

**CITY OF COLUMBIA  
WORK SESSION MINUTES  
SEPTEMBER 24, 2008 – 10:00 AM – 4:00 PM  
CITY HALL - 1737 MAIN STREET**

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The Columbia City Council met for a Work Session on Wednesday, September 24, 2008 at City Hall, 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Robert D. Coble called the meeting to order at 10:15 a.m. The following members of Council were present: The Honorable E.W. Cromartie, II, The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann and The Honorable Belinda F. Gergel. The Honorable Kirkman Finlay III arrived at 10:20 a.m. Also present were Mr. Charles P. Austin, Sr., City Manager and Ms. Erika D. Salley, City Clerk.

Councilor Cromartie announced that there will be a large cluster meeting on October 1, 2008 at 6:30 p.m. at W.A. Perry Middle School in the Auditorium. It is an effort with Richland School District One and you are invited to attend. A meeting is also being organized for the Colony Apartments, Bethel Bishop and Booker T. Washington communities on Saturday, September 27, 2008 at 4:00 p.m. at the Kathryn Bellefield Cultural Arts Center due to the community concerns that need to be addressed.

▪ **Mr. Finlay joined the meeting at 10:20 a.m.**

Councilor Cromartie continued by saying that there are some real problems in that area; people's lives are in jeopardy and we need to be in a position to deal with that. As a city, we need to provide safe neighborhoods, because bullets don't have a name on them and we don't know where they'll land.

Councilor Devine reminded staff that the Council has requested briefings on the investigations regarding drugs and gangs. She asked if the briefings had been rescheduled for a date certain.

Mr. Charles P. Austin, Sr., City Manager said that we will schedule them for next Wednesday.

Councilor Devine said that it is very important for Council members to understand what's going on with these incidents that Mr. Cromartie talked about and others that we've recently heard about. We need to know what's being done so when we're asked questions, we can respond.

**ORDINANCES – SECOND READING**

1. Ordinance No.: 2008-082 – Ordinance Granting Consent to Application for Franchise for Video Service and Setting Franchise Fee – *First reading approval was given on September 17, 2008. – Approved on second reading.*

Upon motion by Mr. Rickenmann, seconded by Mr. Davis, Council voted unanimously to give second reading approval to Ordinance No.: 2008-082 – Ordinance Granting Consent to Application for Franchise for Video Service and Setting Franchise Fee.

2. Ordinance No.: 2008-088 - Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 8, Environmental Health and Sanitation, Article IV, Pollution Control, Division 5, Regulations and Requirements Relating to Smoking of Tobacco Products, Sec. 8-221, Jurisdiction, enforcement and penalties (d) – *First reading approval was given on September 17, 2008. – Approved on second reading.*

Upon motion by Mr. Cromartie, seconded by Mr. Davis, Council voted six (6) to one (1) to give second reading approval to Ordinance No.: 2008-088 - Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 8, Environmental Health and Sanitation, Article IV, Pollution Control, Division 5, Regulations and Requirements Relating to Smoking of Tobacco Products, Sec. 8-221, Jurisdiction, enforcement and penalties (d). Voting aye were Mr. Cromartie, Mr. Davis, Ms. Devine, Mr. Rickenmann, Dr. Gergel and Mayor Coble. Mr. Finlay voted nay.

Councilor Devine said that she saw a good story last night on WIS-TV about Camden and the fact that they delivered fliers to all establishments and they've held community meetings. We need to make sure there is a big push for people to understand that this does go into effect next Wednesday.

### **CITY COUNCIL DISCUSSION / ACTION**

3. Economic Development Special Projects Account – Mr. Jim Gambrell, Executive Director of Economic Development

Mr. Jim Gambrell, Executive Director of Economic Development explained that a total of \$657,000 has been allocated to this account.

Councilor Devine and Councilor Finlay noted that the memo in their books outlines the allocation as \$623,833.

Ms. Melisa Caughman, Interim Finance Director said that the memo in the book reflects the allocations already made.

Councilor Devine said that the memo provided by Mr. Gambrell doesn't include the approved allocation of \$33,167 to Global Consulting.

Mr. Jim Gambrell, Executive Director of Economic Development said that's a number he has internally that has already been approved.

Councilor Devine asked if staff felt comfortable that the budgeted amount is \$657,000.

Mr. Jim Gambrell, Executive Director of Economic Development concurred.

Ms. Melisa Caughman, Interim Finance Director said that is correct, the \$657,000 is the correct number you are working with.

Councilor Finlay said this is what makes it so hard; when we open our briefing packets, there's always some question that has to be asked; numbers don't quite square up. It leads to me asking questions of what else is in the line items that we don't understand. On an issue like this that has been put off for a month, it would seem like it would be nailed down absolutely at this point.

Mr. Jim Gambrell, Executive Director of Economic Development said that the money is nailed down, but the categories were adjusted.

Councilor Finlay said once this is done there will be \$19,443 left so investment recruiting really goes to \$19,443 and the travel mission (10a) is actually \$33,167.

Mr. Jim Gambrell, Executive Director of Economic Development agreed and said that has already been approved. We have a signed contract with Global Consulting.

Councilor Devine requested a report on past travel missions. Where did you go? Who did you meet with? What tangible items are we receiving from that visit? I would like for us to start incorporating that in the briefings we get. We want to understand these things, whether the benefit is immediate or long-term. What are you to accomplish by going on a trip?

Councilor Davis seconded the request for a briefing.

Councilor Rickenmann agreed as well. He asked how we would proceed today.

Mayor Coble said that the money allocated for the Economic Development Special Projects Account and the amount assigned for each line item balances. We should go through them one at a time.

Councilor Rickenmann suggested that they hear from the organizations that are present first. He added that the original memo had a balance of \$35,000 for the Retail Study, but on the new memo it says \$40,000.

Mr. Jim Gambrell, Executive Director of Economic Development explained that there was an adjustment to the contract back in February to add Monticello Road to the study for an additional \$10,000; Richland County agreed to pay \$5,000 and we agreed to pay \$5,000. The original memo did not include the additional \$5,000.

Councilor Rickenmann said that this is the last year for Item 1 so we can skip over that one. He suggested that we move to number two.

Ms. Haneez Zattam, Executive Director of the World Affairs Council said that the organization is a small non-profit organization with a threefold mission: to increase the awareness of international activities in the region in terms of promoting and developing new trade missions; serve as a catalyst for building relationships in our State and the rest of the world; and to increase the visibility of our city and our state as a world class city and a world class state. The Columbia World Affairs Council is a part of a national organization consisting of ninety (90) Councils from across the nation and we were nominated as the best medium sized Council in the nation. By 2007, seven (7) Sister-City Programs were established.

