

City of West Columbia, SC

Council Budget Work Session Minutes

May 28, 2013 at 5 p.m.

Members Present:

Joe Owens, Mayor
Boyd Jones, Mayor Pro-Tem
Eric L. Fowler
Casey Jordan Hallman
L. Dale Harley
Tommy Parler
Teddy Wingard

Members Absent:

B.J. Unthank

Others Present:

Jenny Cunningham, City Administrator
Myron Corley, Deputy City Administrator
Donna Smith, Director of Economic Development
Sid Varn, Director of Planning and Engineering
Ken Ebener, Municipal Judge
Dennis Tyndall, Police Chief
Wyatt Coleman, Fire Chief

Rick Hodge, City Treasurer
Stuart Jones, Building Official
Brian Carter, Director of Planning and Zoning
Charles Garren, Public Works Director
Justin Black, Staff Accountant
Matt Edwards, Police Major
Members of the Public and Press

Agenda Item I – Call to Order

Mayor Owens called the meeting to order at 6 p.m. and noted a quorum was present. *The State, Free Times, Lexington County Chronicle, Cayce-West Columbia News, The Columbia Star* and radio and TV stations were notified of the meeting by e-mail on May 17, 2013.

Agenda Item II – Proposed General Fund and Water/Sewer Budgets for Fiscal Year 2012-2013

Mayor Owens recognized City Administrator Jenny Cunningham who gave a presentation on the FY 2013-2014 budgets for both the General Fund and the Water and Sewer Fund. Expenses for the General Fund total \$12,736,000 and are balanced to the projected revenues of the same amount. The primary sources of revenues for the General Fund include property taxes, business licenses and fees, state rebates, hydrant fees, permit fees, transfers and grant funds. The General Fund budget is balanced at 55.279 in operating mils and 6.6 in debt service mils, the same as for FY 2012-2013. The 6.6 mils is collected and earmarked for the debt retirement of the 2010 ten-year general obligation debt to refinance the Bond Anticipation Note (BAN) for the State and Meeting streets property. She noted that when the debt is satisfied in seven years, the 6.6 mil assessment will cease to be assessed. Next year's General Fund budget of \$12,736,000 represents a 7.8 percent (7.8%) decrease from the current fiscal year's budget of \$13,722,000. Mrs. Cunningham explained that the net decrease in the proposed budget is attributable mainly to the reduction in grant program revenues, fine revenues and local government fund revenues received from the State Treasurer.

Mrs. Cunningham stated the Water/Sewer operating budget is balanced without increases to water and sewer service rates or connection (tap) fees. The projected FY 2013-2014 transfer to the General Fund from the Water/Sewer Fund is increased by \$184,900 or 6.18 percent (6.18%).

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Mrs. Cunningham stated that the proposed budget plan includes funding for up to three percent (3%) merit pay increases for employees to be awarded on the employees' employment anniversary dates, subject to a satisfactory performance evaluation. Also included in the budget plan is a two percent (2%) across the board cost-of-living increase for all employees to be awarded July 1, 2013.

Mrs. Cunningham said that on July 1, 2011, West Columbia joined the S.C. State Health Insurance Plan, which is in the Blue Cross/Blue Shield network. She provided a summary of the coverages under the State's standard plan as follows:

Annual Deductible:	\$350 Individual/ \$700 Family
In-network Co-insurance	80/20
Out of network Co-insurance	60/40
Per Occurrence Deductible	\$10 Office Visit
Network Retail Pharmacy	\$9 Generic/ \$30 Formulary/ \$50 Non-Formulary

Mrs. Cunningham explained that during the first two years of coverage under the State Health Plan, the city is not be experienced rated, but pays the same rates as other comparably-sized entities. She said the next fiscal year's premiums under the State Health Plan will increase by 6.0 percent (6.0%). As in past years, Mrs. Cunningham recommended that the city continue to pay the employee's part of the monthly premium for health insurance, which is included in the proposed budget. Mrs. Cunningham noted that a breakdown of premiums for all types of coverage is illustrated under Tab # 7 in the budget booklet distributed to council members.

Mrs. Cunningham stated that the cost of fleet insurance, property and tort liability insurance increased by about \$30,000 and is provided through Traveler's Insurance Company. The South Carolina Municipal Insurance Trust (SCMIT) is the provider for the city's workers' compensation coverage. She explained the premium for workers' compensation insurance is based upon claims and safety experience. She noted that because the city experienced relatively few claims for the current year that the city's premiums will remain at the current year's rate of approximately \$160,000. She credited the static premium to the Safety Committee's diligence in providing training programs and monitoring risks in employee work activities.

Mrs. Cunningham briefly went over other proposed expenditures that were included in the budget.

Membership – The River Alliance	\$ 10,000
Dues to Central Midlands Council of Governments	11,250
Central Midlands Regional Transit Authority	20,000
Contribution to Boys State and Girls State	2,500
Contribution to the West Metro Visitors' Center	10,200
Contribution to Midlands Housing Authority – Transitions Shelter	15,000
Contribution to the City of Cayce's Animal Adoption Center	15,000
Contribution to Pets, Incorporated – Animal Rescue & Adoption Center	15,000
Debt Service – New City Hall	572,120
Columbia Sewer Treatment Costs	433,500
Bonded Debt Service - Water and Sewer Fund	2,662,127
Lease Purchase Financing – Replace Obsolete Computers/ Software	250,000

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Mrs. Cunningham stated the City's Tax Increment Financing (TIF) bond debt service will decrease by approximately \$20,700 from the current year to next year due to a refunding of the 2008 TIF bond. The change is due to a reduction of the interest rate from 3.54 percent (3.54%) to 1.426 percent (1.426%).

