

City of West Columbia, SC

Attachment V.C

Council Work Session Minutes

May 16, 2011 following the Special Council Meeting at 6 p.m.

Members Present:

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

Members Absent:

None

Others Present:

Jenny Cunningham, City Administrator
Myron Corley, Deputy City Administrator
Mardi Valentino, City Clerk
Donna Smith, Economic Development Director
Sid Varn, Planning & Engineering Director
Rick Hodge, City Treasurer

Brian Carter, Director of Planning & Zoning
Charles Garren, Public Works Director
Stuart Jones, Building Official
Dennis Tyndall, Police Chief
Wyatt Coleman, Fire Chief
Members of the Public and Press

Agenda Item I – Call to Order

Mayor Horton called the work session to order at 6:15 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 May 13, 2011.

Agenda Item II – Proposed General Fund and Water/Sewer Budgets for Fiscal Year 2011-2012

Mayor Horton recognized City Administrator Jenny Cunningham who gave a presentation on the FY 2011-2012 budgets for both the General Fund and the Water and Sewer Fund. Expenses for the General Fund total \$13,000,000 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 mills and 6.6 in debt service mills, the same as for FY 2010-2011. The 6.6 mills is collected and earmarked for the debt retirement of the 2010 ten-year general obligation debt to refinance the BAN for the State and Meeting streets property. When the debt is satisfied in nine years, the 6.6 mil assessment will cease. Next year's General Fund budget of \$13,000,000 represents a 2.2 percent (2.2 %) decrease from the current fiscal year's budget of \$13,286,700. Mrs. Cunningham explained that the decrease in the proposed budget could be partially attributed to the city receiving less grant funds in the coming year.

Mrs. Cunningham stated the Water/Sewer operating budget is balanced without increases to water and sewer service rates or connection (tap) fees. The \$450,000 increase in transfer to the FY 2011-2012 General Fund and the increase in State Revolving Fund (SRF) debt service requirements leaves the margin for balancing the Water and Sewer Fund at \$200,000, which is very minimal compared to previous years. She said a five percent (5%) increase in water and sewer rates would generate \$500,000 in revenue.

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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. She suggested that the budget be reevaluated mid-year (December 2011) to explore the possibility of a COL bonus at that time. She said the budget includes funding for one new position in the Public Works Department for an Equipment Services Manager who would ensure vehicles and equipment are maintained in good working condition.

Mrs. Cunningham said West Columbia will join the S.C. State Health Insurance Plan on July 1, 2011, 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 the annual premiums for the above coverage, which includes basic dental, will be approximately 25 percent less (\$400,000) in premiums than the city currently pays to the South Carolina Local Governments Assurance Group for less coverage. During the first two years of coverage under the State Health Plan, the City will not be experienced rated, but will pay the same rates as other comparably-sized entities. She recommended that the City continue to pay the employees' part of the monthly premium for health insurance which is included in the proposed budget. Mrs. Cunningham noted that when the SCLGAG program is dissolved all run off claims will be paid and any remaining monies will be refunded to its members based upon the number of participants a municipality has in the program.

Mrs. Cunningham stated that the cost of fleet insurance, property and tort liability insurance remains status quo. She explained that because the premium for workers compensation insurance is based upon claims and safety experience, the city will experience a 20 percent savings (\$60,000) next year for this coverage through the South Carolina Municipal Insurance Trust.

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	11,240
Central Midlands Regional Transit Authority	20,000
Contribution to Boys State and Girls State	2,500
Contribution to the West Metro Visitors' Center	7,500
Contribution to Midlands Housing Authority – Transitions Shelter	25,000
Contribution to the Regional Good to Great Initiative	10,000
Debt Service – New City Hall	592,800
Columbia Sewer Treatment Costs	450,000
Bonded Debt Service - Water and Sewer Fund	2,824,925

Mrs. Cunningham explained that a net earnings test is required each budget year to comply with the Master Bond Ordinance for the 1998A and 2009 C bond issues, the 2005, and the 2009 A, B & C SRF loans. Coverage on bonded debt must not be less than 1.20 percent (amount available for debt divided by debt). The FY 2011-2012 Water/Sewer Fund budget produces sufficient coverage to comply with both the Master Bond Covenant and the SRF Loan Agreement Rate Covenant.