Upon motion by Mayor Coble, seconded by Mr. Cromartie, Council voted unanimously to approve funding in the amount of \$12,000 for Suggs & Kelly and \$32,500 for the World Affairs Council.

Ms. Maureen Taylor, Director of Marketing for ECI Find New Markets reported that the South Carolina Export Consortium, Inc. was re-branded in January to ECI Find New Markets. We fuel economic development through international trade, in a small business fashion and marketing. The organization is a non-profit 501(c) 3 housed within the USC Moore School of Business. They are in a unique position, because they are able to work with the graduate students to develop market research for clients and interns from the Journalism School to assist with marketing messages and logos. There is a large need to help small companies with marketing.

Councilor Devine said that a lot of things that we try to do through the Office of Business Opportunities could be a great partnership with ECI Find New Markets as it relates to clients that come through. Do you currently have a relationship with them? If so, what is it? If not, then you need to make that connection Jim. She further suggested that ECI Find New Markets do a presentation for the Fast Trac Growth Venture Program so that the small businesses will know how to make that connection.

Mr. Jim Gambrell, Executive Director of Economic Development said that the Office of Business Opportunities is one of our strategic partners in our existing business programs and we do refer businesses to them when the opportunity arises. He said that the Export Consortium has changed its name to more accurately reflect what they are doing. The organization does a great job on market research and developing strategies for businesses.

Ms. Maureen Taylor, Director of Marketing for ECI Find New Markets said that they met with Mr. Tony Lawton and Ms. Dollie Bristow of the Community Development Department to explore those opportunities. She added that they are presenting to the Fast Trac Program.

Upon motion by Mr. Cromartie, seconded by Mr. Rickenmann, Council voted unanimously to approve funding in the amount of \$15,000 for ECI Find New Markets formerly known as the South Carolina Export Consortium.

Mr. Jim Gambrell, Director of Economic Development explained that Economic Development has a Memorandum of Understanding with the Midlands Education and Business Alliance (MEBA) to help fill the gap when they lost federal funding. This year's funding level reflects a reduction in last year's funding. We will offer two (2) additional years of support to MEBA.

Ms. Kay Shaw, Director of the Midlands Education and Business Alliance reported that they are entering into their fourth (4<sup>th</sup>) year as a 501 (c) 3 with a fulltime staff of five (5); two (2) contractual employees and hundreds of volunteers working in schools every year. They have little overhead costs and free office space and equipment is provided by the Chamber of Commerce. This allows the money to go into programs to serve our students and to help them see how what they are learning in the classroom today will fit into their future careers.

Mr. Sonny White, Chair of the Board of Directors for the Midlands Education and Business Alliance, reported that MEBA works in three (3) counties and nine (9) school districts. They have partnerships with the City of Columbia, Greater Columbia Chamber of Commerce, SCANA, parents, educators and many more. They receive funding from Richland County, Lexington County, Fairfield County, the Department of Commerce, Palmetto Health, Midlands Technical College, Providence Hospital and others.

Councilor Devine added that MEBA is one of the resources and partners that have been identified under the Together We Can initiative and she believes that as we move forward, their participation will be critical to our success.

Upon motion by Mr. Cromartie, seconded by Ms. Devine, Council voted unanimously to approve funding in the amount of \$60,000 for the Midlands Education Business Alliance (MEBA).

Mr. Chuck Beaman, Chairman of the Navigating from good to Great Foundation appeared on behalf of the Chamber of Commerce to ask for the city's support in furthering the vision of this dynamic community development program. The mission of this five (5) year program is to transition our community from a good to a great community. If you can move a company from good to great then why can't you move a region from good to great? You cannot do that without unity, purpose and effort and that is the fundamental purpose of having the Good to Great initiative. He said that no one entity can raise the region to greatness, but if we can unify the region then we can rise to greatness together. This is a collaborative effort being led by the Greater Columbia Chamber of Commerce. The Foundation has already raised nearly \$3 million from the business community. One of their largest donations came from a private business in Lexington County and now they are asking the government to join them. We are seeking \$500,000 in increments of \$100,000 over five (5) years from the City of Columbia. We also plan to go before Richland and Lexington Counties and other municipalities in the two (2) counties. "Navigating from good to Great" presents a new model and a new approach and we've already begun working in the greater Columbia community. We are tackling economic development, workforce development, transportation, homelessness, riverfront development, environmental and quality of life, fuel cell research and development and intergovernmental cooperation.

Councilor Rickenmann said that he hears that this is a regional effort that's about keeping talent and recruiting. We need to look at how that incorporates with BRAC. I am not sure we can afford to fund both objectives at this stage. I would like for us to look at that. Does this incorporate working with the BRAC Commission?

Mayor Coble said that funding for the BRAC consultant was something we did during 2005 and now there is a smaller contract with the same firm.

Mr. Chuck Beaman, Chairman of the Navigating from good to Great Foundation said that it's about \$37,000 and it is for post-BRAC initiatives.

Councilor Rickenmann asked why this can't be incorporated. It is overlapping and fits within the guidelines and initiatives of the Navigating from good to Great initiative. It would be a lot easier for me to make this commitment knowing that we incorporated that, because we do have a lot of requests. I would ask that we look at that as part of it.

Mr. Grant Jackson, Senior Vice President of Community Development for the Greater Columbia Chamber of Commerce said that BRAC is a separate initiative. We are trying to maintain our relationship with the group in Washington to help us get through BRAC.

Councilor Rickenmann said that we have a lot of requests and I would like to make that a caveat to us agreeing to the funding.

Councilor Davis said that he was with the BRAC delegation. He asked what the post-BRAC activities are.

Mayor Coble said that the Rhodes Group was hired to help us meet with Pentagon officials, because with BRAC, you are not lobbying your delegation, they really can't do you much good. You are not lobbying the Pentagon, but you are making sure we are meeting the criteria of the multi-submission that the Army and Fort Jackson made. We need to keep some relationship with the Rhodes Group, because during the intervening years we want to continue to look for opportunities. I do think that is a separate initiative. In other words, Fort Jackson, Forest Acres and Richland County split the cost with us. We need a briefing to find out if they are still doing that.

