



Richland County Council

ADMINISTRATION AND FINANCE COMMITTEE

June 25, 2019 – 6:00 PM

Council Chambers

2020 Hampton Street, Columbia, SC 29204

COMMITTEE MEMBERS PRESENT: Joyce Dickerson, Chair; Bill Malinowski, Yvonne McBride, Joe Walker and Dalhi Myers

OTHERS PRESENT: Michelle Onley, Larry Smith, Stacey Hamm, Jennifer Wladischkin, John Thompson, Clayton Voignier, Ashiya Myers, Ashley Powell, Sandra Yudice, Art Braswell, Ismail Ozbek, Bill Peters, Angela Weathersby and Nancy Stone-Collum

1. **CALL TO ORDER** – Ms. Dickerson called the meeting to order at approximately 6:00 PM.
2. **APPROVAL OF MINUTES**
 - a. May 23, 2019 – Mr. Malinowski moved, seconded by Ms. Myers, to defer the minutes until the July committee meeting.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

3. **ADOPTION OF AGENDA** – Ms. Myers moved, Ms. McBride, to adopt the agenda as published.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

4. **ITEMS FOR ACTION**

- a. On November 16, 2017 the A&F Committee directed the legal department to prepare a structure proposal addressing the creation of a service fee agreement or ordinance for property not taxed in Richland County but receiving all the services that taxpayers do. This matter should be immediately addressed and brought back with the requested information to the June 2019 A&F Committee [MALINOWSKI] – Mr. Malinowski stated, while the information was just handed to us, he would like to go back to the November 16, 2017 meeting, and restate what the motion was, so in deferring this item we can get the correct information back. The motion was as follows: to “request the legal department to prepare a structured proposal, excluding government entities, and bring back to committee”.

Ms. Myers moved, seconded by Mr. Malinowski, to defer this item until the July committee meeting.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

- b. The COMET Interest Payments – Dr. Thompson stated this item came before Council, in the past. The bottom line is the Transportation Penny Program receive 4 payments a year from the SC Dept. of Revenue. Along with those payments, there is interest earned. However, the County has withheld interest payments to the COMET. The COMET has restated its case to members of Council, and they are requesting the County to pay them the interest payment in the amount of \$301,984.59.

Mr. Malinowski stated this request came before the Transportation Ad Hoc Committee, not too long ago, and the motion was to deny that request. Council approved the denial of the request, and now they are back making the same request. The reason for the denial is, the COMET was told, based on the Penny Tax, they would get this dollar amount per month for their operations, and overall running of the system. They are getting that dollar amount.

Dr. Thompson stated they are getting that dollar amount on a quarterly basis.

Mr. Malinowski stated, therefore, the fact they are getting what they were promised, from the Penny Tax, he does not believe we should be giving them any additional funds, above and beyond what they were told they would get. Any additional funds should be put into the road program, which we are behind on.

Ms. Myers inquired if there are any legal impediments to withholding or granting the funding.

Mr. Smith stated the agreement, itself, as he recalls, does not address the interest payments. When this matter came before the committee, and Council, as well as the representatives of the COMET, we mutually agreed that the agreement the County has with the CMRTA, to provide them funding, does not address the issue of interest.

Ms. Myers inquired if the referendum addressed the issue.

Mr. Smith stated he does not think the referendum addresses it either.

Ms. Myers stated, though it does not specifically address it, if the money is due them, under the referendum, are we violating it to not give them the interest generated from it.

Mr. Smith stated, he thinks, the amount, which was stated in the referendum, and in the agreement, as he recalls, is being given to the COMET.

Mr. Livingston stated the confusion to him was that he thought the interest was interest that was collected once the funds were in the County's coffers, but that is not the case. This interest is generated before the money gets to the County. He is of the opinion that if we are going to be able to use a certain percentage for roads, then proportionately the RTA should get their proportion for the COMET. Also remember, the referendum clearly talked about a percentage they would get. He would suggest that they get the same proportion of the interest, as that is in the referendum. Why is okay for the Penny Program to get a share, and not the RTA? His recommendation would be that we give them the funds. He thinks, they plan to do some bus shelters, that we need in the County.

Mr. Smith stated, from a legal perspective, that is why this becomes a policy decision, because it is not spoken to in any of the documents.

Mr. Malinowski moved, seconded by Mr. Walker, to deny the request and continue to pay them the referendum amount the voters said they would get.

Ms. Myers inquired if the COMET is having budgetary constraints or is it they feel they are entitled to it.

Mr. Andoh stated, in the past, the County gave them a budgeted amount. They have since changed that to an actual amount. Back when the County was giving them a budgeted amount, the Penny funds were coming in faster than the budget, so there were funds that were withheld. Since the State Treasurer provides those funds, plus the interest, they were hoping they could get those funds, plus the interest, so they can use it for sustainability of operations.

Ms. Myers stated, basically you are saying, since they are coming in slower, the money is getting held in a place where it is earning interest; therefore, as your money is earning interest, you are asking can you have the interest that it earned.

Mr. Andoh stated that is correct. They want to use the funds for an expansion of the passage amenities program, by adding more bus shelters, earmarked in the unincorporated area.

Ms. Myers inquired how they will pay for the shelters, if they do not get this.

Mr. Andoh stated they will continue to use their Penny funds, but as you know their Penny funds are limited, so they are trying to be strategic with those funds.

Ms. Dickerson stated other organizations are also helping to obtain the shelters. If we do not give the COMET the interest, the shelters will still be provided.

