from Water & Sewer to the General Fund and some one-time fees.

Councilor Devine requested an analysis of Economic Development and the Contingency Fund. They don't hear a lot from that department and would like to know what they are working on and how it is increasing businesses coming here and staying. They need to see if they are increasing economic development.

Councilor Finlay requested an analysis of their expenditures and if they are doing projects correctly and/or legally.

Ms. Melisa Caughman, Budget Director, reported that debt service has increased by 5.4% for 2007/2008. This budget includes an increase for insurance for employees within the Water & Sewer Fund. The General Fund will be funded at \$4.5 million.

Councilor Sinclair asked for Black & Veatch's response to the funding of Economic Development from the Water & Sewer Fund.

Councilor Finlay requested that Black & Veatch conduct a review of the on-going cost of deferred maintenance and the true economic impact of pushing projects out.

Councilor Cromartie requested that they review the direct effect that economic development has.

- Water & Sewer Improvements

Ms. Melisa Caughman, Budget Director, stated that water projects total \$41 million and sewer projects total \$47 million. Staff has not determined the total funding available for water and sewer improvements based on the various sources of revenues. This fund will be revised once this information is received.

- Storm Water Operating & Improvements

Ms. Melisa Caughman, Budget Director, stated that the projected fiscal year 2007/2008 Storm Water Budget is \$4,930,300. There are two projects identified for funding, Rocky Branch and Eight Mile Branch, but other projects may be identified later.

- Parking Operating

Ms. Melisa Caughman, Budget Director, reported that the Parking Fund is \$6,910,535 and has increased by 8%. The bulk of the revenue comes from parking meters. She explained that a large portion is being used for debt service. The increases are related to the operation of the Park Street Garage and parking meters. There is an additional \$900,000 for the CMRTA for the operation of the trolleys.

Councilor Finlay asked for the exact number of parking spaces in garages and lots.

There was a consensus of Council to direct staff to review the agreement with the CMRTA, because no one is currently operating the trolleys.

- Hospitality Tax and Accommodations Tax

Ms. Melisa Caughman, Budget Director, stated that the Hospitality Tax Fund is budgeted at \$7 million, a \$200,000 increase over the current year. The committee received \$1.8 million this year. The Conventions and Visitors Bureau, EdVenture, Columbia Museum of Art and the Historic Columbia Foundation will be funded at the same level as the previous and current year.

Councilor Cromartie said that he would like to see funding restored or increased for the Columbia Housing Development Corporation.

Councilor Devine said that the Columbia Housing Development Corporation needed the same level of funding as this current year plus a cost of living adjustment and funding for auditing fees.

Councilor Sinclair said that the Development Corporations provide us wonderful opportunities to do exciting things throughout the City. She requested that they see the real numbers from the Development Corporations.

Ms. Dana Turner, Assistant City Manager for Commerce and Development, explained that the Development Corporations are eligible for lines of credit and they can get empowerment zone funds.

Councilor Devine suggested that the Development Corporations be able to include development fees in their pricing.

4. Comprehensive Capital Projects – Ms. Missy Caughman, Budget Director

Ms. Melisa Caughman, Budget Director, noted that a copy of the capital projects was included in their packets.

4a. Security Camera Vendor Selection – Mr. Charles P. Austin, Sr., City Manager

Mr. Charles P. Austin, Sr., City Manager, explained that the Security Camera Committee interviewed three (3) firms and is recommending that the City retain CHM2LLC.

Councilor Finlay requested a presentation from the vendor.

There was a consensus of Council to schedule a presentation for June 6, 2007.

EXECUTIVE SESSION

Upon motion by Mayor Coble, seconded by Mr. Finlay, Council voted unanimously to go into Executive Session at 1:38 p.m. for the discussion of **Item 5**.

5. **Discussion of the compensation of an employee
This item was discussed. No action was taken.

▪ **Council adjourned the meeting at 2:00 p.m.**

Respectfully submitted by:

Erika D. Salley
City Clerk