Councilor Rickenmann said that he is not willing to commit to the BRAC funding source at this stage. It is listed as if it is in our contingency account. It is my personal opinion that BRAC should be a part of the Navigating from good to Great initiative and I want it to be looked at so we have a fair opportunity to make those decisions. He stated that Fort Jackson is adding six (6) new battalions and he don't believe they are going anywhere. This is a big investment for us for a five (5) year period, especially with the economy. The federal government is not going to come and bail us out like they are doing with others so I want to make sure we are investing wisely. It would be great if BRAC could be incorporated.

Councilor Finlay said that this is just a broad stroke. We've all heard a lot about crime recently; we're discussing how we're going to deal with that, because it's going to tax resources. It is important for the community to hear that there is going to be a limit in growing tax revenue so everybody needs to know that it's going to be tougher and tougher until we make some safety commitments. Unless a community is safe, it will be awfully hard to navigate from good to great. He warned that the Council will have to look at a lot of places for basic services, especially Police and I don't want anyone to be caught off guard. It will become increasingly difficult for us, especially if we don't see significant tax growth.

Councilor Gergel thanked the Chamber of Commerce for all the good things they are doing for our community; it makes all the difference in the world. I am an enthusiastic supporter of this request. I think it is a great investment for the future of our community and region. I applaud your efforts. I think you are setting a compelling and comprehensive vision for our region. I have attended a number of the meetings dealing with good to great issues, especially the air quality meetings and it is vital that your leadership help this community in addressing this very important issue. I look forward to seeing what else we are going to be doing as we move from good to great.

Councilor Cromartie said that he looks at the BRAC initiative in a completely different way than the Navigating from good to Great initiative. The real concern with BRAC is that even though we're expanding and bringing in battalions, we still have to make sure that Fort Jackson is taken care of and you must maintain that communication. We don't know what's going to happen in federal government in light of the economy and the discussions that are occurring in Washington, D.C. We are in a catastrophic financial situation. I don't think we should forget about BRAC and the two (2) initiatives should be separated. He said that \$500,000 is a substantial commitment and it's a yearly commitment in \$100,000 increments, but you know that we can't obligate future Councils, so the only thing we are committing to is the \$100,000 this year and then you will have to come back next year and prove yourself by showing that this is an economic benefit that we need for the region. Fort Jackson is valuable to this community and we can't take anything for granted.

Councilor Devine understands that BRAC is important, but she also understands Mr. Rickenmann's concern. She said that it is a great project and it encompasses so much, but it appears to overlap with certain things like MEBA. She said that they have addressed this concern by talking about the collaborations and partnerships that have been established and will be established. She said that there may be an opportunity to reduce funding to BRAC, because some of those things can be handled under the auspices of the Navigating from good to Great initiative or vice versa. As we go along, you need to know the importance of pooling resources so that we're not duplicating any efforts. She agrees with Mr. Finlay, it is going to be tight over the next couple of years and although she is very supportive of this initiative, we can't make a commitment to fund it every year at \$100,000. If we continue to look for ways to pull it together we don't have to cut out any of the worthy projects or initiatives that have been identified under the Good to Great initiative just because the funding isn't there for that particular year. I think we are all on the same, but we don't know what will happen next year. We must continue to plan as best we can and continue the project once we get started.

Mr. Chuck Beaman, Chairman of the Navigating from good to Great Foundation said that those were the comments they heard from the business community when they went out to solicit funding. He agreed that if they could not prove their value then the city should not fund the initiative.

Mayor Coble suggested that Mr. Ike McLeese, Executive Director of the Greater Columbia Chamber of Commerce provide a briefing to the Council then we should decide if we want to have a continuing relationship with the Rhodes Group or if that has a benefit. It should be evaluated in and of itself in light of Forest Acres and Richland County.

Mr. Grant Jackson, Senior Vice President of Community Development for the Greater Columbia Chamber of Commerce said that in terms of post BRAC activities, the Chamber has set up collaborative efforts to recognize the vital role the military has in our community.

Councilor Rickenmann said that Fort Jackson is doing a very good job of promoting our community for retirees and recruits. They project that another four (4) battalions will be added. I am not saying that we don't need to continue BRAC; I just want to make sure we figure out a way to incorporate it into the Good to Great initiative.

Councilor Devine said that we need to continue to figure out ways that Good to Great can partner with Together We Can.

Upon motion by Ms. Devine, seconded by Mr. Cromartie, Council voted unanimously to approve funding for the Greater Columbia Chamber of Commerce "Navigating from good to Great" initiative in the amount of \$100,000.

Mayor Coble said that Bicycle Friendly is now being handled by Ms. Gerry Lynn Hall. He requested a briefing from the committee, because it is very exciting, but there is a lot of work to be done. I am not sure if they need a direct appropriation or not, but they have to market the initiative.

Councilor Devine said that they previously requested \$10,000. Do they still need that?

Councilor Rickenmann said that it's hard to have a conversation about these things without the numbers and there are three (3) projects on here that we need to discuss, but the folks aren't here. What happened to the Business Retention Program? We can't afford to cut out the small businesses; we spend a lot of money on the big side and then we have a lot of businesses in this community that we need to reach out to.

Mr. Jim Gambrell, Executive Director of Economic Development reported that the Business Retention and Recruitment Program is a partnership between the City of Columbia, the Chamber of Commerce and others and the program is underway.

Councilor Rickenmann asked if the program is funded.

Mr. Jim Gambrell, Executive Director of Economic Development said that they look for creative ways to address a business' concern. This program is important to the business community.

Councilor Devine said that it's time for an update on what has been heard from the businesses so far. Is there anything that the city needs to be looking at?

Mr. Charles P. Austin, Sr., City Manager said that we need to take into consideration the things that Council has asked about and we will do a Bicycle Friendly presentation next week and we will bring back some information regarding where we are as it relates to business and retention.

Councilor Finlay asked if the funding for Trade Missions included the \$33,167 that has already been spent; leaving a total of \$19,443.

Councilor Rickenmann said correct.

Councilor Devine asked what is anticipated to be funded from the Marketing Contingency line item.

Mr. Jim Gambrell, Executive Director of Economic Development said that they had numerous discussions with Mr. Rickenmann about having marketing materials for the City of Columbia to distribute locally or while on trade missions.

Councilor Cromartie agreed that marketing materials are needed for the trade missions, but in addition to that we talked about a vibrant kind of marketing video about the City of Columbia as seen in other cities and towns.

Councilor Rickenmann said that they wanted to allocate a lot more money for marketing, but with Good to Great coming on board and the things that Mr. Ric Luber has done, we're trying to reconvene the committee, because we don't need to duplicate services. With these two (2) groups moving forward, we will be able to make sure we have that overall mission. Between the two (2) groups we have a lot of footage now and we can put something together and save on the cost. He said that you must have a niche and every community has something. The first step is with our website, it is much friendlier, it looks better and I hope we can build on that as part of it. We would like to get the team that Fred Delk worked with to do their video for the Downtown Business Association, because they did a good job of meshing it all together. We need one message with everything else falling under that message.

