

**CITY OF COLUMBIA CITY COUNCIL
WORK SESSION MINUTES
OCTOBER 16, 2012 – 2:00 P.M.
EAU CLAIRE TOWN HALL
3905 ENSOR AVENUE**



The Columbia City Council met for a Work Session on Tuesday, October 16, 2012 at the Eau Claire Town Hall located at 3905 Ensor Avenue, Columbia South Carolina. The Honorable Mayor Stephen K. Benjamin called the meeting to order at 2:28 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 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. [Mayor's Veterans Committee Report](#) – Mr. Douglas Rosinski, Esq.

Mr. Doug Rosinski, Esq., Mayor's Veterans Committee Member reported that there are 23,000 backlogged claims awaiting a decision from the Department of Veterans Affairs (VA) and it takes (4) four years for an average claimant to receive benefits. That backlog represents more than \$21 million in cash payments not entering Richland County, to include the city and \$56 million for the Midlands, annually. He said that we can assist with employment, education and the backlog of VA claims. He presented eight (8) recommendations to protect veterans' interests.

Mayor Benjamin asked that Mr. Rosinski meet with the city's Human Resources Director, Pam Benjamin to determine how we can better assist our veterans.

Councilor Plough recalled that several months ago, staff was asked to identify employment opportunities within the City of Columbia for Veterans.

Representative James Brown, Richland County Delegation said that they are certified with the VA to handle initial claims. He presented VA manuals from Richland County and the State of South Carolina outlining the services available to veterans. He offered to work with the city on veterans' initiatives and with the proposed ombudsman.

Mayor Benjamin urged his peers to read the full report and he reiterated the request for Mr. Rosinski to connect with our Human Resources Department.

2. [River Alliance Funding Request](#) – Ms. Teresa Wilson, Assistant City Manager

Mr. John McArthur, Chairman of the River Alliance Board of Directors recalled that the River Alliance was formed as a 501(c) 3 through an intergovernmental agreement between the City of Columbia, Richland County, Lexington County, Cayce and West Columbia.

Councilor Devine reiterated her request to appoint Mr. Newman to the Board of Directors as her replacement.

Mr. Mike Dawson, Executive Director of the River Alliance reported that over the past year, the River Alliance developed a new model for a mile of greenway. He explained that it will be built to our standards, on mostly private property, with private money and it will be publicly accessible. The Obama administration under the US Department of Interior created a project called “America’s Great Outdoors” and they are selecting two (2) projects from each state. We proposed the Columbia Three Rivers Greenway and the 12,000 year history park; both were endorsed by the Governor’s office. The Greenway was selected by the Department of Interior. The Saluda Riverwalk which runs from I-26 parallel to I-126 is included in the sales tax referendum. He provided an overview of the pending projects for the river system.

3. [City Year Funding Request](#) – Ms. Teresa Wilson, Assistant City Manager

Ms. Teresa Wilson, Assistant City Manager explained that City Year is requesting \$5,000 in Hospitality Tax funding for their 20th anniversary celebration.

Ms. Gail Wilson-Giarratano, Ph. D., Executive Director of City Year reported that City Year has 24 sites, but Columbia was the first state site. The concept is to celebrate this legacy site for an entire year. She spoke of a senior corps member that is working as a mentor at W.A. Perry Middle School where he attended third grade.

Upon a single motion made by Mr. Newman and seconded by Mr. Baddourah, Council voted unanimously to allocate \$5,000.00 to City Year and \$25,000.00 to the River Alliance from the Hospitality Tax Fund.

4. Water and Sewer Rate Structure – Ms. Melissa Gentry, P.E., Assistant City Manager

Ms. Melissa Gentry, P.E., Assistant City Manager provided Council with an outline of various customer bills. She reported that 89 % of our customers have ¾” meters. She also provided the five (5) year capital improvement project list for water and sewer.

Councilor Davis stated that the rate was increased based on the recommendations you’ve given. As a result of that, a lot of people in this city cannot afford the rates we agreed to. I don’t subscribe to leaving it where it is.

Councilor Devine urged her peers to understand the whole picture.

Councilor Plough added this Council has made adjustments in the water/sewer rates and that Council has not been neglectful.

Mr. Daryll Parker, Utility Advisors Network, Inc. explained that larger meters are charged more, because the city's facilities were built around the potential capacity of those meters. The volumetric rate is not driving these issues. We used the American Water Works Association (AWWA) equivalency factors for meter base charges. He suggested that they may have been too aggressive and should have considered a phased in approach. We did not anticipate the 8" meters with very little flow. Their base charge went up significantly. You have 130,000+ customers with less than 1,200 customers impacted by this. The reality is that these large meters could create a large need on your system, even if these meters are just for fire protection.

Councilor Plaugh asked if everyone else in the country sets their standards by the AWWA.