Mrs. Cunningham said the city's bonded debt service will decrease by approximately \$45,460 from the current fiscal year to the next fiscal year. The decrease is attributable to the refunding of the 1998A State Revolving Fund (SRF) bond and the 2009C bank placed bond at an interest rate of 1.48 percent (1.48%) over previous interest rates of 4.75 percent (4.75%) and 3.53 percent (3.53%) respectively.

Mrs. Cunningham explained that a net earnings test is required each budget year to comply with the Master Bond Ordinance for the 2005 and the 2009A & B SRF loans and the Refunding 2013 bond issue. She explained that coverage on bonded debt must not be less than 1.20 percent (amount available for debt divided by debt). The FY 2013-2014 Water/Sewer Fund budget produces sufficient coverage to comply with both the Master Bond Covenant and the SRF Loan Agreement Rate Covenant.

Mrs. Cunningham went over a list of fixed assets and equipment requested by departments. The Administration Department requested replacement of three obsolete computer servers and related software (\$61,515) and replacement of two obsolete computers and monitors (\$2,000).

The Municipal Court requested replacement of three office chairs (\$500) and a new desk top computer (\$735) for the deputy clerk of court.

Under the Police Department, the patrol division requested five in patrol cars (\$120,000), five in-car cameras (\$29,250), five radar detectors (\$10,000) two mobile data terminals (\$9,000), a building security camera (\$2,500), and three Tasers (\$2,700). The patrol division also requested seven light bars, cages, consoles, sirens and speakers, and shotgun racks (\$24,530), an in-car camera computer server (\$7,500), mobile printers (\$7,170), replacement of 25 obsolete desktop and lap top computers and related software (\$23,450), replacement of obsolete CAD and RMS servers and related software (\$18,965), and replacement of outdated CAD/RMS operating software. The detective division requested eight chairs (\$1,400), and cameras and accessories (\$800). Dispatch requested two chairs (\$600) and computer monitors and a fax machine (\$1,000).

The Fire Department requested nine sets of bunker gear (\$13,500), 30 sections of fire hose (\$4,100), a couch and chair for the day room (\$3,500), a computer for a fire truck (\$3,500), and replacement of carpet and blinds (\$5,800) in the fire station.

Under Public Works, the Sanitation Department requested \$75,000 for a flat bed truck. The Maintenance Department requested a refrigerant management recovery system (\$5,000) and the repair of the overhead lighting system (\$3,000).

The Riverside Water Treatment Plant requested a new C12 portable chlorine meter (\$4,500), cabinets for the laboratory (\$1,500) and USP battery back-ups for the water tanks (\$800). The Lake Murray Water Treatment Plant requested \$20,000 to evaluate and refurbish Filter # 2, replace two peristaltic pumps (\$10,000), paint the Centrifuge thickener (\$10,000), replace lights on the water basin (\$10,000), purchase a ban saw (2,000) and a large printer for GIS (600).

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The Water Billing Department requested a replacement for an obsolete computer (\$650).

The Water Billing Department requested purchase of a new check endorser/signer (\$2,500), replacement of obsolete desktop computers and related software (\$2,200) and replacement of obsolete computer servers and related software (\$5,800).

Mrs. Cunningham said a notice will be published in the May 19, 2013 edition of The State newspaper for the public hearing on the municipal budget on June 4, 2013. She explained the notice must be published at least 15 days prior to the public hearings. First reading consideration on the budget would be at the Regular Council Meeting on June 4, 2013 following the public hearing. Second reading consideration would be at the Special Council Meeting on June 17, 2013. Mrs. Cunningham said a printout accompanies the proposed municipal budget. She encourages council members to offer comments or suggestions prior to the first reading of the budget on June 4, 2013.

Agenda Item III – Other Business

Mayor Owens asked if there was any other business to consider and recognized Council Member Hallman who discussed funding for summer programs from the At Risk Youth fund. City Treasurer Rick Hodge described the various funding sources for the At-Risk Youth Fund and the most significant expenses. Mrs. Cunningham stated that each year the city must report the amount received into the fund and on what the funds were spent to the Office of the SC Secretary of State.

Mayor Owens recognized Deputy City Administrator Myron Corley who briefed council on discussions he had with the SC Department of Transportation (SCDOT) regarding the number of accidents that have occurred along State Street due to increased traffic and the number of cars parked along the street. He said SCDOT wanted to either eliminate parking on State Street or turn Spring Street into a one-way street to eliminate cars from turning onto State Street at the intersection. He felt the best solution would be to turn Spring Street into a one-way street and keep parking on the 100 to 300 blocks of State Street to support the businesses.

Agenda Item IV – Adjourn

Mayor Owens entertained a motion to adjourn. Council Member Harley so moved and Council Member Fowler seconded. The motion passed unanimously. Council adjourned at 6:58 p.m.

Respectfully submitted,

Marta M. Valentino, CMC
City Clerk