Councilor Gergel said that LeighAnn Kornegay did that video, which was exciting, dynamic and diverse. We need something that is on task and moves us along.

Councilor Devine said that she has talked with Jim Gambrell for years about updating what we take on trade missions. She is concerned that when it is put into a pot that says contingency it's then left up to the Council's discretion to fund whatever comes along throughout the year. If there is a commitment among this Council to have the materials done, then we just need to move forward with that and make sure we have the necessary money to get it done and to get it done correctly.

Councilor Cromartie said that he would like to join Mr. Rickenmann's committee and asked that he be made aware of future meetings.

Upon motion by Mr. Cromartie, seconded by Mr. Rickenmann, Council voted unanimously to approve funding for the Marketing Contingency in the amount of \$45,000; Investment Recruiting in the amount of \$52,500; and Economic Retail Associates (ERA) in the amount of \$40,000.

Mr. Darrin Thomas, Vice President of Thomas McCants Media said that as they approach their 12th year they also find themselves at a crossroads where in order to grow this event and to continue to have a faithful impact on this community, they must strengthen ties with the City of Columbia. Over the past years we have tried to ensure that we provide information on our economic impact and where we are economically. Last years event was a tremendous opportunity to promote the City of Columbia and economic development within the City of Columbia with over 1,100 rooms booked. He urged the Council to help them put the event on solid footing by providing \$100,000 for three (3) years in the form of a Memorandum of Understanding (MOU).

Councilor Devine explained that in light of the current economic conditions, the Council is not in a position to provide multi-year funding. We know that you need to plan for the following years and hopefully we can do an analysis of the Economic Development Contingency Account at an earlier time of the year so you will be able to plan for it. She noted that he is requesting a total of \$100,000, but in the past he received money from the Hospitality Tax Fund. She further explained that the funding committee had questions about the request for Black Expo, but they did not ask Mr. Thomas the questions. Upon hearing this, Mr. Thomas took it upon himself to commission an audit and an economic impact study for the Black Expo. The committee did reserve the money and allowed the request to be revisited. She suggested that they consider allocating \$50,000 from the Economic Development Contingency Account and then look for the additional \$50,000 from Hospitality Tax Advisory Committee.

Councilor Rickenmann said that he had not seen the paperwork on the impact study, but he believes that it will help to clarify things for him. He agrees with Ms. Devine's recommendation.

Councilor Finlay forewarned Mr. Thomas that with safety concerns and economic issues it will be tougher to get funding next year, but he will support this year's request.

Mr. Darrin Thomas, Vice President of Thomas McCants Media said that he is aware of that and has started to change his thought processes.

Councilor Cromartie said that he has attended all of the events and the crowds are tremendous. He recommended that Mr. Thomas generate a video presentation of the Black Expo so that this Council will better understand the economic impact of the event.

Councilor Davis said that he doesn't have a problem with the request and he appreciates Mr. Thomas' efforts to provide an economic impact study.

Councilor Devine said that she would like to see Black Expo partner with Richland School District One to showcase some of the positive things going on or provide information to African American males on mentoring within Richland School District One.

Upon motion by Ms. Devine, seconded by Mr. Finlay, Council voted unanimously to approve funding in the amount of \$50,000 for the Black Expo from the Economic Development Special Projects Account and to consider the request for \$50,000 from the Hospitality Tax Fund.

There was a consensus of Council to schedule presentations on Bicycle Friendly, Base Realignment and Closure (BRAC), EngenuitySC and hydrogen projects.

\*\*Councilor Gergel said that on last Wednesday, we heard from the Director of the SC Philharmonic and on Friday night they had a sold out crowd. On last night, the Columbia Museum of Art held its annual event honoring Mr. Carroll and Susan Heyward. She spoke with Ms. Robin Waites of the Historic Columbia Foundation and she invited the Council to visit the gardens at the Siebels House.

\*\*Mayor Coble extended an invitation to the members of Council to the River Summit on Thursday, September 25, 2008 at 5:00 pm. at the EdVenture Children's Museum. This meeting will address the issue of the chronic bacteria levels in the Congaree River.

## **EXECUTIVE SESSION**

Upon motion by Mayor Coble, seconded by Mr. Finlay, Council voted unanimously to go into Executive Session at 11:54 a.m. for the discussion of **Items 4.** through **6.** as amended.

4. Discussion of compensation of an employee – *This item was withdrawn from the agenda.*
5. \*\*Discussion of negotiations incident to proposed contractual arrangement
  - Hydrogen Fueling Station*This item was discussed in Executive Session. No action was taken.*
6. \*\*Discussion of negotiations incident to the settlement of legal claims - *This item was discussed in Executive Session. No action was taken.*
  - **Council adjourned the Executive Session at 12:57 p.m. to reconvene the Work Session. Mr. Finlay was not present at this time.**
7. Homelessness in the City of Columbia - Mr. Tony Lawton, Director of Community Development

Mayor Coble explained that the discussion will be about preparations for the City's Emergency Shelter for this year. As reported in the newspaper, the City has had discussions with the Midlands Housing Alliance on alternate proposed sites, but we are not going to hear from them today, because it is still being discussed.

Mr. Tony Lawton, Director of Community Development announced that they have been meeting with a variety of service providers for several months; the Winter Shelter will be open on November 1, 2008; and that resources are in place to provide shelter prior to that date if temperatures drop below 40 degrees. We will be fully operational as we were last year. A presentation will be scheduled within two (2) weeks to discuss the Community Development Department's proposed holistic approach towards homelessness in the City of Columbia.

Councilor Devine asked about a Day Center.

Mr. Tony Lawton, Director of Community Development said that they are planning to provide a Day Service Center.

Councilor Davis asked who the City will be partnering with.

Mr. Tony Lawton, Director of Community Development said that he didn't want to discuss pending contractual matters now, but he will come back in two (2) weeks.

Councilor Devine has concerns regarding last years process for picking up the homeless, because people would congregate in the streets around 5 p.m. until 6 p.m. while waiting to be picked up. They would block traffic and walk into the street in front of cars. We need to do a better job at maintaining order around the pick up site and ensure that everyone is safe.

Mr. Tony Lawton, Director of Community Development said that they will address all concerns in the next presentation.

