

**CITY OF COLUMBIA
CITY COUNCIL
WORK SESSION MINUTES
MAY 17, 2011 – 3:00 P.M. – 5:00 P.M.
CITY HALL - 1737 MAIN STREET**



The Columbia City Council conducted a Work Session on Wednesday, May 17, 2011 in the City Hall Council Conference Room located at 1737 Main Street, Columbia, South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 3:07 p.m. and the following members of Council were present: The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Daniel J. Rickenmann, The Honorable Belinda F. Gergel, The Honorable Leona K. Plaugh and The Honorable Brian DeQuincey Newman. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Salley, City Clerk.

CITY COUNCIL DISCUSSION / ACTION

1. [Police Officers Retirement System](#) (PORS) Accidental Death Application

Mr. Steven A. Gantt, City Manager explained that the Police Officers Retirement System Accidental Death Application came to light after the tragedy in the Fire Department. There is an additional policy for fire fighters and police officers. There is no cost for the first year, but each subsequent year is .20% of the employee's salary, costing the City approximately \$70,000 to \$80,000 per year starting with the 2012/2013 budget. The amount would be split in accordance to the salaries in the Fire and Police Departments. After you opt into the program, you cannot opt out.

Upon a motion made by Mr. Davis and seconded by Ms. Devine, Council voted unanimously to authorize the City of Columbia's enrollment in the Police Officers Retirement System's Accidental Death Program effective July 1, 2011, with the caveat that the Employee Insurance Committee and the Administrative Policy Committee will jointly explore alternatives for expanding similar benefits to all employees.

Upon a motion made by Ms. Plaugh and seconded by Mayor Benjamin, Council voted unanimously to direct the City Manager to ensure that the City's enrollment in the Accidental Death Program under the Police Officers Retirement System is the most cost effective option with the greatest benefit.

2. [Comprehensive Annual Financial Report](#)

Mr. Bud Addison, Audit Senior Manager / Webster Rogers, LLLP reported that this is one of the best Comprehensive Annual Financial Reports (CAFR) published in the past four to five years. A lot of positive things have happened within the City of Columbia to include an \$8 million increase in net assets within the General Fund. The cumulative fund balance was \$6 million and you have more than doubled that for this year; the Accounting Department is conducting periodic inventories of capital assets; and the actual budgeted numbers are close to target. He urged the City to continue to monitor its Parking Fund, which operated at a deficit in 2010 and can adversely affect the bond rating. The General Fund Balance is approximately \$15.5 million. A copy of the Circular A-133 Report (Management Letter) was not readily available, but he cited the following areas of concern as it relates to federal programs: the Finance Department must be more involved in the accounting process to include the review of written communications with the Department of Housing and Urban Development; the approval of expenditures; and aggressively pursuing receivables. He further suggested that all financial risks be reviewed on a monthly basis.

A motion made by Mr. Rickenmann to authorize the City Manager to develop a plan to ensure that all departments and component units provide the Finance Department with everything needed by September 30th or there will be some type of penalty, was withdrawn.

There was a consensus of Council to reaffirm the City Manager's ability to take action when necessary. The Council wants to know if a department and/or component unit hasn't submitted its documentation by September 30th, if there's no plan to cure that in the immediate future.

A motion made by Ms. Plough to direct the City Manager to meet with City Council after the September 30th deadline to inform them of the year end financials that haven't been submitted, was not seconded.

3. Hospitality Tax Policies

Mr. Steven A. Gantt, City Manager recalled that Council members requested a discussion on broad policies to be recommended to the Hospitality Tax Advisory Committee. We gathered information from other cities to give an indication of what they do with their tax. We found one (1) other entity that requires an application and most municipalities embed it in their budget and expend it annually.

Councilor Plough explained that there is an informal policy that the committee uses; it wasn't just anything that fed the fund, but it was anything that supported the restaurants. There was a fair amount of discussion about The State Fair; the committee didn't feel like it was necessarily a high priority. We realized that there were policies that were carried out that we weren't aware of. We may agree with those policies, but the point was that we needed to discuss them and decide if there were things that we wanted to share with the committee.

Mayor Benjamin said that we want all organizations that receive hospitality tax funds to use our brand and promote the city and the region. We are also asking all of the groups to not solely depend on hospitality tax funding for running their organizations and the importance of using it to leverage private dollars.

Councilor Rickenmann suggested that any amount funded over \$25,000 has to be matched. We could push people to raise funds and we could stretch those dollars.

Councilor Davis said that the smaller agencies are using this as their sole source of support and if we cut the strings, they tend to suffer. There may be some that have been on the program since day one and need to be cut.

Councilor Gergel asked if we address funding organizations that have deficits.

Ms. Libby Gober, Assistant to City Council said no, we do not. We receive budgets and financial statements, but we do not address that. You would have to be clear on the match requirements, because the committee currently requires a dollar for dollar match, pledges and in-kind services for capital projects.

Councilor Rickenmann said that the match should be done on all grants. I see groups that have received \$1 million over the years.

Mr. Steven A. Gantt, City Manager noted that Ms. Gober will be meeting with the committee this week to formulate recommendations for the upcoming fiscal year.

Councilor Rickenmann said that the changes can be effective for 2012/2013.

Mr. Steven A. Gantt, City Manager said that we front money to organizations as start-up funds. I think it should be a complete reimbursement system and if an organization needs start-up funds, then they should set aside funds for the next year instead of coming to us for upfront money each year.

Councilor Devine said that organizations will contact Ms. Gober to request funds for deposits, but it's supposed to be reimbursable.

