

**CITY OF COLUMBIA
SPECIAL CALLED MEETING MINUTES
JUNE 13, 2007 – 5:00 PM
CITY COUNCIL CHAMBERS
1737 MAIN STREET**



The Columbia City Council conducted a Special Called Meeting and a Budget Work Session on Wednesday, June 13, 2007 in the City Hall Council Chambers located at 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 5:06 p.m. The following members of Council were present: The Honorable Anne M. Sinclair, The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann and The Honorable Kirkman Finlay III. The Honorable E.W. Cromartie, II arrived at 5:31 p.m. Also present were Mr. Charles P. Austin, Sr., City Manager and Ms. Erika D. Salley, City Clerk.

CITY COUNCIL DISCUSSION / ACTION

1. Professional Auditing Services - Mr. Thomas Fitzsimmons, CPA / Webster Rogers, LLP

Mr. Thomas Fitzsimmons, CPA / Webster Rogers, LLP, further explained how their firm would work with City staff to meet the aggressive deadline established by the Request for Proposals for Auditing Services. They would start the planning process on July 2, 2007, which consists of interviewing city personnel, looking at systems documentation, finding out how the systems work and looking at the accounting systems of the City so they understand how transactions are processed, initiated and recorded in the City's general ledger. Mr. Fitzsimmons along with his team members will be responsible for that process. They will put together an audit plan on how to audit the financial statements of the City. This may take two (2) weeks. Then they will come back with the Senior Auditor and work for the next month or so going through the procedures to test the balance sheets and income statements. The financial statements and disclosures will be reviewed next. Then the financial statements for June 30, 2006 will be issued by the end of August. Once this is done they will go through the same process for 2007 assuming that the books and records are closed at that time.

Councilor Finlay asked how the firm would pick up conditions from previous management letters and bring them forward so that Council understands the state of them.

Mr. Thomas Fitzsimmons, CPA / Webster Rogers, LLP, said that they would review the 2005 management letter to see what was reported and if those conditions were properly handled. If not, they will report those conditions again in the 2006 management letter.

Councilor Rickenmann asked how far back the firm would go for the background information, since there are a lot of notations related to surpluses and carry forward.

Mr. Thomas Fitzsimmons, CPA / Webster Rogers, LLP, explained that they are required to meet with the prior auditors and look through last year's work papers to determine what is important. They will also talk with staff.

Councilor Devine stated that the general concern is the fact that we do have new finance staff and a new auditor. She said that the City might have received financial awards without merit. She asked the firm if they would feel comfortable with providing information to the current staff from the previous auditor and even former staff.

Mr. Thomas Fitzsimmons, CPA / Webster Rogers, LLP, said that he would feel comfortable doing that and suggested that there be more communication between the auditor and City Council.

Mr. Bud Addison, CPA / Webster Rogers, LLP, stated that the Award of Excellence from the Government Finance Officers Association (GFOA) is for technical reporting and means that the report complies with certain reporting standards, but it doesn't guarantee that the numbers are accurate. It is also looked upon favorably by bond rating agencies.

Councilor Davis said that some professionals don't like to go back and redo or even look at another professional's work. He asked how long it would take the firm to complete the process and provide an interpretation.

Mr. Bud Addison, CPA / Webster Rogers, LLP, explained that they would use a risk based approach as most firms do. They will focus on those areas and discuss the prior firm's history, procedures and anything of audit significance. They would then sit down with Council and management to find out what their concerns are so it can be incorporated into the planning process. The audit plan would be monitored almost every other day. He suggested that there be an informal communication with Council each week depending on the topic of conversation.

Councilor Devine asked if they would be able to produce the best possible product with the current timeline.

Mr. Bud Addison, CPA / Webster Rogers, LLP, replied that the current timeline is achievable, but if the City isn't where they thought they were then the firm would disclose that discrepancy during the weekly communications.

Councilor Finlay requested assurance that the accounts that will be audited are chosen randomly and that once they are chosen Council be made aware of the progress of documentation flow.

Mr. Bud Addison, CPA / Webster Rogers, LLP, stated that professional standards require them to do a random selection of accounts.

Councilor Finlay requested that he receive a copy of the selection procedure used.

Councilor Rickenmann asked how long is needed to complete the assessment if the appropriate information is there?

Mr. Bud Addison, CPA / Webster Rogers, LLP, suggested that they draw up a document request timeline in conjunction with the City Manager as part of the contract. This would allow the firm to better track the receipt of documents against the timeline.

Councilor Finlay asked if the firm would be looking at the redundancy of procedures in the Accounting Department and if the broad base knowledge of staff is spread throughout the department to determine if this adversely affects the City.

Mr. Bud Addison, CPA / Webster Rogers, LLP, stated that they would review those items as part of the risk assessment process, because having one (1) person who can override the controls is a very risky area.

Councilor Devine said that we have talked a lot about software and upgrading programs to be able to do what we need to do. She asked if they were familiar with whatever software we use.

Mr. Charles P. Austin, Sr., City Manager said that we are suitably prepared to produce the documents as they are requested. He requested that they sit down and talk with the appropriate staff to ensure that things are in order; because once the process begins it won't be optional to meet the timelines.

Councilor Finlay asked for recommendations on how the City could provide month end financial information on the City's website.

▪ **Mr. Cromartie arrived at 5:31 p.m.**

No action was taken. Council will consider the contract for auditing services on June 20, 2007.