Councilor Cromartie reminded the Council of their commitment to only keep the shelter there for a short period of time. The residents are concerned about the extra foot traffic in neighborhoods.

Councilor Rickenmann said that we have to look at the safety factor. We have already proven that we can control the safety factor by adhering to the no walk up policy. He said that transportation was a hiccup last year and asked if they could use vans instead. He suggested that the pick up sites be spread out so there are not large congregations. He suggested going to the camp sites and encouraging homeless individuals to come to the shelter.

Councilor Davis asked how we handle people that don't want to participate, because certain things should not be tolerated. Have you looked at what other cities have done about those that continue to be on the fringe?

Councilor Gergel said that it is expected for the neighborhoods close to these shelters to be safer. She asked if staff was making arrangements in case there are cold nights in October. She reported seeing several people living under the Gervais Street Bridge.

Mr. Tony Lawton, Director of Community Development said they are looking at a full service approach on how to handle this issue. We are working towards addressing the issues and not just putting a band-aid on them.

Councilor Devine said that they talked about using the City's Homeless Court to help people get the services they need. She asked that staff talk with Judge Turner to determine how to facilitate Homeless Court better. Can they provide services at the shelter?

Mr. Tony Lawton, Director of Community Development said that would be considered legal aid services, which is one element they don't have. He said that they would be more than happy to meet with Judge Turner.

Councilor Devine said that people go to the library to use the computer and to keep warm during the day. Have you thought about collaborating with Time Warner Cable or AT&T to get a computer terminal at the shelter for people to look for jobs online?

Councilor Cromartie said that Miami, Florida has a holistic site with computers and job services, so that people won't have a reason to roam the streets. He said that the Columbia Housing Authority should be at the table helping to find homes for the homeless.

Mr. S. Allison Baker, Assistant City Manager for Public Services explained that Mr. Lawton has already spoken with these agencies and we have proposals on hand, because we feel that this has to happen now. He doesn't feel that it is appropriate to publicly discuss the pending contracts, but agrees that the Council needs to be briefed. He said that when the temperatures drop below 40 degrees we will begin to provide overnight shelter services.

Mr. Ken Gaines, City Attorney recalled that the Council wanted tough love and feeding permit Ordinances.

Councilor Rickenmann said that we need an urban camping Ordinance.

Mr. Ken Gaines, City Attorney said that the City has an Urban Camping Ordinance, but it may be limited to the public right-of-way.

Councilor Davis said that the Urban Camping Ordinance needs to be tweaked if it is limited to the public right-of-way.

Councilor Rickenmann suggested that they look at making arrangements with private landowners to press trespassing charges if camping is occurring on their property.

Mr. Ken Gaines, City Attorney said that one problem is legal representation of the homeless and suggested that they use the organization called HELP, which is a group of volunteer lawyers that assist with legal problems involving the homeless. This organization is under the Richland County Bar Association and a seminar is being held on October 1, 2009.

Councilor Rickenmann explained that as part of the Tough Love Ordinance other communities don't just sentence homeless persons to jail, but they must do community service and at the end of the sentence they have a choice to accept assistance with their needs or they can choose to visit another city. I am not sure how we should look at this, but the precedence already exists. We need to figure out a structure for providing meals, because there are organized and unorganized feedings; the unorganized feedings are creating the large gatherings and leaving trash behind. As we move forward with discussing the options, we need to try to limit the giant circle that seems to encompass most of the city in traveling patterns.

▪ **Council opened the meeting for public comment at 1:22 p.m.**

Mr. Dan Doyle, The Beach Company / CanalSide Project asked that the provisions in terms of the no walk up / no walk off policy be enforced, because we did not see that last year and we want to make sure that those commitments made to us are followed through on. We have made significant commitments to this City and this Council that we've followed through and we want to ask the same in return. If there are future decisions made regarding future facilities in this community we ask that we be included in those discussions, because we have a significant investment in this community.

Ms. Ellen Cooper, President of the Coalition of Downtown Neighborhoods asked the Council to continue to be aware of the safety factor of the neighborhoods. She would be glad to volunteer and they appreciate what the City is doing.

Mr. Peter Korper, President of the Elmwood Park Neighborhood Association said that he likes the idea of having terminals and a library for the homeless to use. He suggested that they encourage Action Labor to have a temporary site at the shelter, because they can transport employees and act as back up for the City.

Mr. Paul Bouknight, President of the Cottontown Neighborhood Association said that he appreciates the dialog and that they want to be a part of the solution.

Councilor Rickenmann asked Mr. Lawton to follow up on the suggestion about creating dialog with the day labor agencies.

Mr. Tony Lawton, Director of Community Development said that they are including workforce development at the shelter and that they haven't taken the Work Improvement Program (WIP) off of the table either.

Councilor Devine said that a lot of the concerns are related to safety and enforcement. We need for the Chief of Police to hear these concerns and where the issues lie. Also, he needs to reiterate the current ordinances to the Officers and make sure they are trained on how to handle these concerns.

Mr. Charles P. Austin, Sr., City Manager said that he has had discussions with the Police Chief and the Director of Homeland Security to make sure we reinforce these matters to include checking for homeless colonies.

Ms. Jennifer Powers, 708 Chester Street said that she owns the 700 block of Chester Street and she has renovated and refurbished the whole block at great expense. She has provided shelter, food and a place to rest for the homeless, because for the most part, they are good people. She also helps them find jobs and she gives them clothing. She found that the shelter doesn't provide an avenue for the homeless to move along to the next phase in their lives. The Police have told her that she should not be doing this, but she can't ignore a human being. She has been told by homeless individuals that they don't want to leave Columbia, because they have it good here. She said that the homeless have hiding spots and they know how to get around the Police. She has broken up camps and makeshift beds. She asked if there are funds available to provide for the homeless.

Councilor Rickenmann said that he can't answer Ms. Powers' question about funding, but he added that this is an opportunity for everyone to work together.

Mayor Coble said that as it relates to the operation of the Winter Shelter, the city will handle all of that. He added that the city is just becoming a part of the discussions related to the proposals from the Midlands Housing Alliance. We all have to learn about how that program would be funded.

Councilor Devine said that we are still pursuing the Housing First Program. We are dealing with several aspects of transitioning the homeless and we are looking at different places along the spectrum to transition individuals back into society. As we transition more people back into society hopefully it will diminish our requirements for funding on the front end.

Mayor Coble said that the current system is not working for the neighbors or the homeless; no one wants any of the services near them; and there are models that do work that we need to implement here so that the issue is not ongoing.

Ms. Jennifer Powers, 708 Chester Street repeated the inquiry related to funding. Does the city have special funding for this?

