

**CITY OF COLUMBIA CITY COUNCIL
WORK SESSION MINUTES
SEPTEMBER 18, 2012 – 2:00 P.M.
EAU CLAIRE TOWN HALL
3905 ENSOR AVENUE**



The Columbia City Council met for a Work Session on Tuesday, September 18, 2012 at the Eau Claire Town Hall located at 3905 Ensor Avenue, Columbia, South Carolina. The Honorable Mayor Steven K. Benjamin called the meeting to order at 2:05 p.m. The following members of Council were present: The Honorable Sam Davis, The Honorable Tameika Isaac Devine, The Honorable Leona K. Plough, The Honorable Brian DeQuincey Newman, The Honorable Cameron A. Runyan and The Honorable Moe Baddourah. Also present were Mr. Steven A. Gantt, City Manager and Ms. Erika D. Moore, City Clerk. This meeting was advertised in accordance with the Freedom of Information Act.

CITY COUNCIL DISCUSSION / ACTION

1. [Surplus Accommodations Tax Funding](#) – Ms. Libby Gober, City Council Assistant

Ms. Libby Gober, City Council Assistant reported that \$340,719.79 remains in the Accommodations Tax surplus fund from fiscal year 2011/2012. She sought Council's approval of the Accommodations Tax Advisory Committee's recommendation to divide the surplus by an 85%/15% split between the Columbia Metropolitan Convention & Visitors Bureau and Capital City Lake Murray Country.

Upon a motion made by Ms. Devine and seconded by Mr. Newman, Council voted unanimously to approve the disbursement of the fiscal year 2011/2012 Accommodations Tax surplus fund by an 85%/15% split between the Columbia Metropolitan Convention & Visitors Bureau and Capital City Lake Murray Country.

2. [Affirmation of Funding for External Organizations](#) – Ms. Melisa Caughman, Budget Director

Mr. Steven A. Gantt, City Manager recalled that during a previous meeting, City Council approved funding for external agencies and staff had to verify that they had the correct funding sources for the organizations.

Ms. Missy Caughman, Budget Director asked the Council to reaffirm the action taken on September 4th as outlined on the handout. She noted that groups are funded at the same amount, but they were moved to the proper funding source based on eligibility and funding availability.

Mr. Steven A. Gantt, City Manager said that they had to increase the General Fund allocation

by \$7,000.00.

Councilor Devine inquired about funding for Challenge Day.

Ms. Missy Caughman, Budget Director said that funding for Challenge Day was split between the General Fund and Accommodations Tax last year.

Councilor Devine asked if there is an alternative funding source.

Mayor Benjamin recommended that \$15,000 of the \$21,000 allocated for Keep the Midlands Beautiful come from the Hospitality Tax Fund and that \$15,630 for Challenge Day come from the Accommodations Tax Fund.

Ms. Teresa Wilson, Assistant City Manager explained that the invoice from the River Alliance wasn't a part of this year's budget discussions and it was previously funded from the Economic Development Contingency Fund, but the fund no longer exists. She recalled that all groups previously funded from this source were realigned and assigned deliverables. She noted that last year, they received \$25,000 from the Hospitality Tax Fund and \$25,000 from the contingency fund. She said that she hadn't received a formal request from the River Alliance.

Councilor Davis asked how the River Alliance was doing on their deliverables.

Mayor Benjamin said that the River Alliance has done a great job. He suggested that staff ask the River Alliance to provide additional information along with a formal request for Council's consideration.

Councilor Plough asked about the leasehold arrangement for the Renaissance Cultural Arts Center.

Mr. Kenneth E. Gaines, City Attorney explained that the Renaissance Center has applied for New Market Tax Credits; the application is pending; and they are looking for the city to enter into a contingent lease with them in the event they need to support their bond payments. He said that the city would be assuming the contingent lease and would pay the lease payment each month if they didn't generate enough funding to make the bond payments. They asked the county and the city for \$50,000 and the county approved it. He noted that it is a seven (7) year commitment.

Mayor Benjamin explained that it isn't a payment, it's a guarantee.

Councilor Plough asked how the Center would sustain their operations.

Mayor Benjamin inquired about funding for Nickelodeon and the SC HIV/AIDS Council.

Ms. Teresa Wilson, Assistant City Manager explained that the organizations would submit applications to the city's Community Development Department for entitlement funding.

Councilor Plough inquired about funding for SisterCare that was shifted to the General Fund.

Ms. Missy Caughman, Budget Director explained that the city funded them historically from Community Promotions for their operations and staffing.

Councilor Devine explained that the funding is used for emergency assistance services such as relocation expenses for families, transportation, hotel rooms and hospital visits.

Upon a motion made by Mr. Newman and seconded by Ms. Devine, Council voted six (6) to one (1) to reaffirm funding for external organizations as amended to include \$15,630.00 for Challenge Day from the Accommodations Tax Fund and to reduce the Accommodations Tax Fund in the amount of \$15,000.00 for Keep the Midlands Beautiful, which will be shifted into the Hospitality Tax Fund. Voting aye were Mr. Baddourah, Mr. Runyan, Mr. Newman, Ms. Devine, Mr. Davis and Mayor Benjamin. Ms. Plough voted nay.

Councilor Devine recalled her request to look at Hospitality Tax surplus funds as a source to provide an increase to the four (4) line item agencies. She asked staff to look at every possible source, because funding for these groups has remained flat for five (5) years.

Mr. Bill Ellis, Finance Director reminded the Council of the policy to allow organizations to extend funding for two (2) years.

Councilor Davis suggested that Council review the carry forward policy, because there are organizations that can't get in the game and sometimes it is because of no available funding.

Councilor Runyan asked when the extra year comes into play for carry forward funds.

