

City of West Columbia, SC

Special Council Meeting

June 13, 2011 at Noon

Members Present:

Bobby E. Horton, Mayor
Jack L. Harmon, Mayor Pro-Tem
Eric L. Fowler
L. Dale Harley
Boyd Jones
Marsha Moore
Tommy Parler
BJ Unthank
Cathy Shannon

Members Absent:

None

Others Present:

Jenny Cunningham, City Administrator
Mardi Valentino, City Clerk
Myron Corley, Deputy City Administrator
Donna Smith, Economic Development Director
Brian Carter, Planning and Zoning Director
Sid Varn, Planning & Engineering Director
Jackie Brothers, Police Major
Members of the Public and Press

Rick Hodge, City Treasurer
Charles Garren, Public Works Director
Stuart Jones, Building Official
Dennis Tyndall, Police Chief
Emily Pires, GIS Analyst/Lab Coordinator
Rex Adkins, Water Sewer Superintendent
Wyatt Coleman, Fire Chief

Agenda Item I – Call to Order

Mayor Horton called the meeting to order at 12 p.m. and noted a quorum was present. *The State, Free Times, Lexington County Chronicle, Cayce-West Columbia News, and The Columbia Star* were notified of the meeting by e-mail on June 10, 2011.

Agenda Item II – Invocation and Pledge of Allegiance

Council Member Moore gave the invocation followed by the Pledge of Allegiance.

Agenda Item III – Announcements by Mayor

Mayor Horton stated he did not have any announcements.

Agenda Item IV – New Business

- A. Mayor Horton stated he wanted clarify that the only item on the agenda is the first reading of the budget for Fiscal Year 2011-2012. He said at the Regular Council Meeting on June 7, 2011, the first reading of an ordinance to approve the budget with a millage increase did not pass and the first reading of an ordinance to increase water and sewer rates by five percent also did not pass. He said both motions were defeated and cannot come back up for consideration unless a member on the winning side chooses to do so. He said what is on the agenda today is first reading consideration of an ordinance to approve the budget with the current millage rate. Mayor Horton entertained a motion for first reading consideration of an ordinance adopting a budget with millage at the current rate for the fiscal year beginning July 1, 2011 and levying a tax to meet such budget for the fiscal year with General Fund \$13,000,000 and Water/Sewer Fund \$12,600,000. Mayor Pro-Tem Harmon so moved and Council Member Shannon seconded.

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Agenda Item VII – New Business (continued)

Mayor Horton asked was there any discussion of the motion or amendments to the budget. He recognized Council Member Harley who asked City Treasurer Rick Hodge if the city's Water and Sewer Reserve Fund currently had a balance. Mr. Hodge responded that there was a balance in the Water and Sewer Reserve Fund. Council Member Harley asked how the city handles the reserve fund. Mr. Hodge responded that the reserve is available to fund projects out of the fund balance instead of the current operating balance. Council Member Harley asked why the \$303,000 to repair the Laurel Road water tank was put into the operating budget instead of being taken from the reserve fund. Mr. Hodge responded that the Laurel Road water tank repair was a regular budgeted item being funded out of the operating fund, but it could be funded out of the reserve fund. Council Member Harley asked if there is a reserve fund for the General Fund. Mr. Hodge responded that there is a reserve fund for the General Fund, but not as much as in the Water and Sewer reserve fund mainly because of selling capacity. Council Member Harley said he has been on Council 18 years and he has never seen a statement of assets and liabilities where the bank accounts and the reserve funds were listed with their totals at the end of the month. He asked if there is a reason why the city did not provide that information. Mr. Hodge responded that Council currently receives the monthly working statements of revenue and expenditures, but that Council certainly can receive the total balance work sheet where the assets are listed. Council Member Harley said he wanted to see statements of assets which include the bank account balances, the certificates of deposit (CDs) balances and the reserve fund balances. Mr. Hodge said he would provide those statements to Council. Mayor Horton asked if those statements were included in the annual audit. Mr. Hodge responded that those balances are in the financial statements but are not broken out in the manner that Council Member Harley requested. He said the audit shows the cash and the cash that is restricted, but it is not broken out as to what is deposited in bank accounts or CDs. He said total cash and the restricted amount for debt service are depicted in the general fund and enterprise fund statements, but statements can be produced where those individual amounts are shown. Mr. Hodge said Council can choose to restrict those funds or designate those funds however Council sees fit to do so. He said currently the city has most reserve funds in money market funds because CDs are not paying high enough rates to lock funds in for longer terms.

Mayor Horton recognized Council Member Parler who said the \$400,000 in debt service was mentioned a number of times at the budget presentation on June 7, 2011, but nothing was ever mentioned about the additional revenue that amounts to about \$400,000 to \$500,000 the city is receiving from a large commercial water customer. He asked if that revenue could be allocated to pay for the increase in debt service. Mr. Hodge asked if Council Member Parler was referring to Columbia Farms which had buy to water from the city when its pump station caught on fire. Council Member Parler said he was talking about Columbia Farms and he asked if that money could be used to retire \$400,000 in debt service. Mr. Hodge said that at different times during the year Columbia Farms buys water from the city when it cannot produce enough water to meet demand so he would have to figure a net difference between the amount the city is selling now to Columbia Farms and the amount that was purchased at different times during the year. He said he was not sure if the additional water the city is selling to Columbia Farms would produce net revenue of \$400,000. Council Member Parler said information given to Council was that the amount would be that much and it would not be a one time deal, but an on-going amount year after year. Mr. Hodge said money collected from Columbia Farms could be used for debt service.

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Agenda Item VII – New Business (continued)

Mayor Horton recognized Council Member Moore who asked whether the monthly budget information that Council receives shows a certain percentage of revenue from the Water and Sewer Fund that is contributed to the General Fund or whether the money is transferred on an as needed basis. Mr. Hodge said the transfer is based on what the General Fund needs to operate. Council Member Moore asked Mr. Hodge to confirm that the city could take money from the Water and Sewer Fund and put it in the General Fund. Mr. Hodge stated that most municipalities with enterprise funds transfer money to their general funds.

Mayor Horton asked if there were any further questions from council members and received no response. Mayor Horton called for a vote on the budget as presented with no millage increase and the motion passed unanimously.

Agenda Item VIII – Adjourn

Mayor Horton entertained a motion to adjourn. Council Member Harley so moved and Mayor Pro-Tem Harmon seconded. The motion passed unanimously. Council adjourned at 12:15 p.m.

Respectfully submitted,

Marta M. Valentino, CMC
City Clerk