Councilor Davis said that for the most part, the city doesn't have responsibility for the social service aspect of this, but there are agencies that have the dollars and the mandates to provide those support services; everybody has a role to play. As we look at collaborations we really have to know what our limitations are so that we don't over commit.

Dr. Robert Young said that we should not have gone to Miami, because it is not like Columbia; it's bigger. We need a place that's similar to Columbia to use as a model. He said that people knock on his window and ask for money for a room when they miss the curfew at the shelter.

Mr. Keith Seymour, Freelance Writer for the Carolina Panorama said that City, State and Federal Governments all need to work together, because a large part of the problem is that the right hand doesn't know what the left hand is doing. We need a system in which to weed out the good from the bad. He suggested that the City needed a halfway house system to allow the homeless time to look for jobs.

Ms. Gail Baker, President of the Hyatt Park Neighborhood Association thanked the Council for the Winter Shelter and reminded the members of Council to include all neighborhoods in the discussions about future sites and programs.

- **Council closed the public comment period at 2:00 p.m.**

There was a consensus of Council to direct staff to research current Ordinances dealing with Tough Love, Feeding Permits and Urban Camping.

- **Council recessed at 2:00 p.m.**
  - **Council reconvened the Work Session at 2:17 p.m. in the Council Conference Room on the 2<sup>nd</sup> Floor of City Hall.**
8. Audit Committee Training and Orientation – Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates discussed the purpose, charter, areas of responsibility and best practices of an Audit Committee as identified by the Government Finance Officers Association (GFOA); Association of Local Government Auditors (ALGA); American Institute of Certified Public Accountants (AICPA); Sarbanes-Oxley Act (SOX); and Government Accounting Office (GAO). The overall purpose of an Audit Committee is to provide independent review and oversight of the financial reporting processes; internal controls; independent auditors; and internal auditors. The Audit Committee also facilitates communication and the flow of information between auditors and the city regarding audit issues and concerns. You are basically helping to ensure that the following are received, monitored and distributed properly: the Comprehensive Annual Financial Report (CAFR) and external audit; the internal audit reports; and internally generated financial reports. The Audit Committee normally submits the audit to the full body of Council, but you are the full Council, so you would be submitting it to yourself.

Councilor Finlay asked Ms. Breland to lay out what internal documents and financials are needed, because we need to know what to look for if that's part of our process.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates explained that the CAFR is one; if there are internal audit reports generated within the city then those should also be included. She stated that she doesn't know to what extent the city's audit department does reporting.

Councilor Devine asked how often does the Internal Auditor report and how often do they conduct audits.

Ms. Melisa Caughman, Interim Finance Director said that the current Internal Auditor now reports to Ms. Gladys Brown, Assistant City Manager for Administrative Services, but at the direction of the City Manager. They look at standard operating procedures and they go through cycles when conducting audits.

Councilor Rickenmann said that the Council has never received any of this stuff; we did not have the controls in place so the Internal Auditor was floating into space without any goals. This is a good opportunity to start from scratch.

Ms. Melisa Caughman, Interim Finance Director explained that historically the reports did not go to anyone other than the City Manager, Assistant City Managers and the department being reported on.

Mr. Charles P. Austin, Sr., City Manager said that no one has taken the function seriously, but we are now delegating him the level of authority needed. We recognize that we don't have enough personnel and we may have to contract until we can get staffing. He added that the Internal Auditor now has to do unannounced audits.

Councilor Rickenmann said we need reports so we can see what's going on. He said that the Audit Committee would serve as a tool to the City Manager.

Councilor Davis said that with the new software we will all be on the same page and looking at the same reports.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that it's not just the Internal Auditor, but also you have to make sure monthly financials line up with budgets and you are charged with making sure the controls are working.

Councilor Finlay said that he has been on Council for 27 months and has never seen a monthly financial report. How does the auditor decide where to go next? If we have a concern with a department, do we have the autonomy to direct an Internal Auditor to audit a department?

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates agreed that it's a problem. She explained that in public companies the Audit Committee is the co-manager of the internal audit function. They prepare a yearly agenda of what is to be audited and that is a norm.

Councilor Finlay asked how we get to a point where we can feel comfortable that we are not stepping on the authority of the City Manager. The Internal Auditor is supposed to make people uncomfortable.

Mayor Coble asked what the proper procedure is for the Council-Manager form of government.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina said that the Council can direct the Internal Auditor.

Mayor Coble said that the Council will set a work plan.

Councilor Rickenmann said that the Audit Committee should also have a mission statement.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that a charter would include a mission statement and other components.

Mayor Coble asked if any other city in South Carolina had an Audit Committee.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates replied not that she is aware of.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina concurred. He added that there is no requirement to have an internal auditor, but there is a requirement to have an annual external audit.

Ms. Melisa Caughman, Interim Finance Director said that staff conducted research to identify various cities that do have an internal audit structure to include who he/she reports to or even if the services are outsourced to a firm.

Mayor Coble said that we need a written charter, minutes and recordings.

Councilor Gergel asked if this is a Council committee.

Mayor Coble said yes it is City Council; it is a committee of the whole.

Councilor Gergel asked Mr. Duvall to clarify as to what he sees as the constraints of the Audit Committee under the current form of government.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina said that the Council cannot direct the personnel, but they can direct the auditor. All of the financial reporting can be directed by the City Council, but you can't direct the personnel. He added that it is unusual to have the whole Council serve as the Audit Committee; it's usually three (3) City Council members along with members of the public.

Mayor Coble said that once we feel that everything is in place then a smaller committee would make sense; we all need to understand this and get all the pieces into place.

Councilor Finlay said that an independent party is needed to check our internal audit procedures.

Councilor Rickenmann said that the Council talked about this when Mr. Hipp was here and the City Manager committed to putting that group together to complete a functional audit.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates recommended that the Council identify one point person to help get this off the ground; get the charter; set up different structures and reporting relationships; and whatever is needed to make the Audit Committee function.

Councilor Rickenmann agreed that they needed someone independently.

Councilor Devine thought they were told that they had to have an Audit Committee under the new GASB.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina said that applies to non-profit organizations.

Mr. Bill Ellis, Deputy Finance Director asked if we were under non-profit guidelines.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina stated that the city is under governmental accounting guidelines.

Councilor Devine said that the Internal Auditor has a schedule that we may have not seen. We need to start getting that.

Mr. Charles P. Austin, Sr., City Manager said that we have made changes that will be reflected as we continue the proceedings.