Mr. Daryll Parker, Utility Advisors Network, Inc. replied that it's the standard, but not everyone uses it.

Councilor Plaugh pointed out that the fire protection fee is an ongoing charge for a potential capacity of service they may never use.

Mayor Benjamin inquired about the large meters.

Ms. Melissa Gentry, P.E., Assistant City Manager explained that there are 209- 8" meters and 30- 10" meters. She noted that a total of 385 customers had zero consumption over a three (3) month period.

Councilor Davis said that he received a lot of complaints from residential customers and the impact is across the board.

Mayor Benjamin said that each situation is very different. He stated that it is important to look at developing a system for people to access information about their bills and a quick response system.

Councilor Baddourah added that every residence will receive a \$22 bill each month whether or not there is consumption.

Mr. Daryll Parker, Utility Advisors Network, Inc. said that a combined water and sewer bill with no consumption is \$12.00.

Councilor Baddourah requested a copy of a typical bill.

Councilor Devine asked Mr. Baddourah if he thought there shouldn't be a base charge or if he thought the base charge was too high.

Councilor Baddourah said that the base charge is too high.

Mr. Daryll Parker, Utility Advisors Network, Inc. compared rates of neighboring cities and towns. He said that Columbia compares very favorably for inside and outside city customer rates. He noted that the city needs to generate \$117 million in revenues from user rates.

Mayor Benjamin inquired about tap fees.

Mr. Daryll Parker, Utility Advisors Network, Inc. said that tap fees aren't a part of this study. He explained that tap fees are set to recover operating costs for crews tapping the line.

Joey Jaco, Director of Utilities and Engineering said that we analyze the cost to make the tap and if it's on the same side of the road, we make money. If it's on the other side of the road, we may lose money. He clarified that we charge an expansion fee for existing sites that are expanding usage and a tap fee for new facilities.

Councilor Newman asked if the expansion fee is close to the original tap fee.

Joey Jaco, Director of Utilities and Engineering replied that it's usually equal to the tap fee.

Councilor Plaugh asked if it's prorated.

Joey Jaco, Director of Utilities and Engineering answered that it's based on the number of equivalent residential units that is equal to 400 gallons per day. That's the DHEC standard for one single family household. We charge one tap fee or one expansion fee per equivalent residential unit.

Councilor Plaugh asked when we last raised those fees.

Joey Jaco, Director of Utilities and Engineering said in 2007 the tap fees were raised over a 2 year period.

Councilor Baddourah inquired about the level of increases. How much did we go up on the actual consumption rate of the water bill?

Mr. Daryll Parker, Utility Advisors Network, Inc. answered 7.5%.

Councilor Devine asked staff to describe the types of calls they've received in regard to the new rates.

Ms. Missy Gentry, P.E., Assistant City Manager explained that we are hearing from a lot more people and a portion of that is because the base rate did increase. Another factor is that people are assuming their increase was because of this. We do go above and beyond to help them.

Mr. Steve Gantt, City Manager stated that every customer in and out of the city limits received a \$4 increase.

Mayor Benjamin inquired about customers that may have been overcharged for their base rate.

Ms. Missy Gentry, P.E., Assistant City Manager said that was related to sewer, not water. It happened two months in a row and those customers have been credited.

Mayor Benjamin inquired about the allocation of savings from the bonds that were refinanced.

Mr. Bill Ellis, Finance Director said that those savings go into the water and sewer system.

Mayor Benjamin asked if any of those funds could be used to address the 385 customers with large meters.

Mr. Bill Ellis, Finance Director answered that anything that isn't needed for debt service has been transferred to operations.

Mayor Benjamin suggested that they look at the annual savings.

Mr. Brent Robertson, Financial Advisor / Merchant Capital said that the savings was taken over the life of the bonds instead of at one time.

Mayor Benjamin said that those savings could be used to also deal with these issues. He said that we never envisioned a scenario where commercial bills would more than double. We need your help with how to address it. We may need to reduce our Capital Improvement Plan (CIP) by \$3 million or more. We must find a way to use public information to help people understand. We've made good government decisions at an untimely time.

Mr. Bill Ellis, Finance Director said that we must be careful, because we are trading one asset for another asset. The only way to affect this is to reduce the operational costs.

Mayor Benjamin asked if the budget anticipated the increase from the savings.

Mr. Bill Ellis, Finance Director said yes.

Mr. Steven A. Gantt, City Manager asked if the request is to reduce the CIP by \$1 million in order to ease the burden.

Councilor Davis concurred and said that they should continue with this thought pattern in the future when considering rate increases. He said that this has been an extraordinary time to make adjustments while agreeing to make over \$5 million in repairs, but this has been hard for rate payers. We need to continue to look at ways to provide relief for customers.