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Mrs. Cunningham went over a list of fixed assets and equipment requested by departments. City Administration requested \$12,500 for a server and software for offsite backup of city-wide computer files.

Under the Police Department, the patrol division requested five equipped patrol vehicles at a cost of \$142,300, which would replace worn-out and high-mileage vehicles. The patrol division also requested five in-car cameras at a cost of \$28,000 as well as five radars at a cost of \$15,000. The detective division requested a bar coding system for evidence at a cost of \$14,500. Code Enforcement requested two vehicles with emergency lights and decals at a cost of \$38,200.

The Fire Department requested \$64,000 to purchase 800 MHZ radios to replace current radios which are operating on 2500 MHZ. Mayor Horton recognized Fire Chief Wyatt Coleman who explained that new federal regulations eliminate using broad band radios and the department needs to convert to narrow band radios. He said going to 800 MHZ radios allows fire personnel to communicate with other fire agencies in Lexington and Richland counties as well as the police.

Under Public Works, the Street Department requested \$22,500 for an F250 crew cab pickup. The Sanitation Department requested \$100,000 for a 12-yard rear loader garbage truck. Sanitation also requested a tag-along wood chipper at a cost of \$55,000 to assist with picking up yard debris and \$30,000 for commercial rollcarts and residential replacement rollcarts. The Maintenance Department requested \$25,000 to update and replace existing fleet management software. The Parks and Recreation Department requested \$30,000 for an F350 pickup truck with a landscaping body.

The Riverside Water Treatment Plant needs a \$303,000 upgrade at the Laurel Road Water Tank, which includes installing new equipment, a new pump and repainting the tank. The Lake Murray Water Treatment Plant needs \$50,000 to evaluate and refurbish Filter # 1.

The Water Distribution Department requested \$20,000 to replace a half-ton, extended cab pickup. The Sewer Collection Department requested \$70,000 for a dump truck, which includes the cab and chassis with a dump body.

Mrs. Cunningham explained that the vehicles requested by the departments would be bought outright and not financed as in prior years.

Mrs. Cunningham discussed a proposed five-percent (5%) increase on water and sewer rates. She said that a five-percent increase in water rates would result in an increase of \$.75 for a minimum billing of 6,000 gallons for in-city residents and an increase of \$1.52 for a minimum billing of 6,000 gallons for out-of-city residents. A five percent increase in sewer rates would result in an increase of \$.45 for a minimum billing of 6,000 gallons for in-city residents and an increase of \$.83 for a minimum billing of 6,000 gallons for out-of-city residents. The five-percent increase would generate \$500,000 in revenue.

Mrs. Cunningham said a notice will be published in the May 22, 2011 edition of The State newspaper for the public hearings on the budget and the water and sewer rate increases on June 7, 2011. She explained the notice must be published at least 15 days prior to the public hearings. First reading consideration on the budget and rate increases would be at the Regular Council Meeting on June 7, 2011 following the public hearings. Second reading consideration would be at the Special Council Meeting on June 20, 2011.

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Mrs. Cunningham asked Council to consider a millage increase on property taxes to pay for services the city will provide to 680 new housing units that have been added to the city through annexation and new construction along the US Highway 378 corridor. She said the city will need to consider buying land to set up a fire/police substation to provide fire coverage and police protection to the newly annexed areas. She asked Council to consider the proposed budget and the requests for increases in millage and water and sewer rates.

Agenda Item III – Other Business

Mayor Horton asked if there was any other business to consider and received no response.

Agenda Item IV – Adjourn

Mayor Horton entertained a motion to adjourn. Council Member Harley so moved and Council Member Parler seconded. The motion passed unanimously. Council adjourned at 7:35 p.m.

Respectfully submitted,

Marta M. Valentino, CMC
City Clerk