Councilor Cromartie noted that he served as the Chair of the Audit Committee of the Central Midlands Council of Governments (COG) and they said that the Audit Committee is supposed to be independent of management and that we are supposed to meet with the auditors to ask questions without the presence of management.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates concurred with Mr. Cromartie, noting that management should not be in the room 100% of the time.

Mr. Charles P. Austin, Sr., City Manager said that Ann Ross, a previous External Auditor did meet with the Council.

Councilor Davis said that as a governmental body they could either be a committee of the whole or a subcommittee of the whole to meet with the Internal Auditor and those meetings could be conducted independent of upper management or anybody. It is part of the process versus doing it intentionally to create a problem and it would give the Internal Auditor the flexibility to talk factually.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates concurred and added that the Internal Auditor should be the eyes and ears of the Audit Committee. She said that another role of the Audit Committee is to oversee compliance by management with the financial policies and procedures. They also have to make sure that the city has sufficient and documented policies and procedures that all employees can access. Another important role is to make sure that any findings during external or compliance audits are addressed. Typically the Audit Committee would be responsible for hiring and/or terminating the audit firm; evaluating the audit firm; reviewing peer review reports; background checks of the firm; reviewing the audit results; and supervise, oversee and monitor the external auditors work.

Mayor Coble said that right now the Council hires the external auditor. He asked if this would be the same function except its being done by the Audit Committee. He wants that to be in the charter.

Councilor Devine asked if the Council receives a financial audit of HUD and other federal funds.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that the City has a single audit, which is typically performed by external auditors.

Ms. Melisa Caughman, Interim Finance Director said that the Department of Housing and Urban Development (HUD) has audited the City and so have the Department of Justice and other federal agencies that provide grants.

Councilor Devine said that the Council has not seen those.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates suggested that the Council make that an additional role for the Audit Committee to see those, because it would impact other audits and it provides the information that Council needs. She said that the Audit Committee is a critical component of your internal controls and it allows the Council to set the tone at the top and not just the City Manager; you are the ultimate authority. Having an Audit Committee provides good focus and direction on your financial affairs; it can enhance the external audit function and create an opportunity for open dialog between the committee and the auditor; it can help obtain independent observations by the audit team about management's efforts to make sure the city has effective internal controls. She referenced a "National Government Ethics" survey that was conducted in 2007 by the Ethics Resource Center. The survey was conducted on 3,500 public sector employees and the results are saying that we need to integrate ethics into our daily lives. The good news was that 70% of government workers who have observed misconduct report it to management. The bad news is that misconduct across government as a whole is very high with 6 in 10 government employees seeing at least one form of misconduct in the last twelve months. At the state and local level that is 57% and 63% respectively and of the 63% of local government employees who observed the misconduct, 75% said they observed more than one type. She reported that one in four of governmental employees say they work in environments that are conducive to misconduct. We have a declining economic culture; we have increasing economic pressures; and governments have a hotbed for the potential of misconduct.

Councilor Cromartie asked if the Audit Committee will have the authority and power to investigate financial misconduct.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates concurred and stated that typically the person reporting the misconduct should be able to report it confidentially.

Mayor Coble stated that if we are the only city that has this then we for the charter to be consistent with our form of government.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina said that this is nothing new. As a Council, you have always had these powers and responsibilities.

Councilor Finlay added that 90% of things reported will not be difficult to deal with, but the other 10% of what is reported will be bad and should be handled quickly, because it will reduce future instances.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that she will research the GASB issue that was brought up. She noted that the charter is a living tool just like a mission statement. It is a road map and you want to take a lot of time to make sure it has what you want. The Audit Committee would be responsible for the appointment, compensation, retention, oversight of their work and termination of the independent auditors, because the auditors would report to the Audit Committee and not management.

Councilor Devine said that it's not the same as their current practice, because they never see the Internal Auditor. She asked Mr. Duvall if that should be changed.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that it doesn't have to change, but it would be the best practice.

Mayor Coble suggested that they consider having the Internal Auditor report to the Audit Committee.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates reiterated Mr. Duvall's comments on the composition of the Audit Committee, noting that 3-5 Council members would be in line with best practices. Also, each member must be independent of the city as far as management is concerned. In terms of skill sets, at least one (1) member should be a "financial expert".

Mayor Coble asked if there would be a benefit to adding an accountant to the Audit Committee.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina said that they could add an accountant, but he believes that the skill set of this Council is sufficient for an Audit Committee.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates disagreed with Mr. Duvall stating that the best practice is to have someone with expertise in financial accounting and reporting indicated by a professional certification.

Councilor Rickenmann agreed with Ms. Breland adding that there are a lot of questions that the Council has not been able to answer.

Mayor Coble suggested that an accountant or similar certified individual to the Audit Committee in an advisory capacity.

Councilor Gergel asked what does being independent of the city mean.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that it means an Audit Committee member can't have any business dealings with the city and no management positions within the city. Any business dealings should be disclosed on a conflict statement. She continued to report on the Audit Committee's primary duties and responsibilities. Usually, the committee meets at least four (4) times per year and additional meetings are conducted if necessary. They conduct executive sessions with different people to include the City Manager, the Finance Director and others. She asked Mr. Duvall if the Audit Committee could meet in executive session under the current South Carolina law.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina said that they could meet in executive session under the Freedom of Information Act (FOIA) only if they are directing an investigation, receiving a legal opinion or something like that. A normal meeting with an external auditor or the internal auditor would be in a public session.

Councilor Finlay asked if they could go into executive session to discuss an allegation of wrong doing.

Mr. Ken Gaines, City Attorney said yes, that would be executive session. He noted that fraud review and misconduct are matters that can be discussed in executive session.

Mayor Coble suggested that the Audit Committee meet once per month.

Councilor Rickenmann concurred.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates stated that the Audit Committee can hire professional consultants as necessary; ensure that they are free of conflicts of interest; oversee appointment of the independent auditors that are engaged; establish the fees; review and evaluate the performance of the independent auditors; review with the full Council any proposed termination of an independent auditor; review with management the policies and procedures for the use of expense accounts, vehicles, public property and public monies; and test and review those areas through surprise audits.

Councilor Cromartie said that the Council never reviewed expense accounts for employees or public property. Does a review of these things blur the line between the Council-Manager form of government?

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that the Internal Auditor should conduct those reviews. She suggested that the city not hire the independent auditor to do any other services, because that would be a problem from the independence standpoint. Make sure you are consistent with the GAO guidelines.

Councilor Rickenmann said that we had an external auditor for a long time and then it became a personal relationship. When do you change auditors?