Mayor Benjamin said that we must continue to rebuild and repair the system for future growth.

Councilor Plough said that they also need to look at the impact on small businesses, because some of them had a 245% increase.

Mr. Steven A. Gantt, City Manager said that 25% of those customers may have a leak or problem.

Councilor Devine said that she has referred callers to the Customer Care Center and she found that some issues can be addressed. Part of our PR strategy could be for people to call to have their bills looked at.

Mr. Steven A. Gantt, City Manager said that they did a frequently asked questions page. He said that some properties may have 3 meters and they got hit 3 times in addition to the storm water fee. We need to come back with some recommendations on reductions, primarily with the meters with the biggest impact which is the 4". We can look at the 5 year CIP and spread it out over a 6 or 7 year period.

Mayor Benjamin asked if doing away with this affects our commitment to the environment, rate payers and obligations to the EPA. We need to figure out a way to get there.

Councilor Baddourah added that when we talk about small businesses paying \$100 a month it's really \$1,200 a year. They look at it as an extra tax. It's a huge expense.

Mayor Benjamin asked about the change in the first 100 cubic feet.

Mr. Daryll Parker, Utility Advisors Network, Inc. explained that we are including 300 cubic feet in the base rate. Your base charge is supposed to be there as an availability of service charge. It should be completely separate from volumetric. The base charge should not include any flow. When the water runs, the customer should pay for flow. We talked about was eliminating that. If you eliminate that all at one time, it would hit your lower use customer harder than anybody else.

Councilor Plough asked how other communities addressed that.

Mr. Daryll Parker, Utility Advisors Network, Inc. said that most systems don't have any flow in their base charge. He said that larger systems either never had any flow included or no longer do. We are trying to get more of the guaranteed revenues to cover your costs.

Councilor Plough asked if it is unusual for the fixed costs to be so high.

Mr. Daryll Parker, Utility Advisors Network, Inc. said no.

Upon a motion made by Mayor Benjamin and seconded by Ms. Plough, Council voted unanimously to affirmatively commit to staff looking at solutions to deal with the issues that were raised and to affirm that Council's commitment to continuing to rebuild our wastewater systems to the standards that we know they need them to be, is clear and unabated.

Mayor Benjamin stated that we want creativity and we need leadership from you to show us how to do it. It needs to be crystal clear that our commitment can't waiver.

5. [Housing Program Rules and Regulations](#) – Ms. Deborah Livingston, Director of Community Development

Councilor Davis reported that the Economic and Community Development Committee reviewed and revised the Housing Program Rules and Regulations.

Ms. Deborah Livingston, Director of Community Development explained that there were several different versions of the policy approved in the past; therefore, they drafted one comprehensive version that outlines the program rules and regulations. She reviewed the rules and regulations for the various housing loan programs.

Councilor Runyan inquired about the wording for the value ratio and suggested that it include the word “shall” not exceed 100% instead of “should”.

Ms. Deborah Livingston, Director of Community Development replied that it could be less if they put more money down, but it will not exceed 100%.

Councilor Runyan asked how the city’s interest rate is calculated.

Ms. Deborah Livingston, Director of Community Development said that the interest rates are determined by the banks.

Councilor Baddourah inquired about the employee loan program.

Ms. Deborah Livingston, Director of Community Development explained that it is similar to the state’s HERO Program.

Councilor Devine asked if the city was going to play a role in referring individuals to the State’s HELP Program.

Ms. Deborah Livingston, Director of Community Development said that they refer everyone to the HELP Program that is delinquent in payments.

Councilor Davis inquired about our current foreclosure rate.

Ms. Deborah Livingston, Director of Community Development said that we have one (1) foreclosure and twenty-six (26) past due accounts in a \$13.5 million portfolio.

Councilor Plaugh asked about the banks we work with.

Ms. Deborah Livingston, Director of Community Development stated that we are working with NBSC, BB&T, First Citizens and Security Federal.

EXECUTIVE SESSION

Upon a motion made by Mayor Benjamin and seconded by Mr. Baddourah, Council voted unanimously to go into Executive Session at 4:37 p.m. for the discussion of **Items 6** through **10**. Mr. Newman was not present for the vote.

6. Receipt of legal advice which relates to a pending, threatened or potential claim – *This item was discussed in Executive Session. No action was taken.*
7. 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.*
8. Discussion of negotiations incident to proposed contractual arrangements – *This item was discussed in Executive Session. No action was taken.*
9. Discussion of negotiations incident to the proposed purchase of property – *This item was discussed in Executive Session. No action was taken.*

10. Discussion of the employment of an employee – *This item was discussed in Executive Session. No action was taken.*

- **Council adjourned the Work Session at 6:00 p.m.**

Respectfully submitted by:

Erika D. Moore
City Clerk