2. Benedict College Housing Project - Mr. Steve Gantt, Senior Assistant City Manager for Operations - *This item was withdrawn from the agenda.*
3. Homeless Consortium Grant – The Honorable Anne M. Sinclair

Councilor Sinclair explained that Mr. Gilbert Walker, Executive Director for the Columbia Housing Authority sent a letter to the City of Columbia requesting local match funding on behalf of the Midlands Area Consortium for the Homeless (MACH) to provide permanent supportive housing for the chronically homeless. The grant must be submitted by Friday and the groups have spent a lot of time working on this. It will be a combination of vouchers from the Housing Authority and supportive and administrative services from the Lexington Richland Alcohol and Drug Abuse Council (LRADAC). They need a cash match for three (3) years for a total of \$47,269 in order for this to move forward. She noted that funding could be allocated from the money received from the General Assembly for homelessness; federal funding; or money set aside in the general fund for homelessness. Funding will not be paid until April or May of 2008 assuming the grant is approved. In order to move forward we need to submit a letter stating that we agree to provide this cash match.

Ms. Nancy Stoudenmire, Columbia Housing Authority, stated that this is a standard program that is continually funded by the Department of Housing and Urban Development, so the money is there. A part of the grant application process is that in three (3) years we will get an automatic renewal. The voucher program will work like the Section 8 program. They will provide vouchers for thirteen (13) individuals currently living in shelters.

Upon motion by Ms. Sinclair, seconded by Mr. Cromartie, Council voted unanimously to award a \$47,269 local cash match to the Columbia Housing Authority and LRADAC as part of the Midlands Area Consortium for the Homeless 2007 Continuum of Care grant application to the Department of Housing and Urban Development. This amount is to be paid in 2008 and should be appropriated from state funds, homeless funds already allocated for homelessness within the general fund or Community Development Block Grant (CDBG) funds that are available. Mayor Coble was not present for the vote.

ORDINANCES - FIRST READING

4. Ordinance No.: 2007-044 – Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-149 Sewer service rates, (a) *Generally A Public Hearing was conducted on June 6, 2007. - This item was withdrawn from the agenda.*
5. Ordinance No.: 2007-048 - To Raise Revenue and Adopt the Budget for the City of Columbia, South Carolina for the Fiscal Year ending June 30, 2008 *A Public Hearing was conducted on June 6, 2007. - This item was withdrawn from the agenda.*

RESOLUTIONS

6. Resolution No.: R-2007-032 - Authorizing the City Manager to execute a Petition for Annexation to the Town of Irmo of the Ballentine Tank, 10431 Broad River Road, known as Richland County TMS #03300-07-02 (CF#84-91) - *Approved*

Upon motion by Ms. Sinclair, seconded by Mr. Rickenmann, Council voted unanimously to approve Resolution No.: R-2007-032 - Authorizing the City Manager to execute a Petition for Annexation to the Town of Irmo of the Ballentine Tank, 10431 Broad River Road, known as Richland County TMS #03300-07-02 (CF#84-91). Mayor Coble was not present for the vote.

APPOINTMENTS

- 6a. ****Municipal Court Judges – The Honorable Tameika Isaac Devine**

Upon motion by Ms. Devine, seconded by Mr. Cromartie, Council voted unanimously to approve with a single motion the reappointment of the following Municipal Court Judges for a term of three (3) years to expire on July 1, 2010: Lincoln C. Jenkins, III, Steven D. Dennis and Marion O. Hanna; the reappointment of the following Municipal Court Judges for a term of two (2) years to expire on July 1, 2009: B. Jean Burns, J. Steedley Bogan and DeAndrea G. Benjamin; and the reappointment of the Substitute Municipal Court Judges for a term of two (2) years to expire on July 1, 2009 as follows: Carlton B. Bagby, James S. Guignard, Ernest A. Finney, III and William C. Smith. Mayor Coble was not present for the vote.

Upon motion by Ms. Devine, seconded by Ms. Sinclair, Council voted unanimously to approve with a single motion the appointment of J. Steedley Boagan as the Administrative Judge for a one (1) year term to expire on July 1, 2008. Judge Bogan is to receive a one-time stipend in the amount of \$5,000* for serving as the Administrative Judge during this period. Council also voted to provide the one-time stipend in the amount of \$5,000 to Judge Hanna for currently serving as the Administrative Judge.

*This \$5,000 stipend is paid to the Administrative Judge during his or her term and is paid as a lump sum / one-time payment only.

BUDGET WORK SESSION

- 6b. **Proposed Fiscal Year 2007/2008 Budget Amendments – The Honorable Daniel J. Rickenmann and The Honorable Kirkman Finlay III

Councilor Rickenmann requested a copy of the financial statements as of May 30, 2007.

Ms. Missy Caughman, Budget Director, presented the fiscal year 2007/2008 proposed general fund expenditures by function. There was a lengthy discussion on the fiscal year 2007/2008 budget and the proposed amendments.

- **Council recessed at 7:36 p.m.**
- **Council reconvened at 7:45 p.m.**

Councilor Rickenmann was asked to provide his alternative funding sources as discussed. Staff is directed to review this information and provide comments to Council. A Budget Work Session is scheduled for Monday, June 18, 2007 at 4:00 p.m.

Mr. Charles P. Austin, Sr., City Manager, invited the members of Council to join staff in the budget planning process in September 2007 for fiscal year 2008/2009.

- **Council did not vote to go into Executive Session.**

EXECUTIVE SESSION

7. Receipt of legal advice, which relates to matters covered by attorney-privilege
- Hotel Litigation (Conflict Waiver)
 - Military Leave Pay

These items were withdrawn from the agenda.

8. Discussion of the appointment of an employee
- Municipal Court Judges

This item was withdrawn from the agenda.

9. Discussion of negotiations incident to the proposed sale of property
- Park Street Property

This item was withdrawn from the agenda.

- **Council adjourned the meeting at 8:32 p.m.**

Respectfully submitted by:

Erika D. Salley
City Clerk