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates replied that you should rotate every three (3) years.

Mr. Howard Duvall, Executive Director of the Municipal Association of South Carolina explained that South Carolina law requires you to hire the external auditor within 30 days of the beginning of the fiscal year and that you enter into a contract for up to three (3) years.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that the Statement of Accounting Standard (SAS) 112 addresses this, because this also hits home with a lot of small non-profits that allowed their external auditors to do their books as well. The external auditor must audit what has already been booked. As a best practice, the Chief Audit Executive (CAE) is typically the head of the Internal Audit Department. She suggested that the city consider increasing the size of their Internal Audit Department.

Ms. Melisa Caughman, Interim Finance Director explained that there is one (1) Internal Auditor at this point and two (2) positions are being included in the proposed budget amendment for fiscal year 2008/2009. She reported that Mr. Austin has suggested that we seek an external firm to do our internal auditing.

Mayor Coble suggested that the matter of hiring an external audit firm to perform internal audit functions be added to the list for consideration.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates explained that the risk management function will become apart of the Audit Committee's duties, because they will inquire of management, the CAE and the independent auditors about significant risks or exposures facing the city.

Councilor Gergel asked Ms. Breland to elaborate on the risk management function.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that she looked at a survey of all of the Audit Committees in the United States and they reported that risk management was their number one issue in 2008.

Mayor Coble asked about the current risk management position.

Mr. Charles P. Austin, Sr., City Manager said that we need to review the risk management function; it needs to be modified to be more comprehensive. As of now, they go to departments looking for risk factors.

Mayor Coble suggested that the Council direct staff to create a heightened role of risk management.

Ms. Melisa Caughman, Interim Finance Director explained that this is dealing with risk fraud.

Councilor Rickenmann said we need to look at insurance and all of the things that fall under risk management, because we haven't had that interaction. He feels that the risk manager would go under the CAE.

Councilor Devine urged her peers not to confuse this with our legal claims; this is about internal controls to prevent folks from stealing money by making their checks larger, for example.

Councilor Rickenmann asked how we get reports that accounts are being overspent.

Ms. Melisa Caughman, Interim Finance Director stated that monthly financial reporting would indicate that type of thing.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that the Audit Committee would inquire of the City Manager and the Chief Financial Officer (CFO) regarding the financial health of the city and the financial status of the city relative to its budget. The Audit Committee would review with the CAE and the independent auditors the adequacy of the internal controls and any findings or recommendations by the internal or external auditors and management's responses. They would also review with management and the independent auditor the effect of any regulatory and accounting initiatives.

Councilor Rickenmann requested that the Council receive copies of the books that Ms. Breland used as references.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates explained that the Audit Committee will review with the independent auditor that performs the external audit all critical accounting policies and practices, particularly with areas of complexity. The city has a lot of component units that makes it more complex from a financial management and reporting standpoint.

Councilor Finlay asked would it help to reduce the number of component units.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said yes from a financial reporting standpoint.

Councilor Rickenmann suggested that as the audit group reviews the policies and procedures they can give us a functional audit and determine if we can simplify the way we do business.

Mr. Bill Ellis, Deputy Finance Director said the short answer is yes and the long answer is you have to sever all ties to include responsibility, oversight and financial resources with a component unit.

Councilor Finlay asked about combining some of the component units.

Mr. Bill Ellis, Deputy Finance Director offered the same response.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that the critical accounting policies are the kinds of things that are reported in the notes to the financial statements to include investment policies, leases, alternative treatments, etc. She said this is a complex entity. The Audit Committee would review all significant written communications between the independent auditor and management to include a management letter, a schedule of unadjusted differences, audit report, the Management Discussion and Analysis (MD&A), the single audit and related findings, changes in audit plans and difficulties with management. She informed the Council that the auditor has specific requirements for communicating with an Audit Committee, which is called SAS 114 or the auditor's communication with those charged with governance. This is a relatively new road map of how auditors communicate and what they communicate with the Audit Committee. The Audit Committee also reviews with legal counsel and the CAE any and all legal and regulatory matters that may have a material impact on the financial statements. She asked if the Council has a code of conduct, code of ethics or a statement of values.

Ms. Melisa Caughman, Interim Finance Director said yes and it's part of the Strategic Plan, but it's no longer on the city's website.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that they need to make sure the document is adequate, updated and accessible by all employees. She continued explaining that the Audit Committee would review the procedures for the receipt, retention and treatment of complaints received by the city regarding accounting, internal controls, auditing matters or suspected fraud that may be submitted by internal or external parties. The Audit Committee needs to ensure that those procedures are adequate.

Councilor Devine asked how they would handle internal complaints.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates said that “whistle blowers” should be able to come to the Audit Committee in a confidential manner. Even if they have a complaint about management they should be able to come forward without fearing their job.

Councilor Devine said that she would be worried about putting this in our charter and then opening the doors to other types of complaints or employee issues.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates suggested that they look at how this is being handled in both the private and public sectors. There are different ways to do this without being inundated. Additional duties of the Audit Committee are to review procedures for the confidential, anonymous submission by the city’s employees of concerns relating to questionable accounting matters or suspected fraud and to review any submissions that have been received, the current status and the resolution. After one year, the Audit Committee needs to be prepared to conduct a self assessment to see how effective they have been. When you start an Audit Committee the CPA or CAE should create an agenda for the upcoming year and prepare a report at the end of that year to the people of Columbia.

Councilor Rickenmann suggested that they create an Action Report from each meeting and have it posted on the website.

Ms. Jackie Breland, C.P.A. / Jackie Breland and Associates stated that other procedures encouraged by Sarbanes-Oxley are to have a document destruction policy and a conflict of interest policy, which should be written and updated annually. The Audit Committee may oversee other governmental audits and they may have a significant role with regards to the city’s risk management and the development of the city’s fraud prevention policies. The top ten Audit Committee best practices are: establish effective internal auditing; ensure organizational ethics; communication; monitor use of inside information; be in a position to notice red flags; control conflicts of interest; ask questions; ensure external auditor independence; seek tax services elsewhere; and consider impacts of external auditor’s preferred accounting treatment.

There was a consensus of Council to defer the remainder of the presentation until the next Audit Committee Meeting.

Mayor Coble asked that the Municipal Association work with the Council to establish an Audit Committee.

Councilor Finlay suggested that they allow an independent group to review the city’s external auditors.

- **Council adjourned the meeting at 3:40 p.m.**

Respectfully submitted by:

Erika Salley  
City Clerk