Ms. Libby Gober, City Council Assistant explained that an organization can request that funding be carried forward for the same event the next year. She further explained that if the request is not made within ten (10) days, the organization loses the funding and it goes back into the pot. She added that money left from ineligible expenses is returned to the pot.

3. Funding Source for a Hospitality Tax Study– Mr. Steven A. Gantt, City Manager

Mr. Steven A. Gantt, City Manager explained that \$75,000.00 was allocated for internal auditing services within the administrative budget. He suggested that this would be an appropriate source of funding for an external group to evaluate the hospitality tax fund.

Mayor Benjamin asked if the Arts and Historic Preservation Committee thought this study was necessary.

Councilor Newman said that he would defer to the chair, but he thought they would take this as information at this point and then let the committee make a determination.

Mayor Benjamin said that whatever is done, we must have a tool that we can use going forward as opposed to retrospectively.

Councilor Plaugh stated that staff is waiting on Council to give direction on which areas an auditor is to look at. She said that we should conduct routine independent audits of various functions of the city.

A motion made by Ms. Plaugh to have the Finance and Budget Committee look at remaining funding so that we are doing systematic reviews of functions within the city structure, failed for the lack of a second.

Mayor Benjamin asked the Arts and Historic Preservation Committee to come back with a recommendation.

4. [River Alliance Funding Request](#) – Ms. Teresa Wilson, Assistant City Manager – *Please refer to Item 1.*
5. [Challenge Day Funding Request](#) and Affirmation of the One Columbia Funding Allocation – The Honorable Tameika Isaac Devine – *Please refer to Item 1. Also note that the allocation for One Columbia was not discussed.*
6. Update on the Renaissance and Innovista Redevelopment Plans – The Honorable Leona K. Plaugh

Mr. Steven A. Gantt, City Manager said that County Council has deferred any action on the intergovernmental agreement until after the November election

Ms. Teresa Wilson, Assistant City Manager said that the School District has not taken any action and that no action will be taken by any of the bodies until after the election.

Councilor Plaugh said that they were told that the County and the School District would take the matter up on October 11th.

Councilor Devine said that the County deferred it without much discussion and we told the School District to defer action until the County resumes discussion.

Councilor Plaugh asked staff to share the conversations about using the \$180 million reserve fund for an alternate funding source for the TIF projects.

Mayor Benjamin explained that he spoke with Clif LeBlanc and since then he met with Ms. Devine twice, primarily to discuss every single possibility that exists for getting these very important infrastructure projects done. He said that he asked Mr. Gantt about the reserve accounts, obligations and responsibilities. He questioned the impact the penny would have on the Innovista, if it is successful in November; does that lessen the need for the TIF. He asked if there are other possibilities. He said that Ms. Devine pointed out that it's not often that you have all three (3) taxing entities on the same page, particularly when it comes to funding priorities within the municipal boundaries of the city.

Mr. Steven A. Gantt, City Manager said that the Shop Road Industrial Park is an internal multi-county industrial park and the increment will pay back the infrastructure costs that we put into that project. He said that we are taking a more in-depth look at our 5-year CIP for water and sewer to identify projects that could have a positive impact on redevelopment.

Councilor Devine stated that the TIF was never designed to be the end all, be all for all projects. She stated that North Main is only funded in the TIF at \$12.5 million, but \$30 million is needed to complete North Main Street and that's why it's also in the Penny Sales Tax referendum and TIGER Grant. She said that the IGA has a provision in it that backs a project out of the TIF, if it is funded by another source. She said that looking at other avenues is welcome, but it doesn't foreclose the idea of the TIF, because we are in a unique possibility by having the participation of others who are willing to be part of it. She explained that the increment isn't captured into the special source allocation fund until bonds are issued.

7. Monthly Financial Report – Mr. Bill Ellis, Finance Director

Mr. Bill Ellis, Finance Director presented the July and August Monthly Financial Report in two (2) formats. He said that the overages reported in July are due to retirements and overtime. He reported that there is a \$500,000.00 variance through August in the General Fund budget. He said that revenues are slightly up for July and August compared to the previous year. He said that this can be the result of delinquent tax payments or revenue that hasn't hit the accrual yet. He noted that the expenses are in line. He added that there was also one additional pay period for the Police Department.

Councilor Plaugh said that she found the report to be very helpful. She reminded Council that this Profit and Loss Statement is for the General Fund and not the other funds they are responsible for.

Councilor Runyan asked why there are staggered payrolls.

Mr. Steven A. Gantt, City Manager said that it has been like that since the dark ages of the city. He suggested that we need to consolidate everybody on the same pay period, but there will still be 26 pay periods. He said that there will be new time and attendance software to address this and other issues.

EXECUTIVE SESSION

Upon a motion made by Mayor Benjamin and seconded by Mr. Newman, Council voted unanimously to enter into Executive Session at 2:58 p.m. for the discussion of **Items 8** through **12** as outlined. Ms. Plaugh abstained from discussing **Item 9**.

8. Discussion of matters to proposed location or expansion of services to encourage location or expansion of industries or other businesses – *This item was discussed in Executive Session. No action was taken.*

9. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken. Ms. Plaugh abstained from discussing this matter.*
 10. Discussion of the employment of an employee – *This item was discussed in Executive Session. No action was taken.*
 11. Receipt of legal advice which relates to a matter covered by attorney-client privilege – *This item was discussed in Executive Session. No action was taken.*
 12. Receipt of legal advice which relates to pending, threatened or potential claim – *This item was discussed in Executive Session. No action was taken.*
- **Council adjourned the Work Session at 5:15 p.m.**

Respectfully submitted by:

Erika D. Moore
City Clerk