Ms. Libby Gober, Assistant to City Council explained that City Council voted several years ago to advance the dollars, because organizations need it to market events, in advance.

Councilor Rickenmann suggested that at some point organizations should be required to hold back money so that they are not using the money before it's needed; there should be a grace period.

Ms. Libby Gober, Assistant to City Council stated that even though these are non-profit organizations that are monitored by the state, their financial statements and tax returns show that they have a lot of money invested. There are small groups that could not do what they are doing without this funding.

Councilor Gergel stated that these are big questions that we must continue to discuss.

Mayor Benjamin suggested that an ad-hoc committee of the Council continue the discussion. As part of the Transition Team's recommendations, it is important to develop thematic priorities that will allow us to be more competitive and establish a level of excellence. It will allow us to be flexible, accountable and bring in more private dollars.

There was a consensus of Council to create a committee with Dr. Gergel, Ms. Plough and Mayor Benjamin to review and formulate Hospitality Tax funding policies for fiscal year 2012/2013 based on the comments presented today.

4. [Funding of the September 11th Memorial](#) at the Columbia Convention Center

Mr. Steven A. Gantt, City Manager explained that several weeks ago he met with the Chairmen of the Lexington County and Richland County Councils and Mr. Pope of Richland County suggested that we utilize funds from the construction account of the Convention Center to construct the 9/11 Memorial. There is \$1.7 million and we've held that money. I talked to our bond counsel; they reviewed the bond documents; and they've indicated that we could in fact use \$175,000 of that \$1.7 million to fund the 9/11 Memorial. It will be considered as an additional attraction to the Convention Center. It will take concurrence from the Lexington County Council and the Richland County Council, and then we would communicate to the Convention Center Authority Board that we would like for them to fund that. We hold the cash and they would have to make a request to us for payment. There are no financial implications on any of the jurisdictions.

Mayor Benjamin said that this is backstop funding for the project. We are asking businesses to contribute \$911; individuals \$91.10; and school aged children for 91¢. The flag will reflect the three (3) participating governments; there will be recognition of White Knoll Middle School; and the memorial will be one of a kind.

Upon a motion made by Mayor Benjamin and seconded by Ms. Devine, Council voted unanimously to authorize the City Manager to proceed on behalf of the Columbia City

Council to authorize the use of one-third (1/3) of the Columbia Public Facilities Corporation Certificates of Participation Series 2003 funding in an amount not to exceed \$175,000 for the construction of a September 11th Memorial on the site of the Columbia Convention Center. It is understood that these funds will compliment any funds that are raised privately to successfully complete the construction of the September 11th Memorial in advance of the 10th anniversary of 9/11.

5. Establishment of the Business Friendly Task Force

Mr. Steven A. Gantt, City Manager explained that a letter was received from Mr. Ike McLeese and Mr. Mike Brennan of the Greater Columbia Chamber of Commerce asking the City to establish a group to look at how we do business in the city and county. I sent this to our Development Services and Utilities and Engineering Departments and they were excited. We should also include our Right-of-Way Division within Utilities and Engineering and our Fire Marshals.

Mayor Benjamin said that it's a good structure with nine (9) members: three (3) each appointed by the Chamber, the City and by Richland County to include five (5) private citizens.

Councilor Rickenmann said that he supports the concept, but feels that this is the role of the Chamber. For this to be successful, we must realize that we are all equally responsible.

Ms. Courtney Herring, Director of Governmental Relations & Regionalism for the Greater Columbia Chamber of Commerce explained that it would be a roundtable discussion on anecdotal information and problems; a review of case studies from other cities; and conversations with administration on how to move forward.

Councilor Plaugh suggested that this process reach beyond the nine (9) committee members. We need a forum for greater dialogue, because there is a lot to learn and grow from.

Councilor Devine said that the business community must be represented beyond the Chamber. There are developers and small business persons that also deal with the City and their issues should be addressed.

Councilor Davis said that we should look at our processes and tweak what needs to be tweaked while making sure that everybody is on the same page. It will be good to hear from people who have had good or bad experiences in order to figure out what changes need to be made.

Councilor Rickenmann agreed that there should be a charrette process. We need to ensure that this process reaches out to and engages different people in the community.

Councilor Newman inquired about the Chamber's appointees. We need a good cross-section of representatives of small businesses, minority businesses and genders.

Mr. Steven A. Gantt, City Manager stated that you can't fix problems based on generalities; we need specifics on what it is that we need to address. We can hear from the public on our own.

Councilor Gergel suggested that the Council meet with its three (3) appointees and that a young person be nominated.

Upon a motion made by Mr. Newman and seconded by Mr. Rickenmann, Council voted unanimously to endorse the formation of a Business Friendly Taskforce in conjunction with The Greater Columbia Chamber of Commerce and Richland County. The City's appointments will be finalized on June 7, 2011 as discussed.

EXECUTIVE SESSION

Upon a motion made by Mr. Newman and seconded by Dr. Gergel, Council voted unanimously to go into Executive Session at 4:52 p.m. for the discussion of **Items 6.** through **8.** Ms. Devine was not present for the vote.

6. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.*
 7. Receipt of legal advice which relates to pending, threatened or potential claim – *This item was discussed in Executive Session. No action was taken.*
 8. ****Discussion of the employment of an employee - *This item was discussed in Executive Session. No action was taken.***
- **Council adjourned the Work Session at 6:10 p.m.**

Respectfully submitted by:

Erika D. Salley
City Clerk