Mr. Andoh stated the project is a combination of using the proposed interest revenue, Federal Transit Administration funds that were recently awarded to the COMET, and the reprioritization of unused funds from the Council of Governments. They are trying to cobble together all the available funding source, so they can provide a comprehensive bus shelter programs. As you are aware, out of 1,430 bus stops only 55 bus shelters exist, in the service area. The Board has determined that we need to get, at least, 15% of our bus stops with some form of a shelter.

Mr. Livingston inquired about what is happening to the interest that is being generated.

Dr. Thompson stated the interest becomes a part of our operating budget.

Mr. Livingston stated that is his argument. It should be a proportionate part of each one's operational budget.

Ms. McBride stated, for clarification, after the Penny Tax ends, the COMET will not have any more funding, so they are trying to build their revenue.

Mr. Andoh responded in the affirmative.

Ms. McBride inquired as to where additional funds will come from, if they do not have a adequate revenue and there is no money left.

Mr. Andoh stated they are starting the strategic process to prepare their request to look at an extension of the Penny, which Council will have to approve putting back on the ballot. Until then, they need to ensure that the COMET provides value to the community by using the using the money and leveraging all available dollars.

Ms. McBride stated it would be good if we could have some kind of reserve fund to help ensure, at the time it is over, to provide funding support.

Mr. Andoh stated a large portion of the monies withheld in the past went to a newly created reserve fund, and the Board has adopted a policy where we put a portion of the budget of each year in an operating reserve and a portion in an emergency reserve, so they can try to extend beyond the 9-year mark.

Mr. Malinowski inquired if Richland County has given the COMET the dollar amount they were told they would get from the referendum.

Mr. Andoh responded they have not.

Mr. Malinowski inquired why the COMET has not been given the amount.

Dr. Thompson stated the COMET received the 29%, less the interest earned while the monies are in the possession of the SC Dept. of Revenue.

Mr. Malinowski stated he is being told that the COMET has been given the 29%, as outlined in the referendum.

Mr. Andoh stated, as he understands, the 29%, because it is coming from the State, also includes the interest. He is of the opinion because, in the early stages of the Penny Program, the County did not give us the full amount until after the fact, they are not getting the full amount. If they had gotten the actual amount in 2013, until present, then he would had said yes. He stated there is an inconsistency going on from the past to the present.

Mr. Malinowski stated the inconsistency, that he is seeing, is that 29% is 29%.

Mr. Smith stated he cannot attest to what they are being paid.

Dr. Yudice stated, of the funds collected, the CMRTA is receiving the 29%, but not the interest. If Council gives the CMRTA the interest, they will collect the referendum amount sooner than anticipated.

Mr. Malinowski stated he still maintains that, if they are due 29%, is the amount they should be given, not any more. If we give them the interest, and they attain the 29% sooner, that is fine, but 29% of the total referendum amount is the total amount they should receive. He inquired if they were ever promised they would get any more than the referendum amount.

Ms. Myers stated, for clarification, if we paid them the amounts we are paying them, and we paid them the interest payments, you are suggesting that no matter when we pay them the money, and no matter what the source of funds, once they hit that number, we stop payments.

Dr. Thompson stated the amount is \$300,991,000.

Ms. Myers stated, for clarification, so if we were to take it from the General Fund and pay it to them today, once they have gotten that number, you are suggesting that is all they can get. The COMET is saying that the interest should be viewed separately than the Penny because the interest is generated from the money they have received. What staff is saying is, no matter the source of funds, once we hit \$300 million, we stop paying.

Ms. Hamm stated the 29% is of the \$1,000,070,000, which makes up their \$300 million. The interest is above and separate of that. It is not included toward the \$300 million. She has talked with DOR, and that is totally separate from the \$1 billion the Penny collects. The referendum said they get 28% of the Penny collections. It says nothing about the interest that comes in.

Ms. Myers inquired if Ms. Hamm has that in writing from DOR.

Ms. Hamm responded that she did not.

Ms. Myers stated she thinks it would be helpful to have that in writing. She is not opposed to them having the money, but she would like to have something to rely on to make that decision. If you have had that conversation with DOR, we all need that information, as an evaluative matrix.

Ms. Hamm stated the spreadsheet the DOR provides with the collections to-date and it does not include any of the interest money.

Ms. Myers stated, if later we get a ruling that says something different, and we say well here's your spreadsheet, they are going to say we should have asked them questions about the spreadsheet.

Mr. Walker made a substitute motion, seconded by Ms. Myers, to defer this item until the July committee meeting for further legal clarification and a recommendation from staff.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

- c. Department of Public Works – Equipment Purchase – Ms. Myers moved, seconded by Mr. Malinowski, to forward to Council with a recommendation to accept staff's recommendation to purchase a Bomag Landfill Compactor (Model no. BC772RB-4) from Flint Equipment.

In Favor: Malinowski, Walker, Dickerson and McBride

Present but Not Voting: Myers

The vote in favor was unanimous.

- d. Fund Balance for inside and outside departments/agencies receiving funds from Richland County should not exceed a certain percentage of their operating budget. This is required to address this matter and determine what reasonable percentage that should be [MALINOWSKI] – Mr. Malinowski moved, seconded by Ms. Myers, to have discussion, with his colleagues, to see if this is something that we should be looking into, and, if so, what percentage.

Ms. Myers stated she read the staff's briefing document, and she understands what the staff is saying, but we have internal and external agencies whose fund balances equal, or exceed, the amount they are asking for in funding. To the extent, we are giving them money that we have taken from the taxpayer, if Council does not have the ability to say you cannot sit on twice your budget, and then ask us to fund your budget again, who does. It would seem, to her, there has to be greater analysis given to how we get to an answer to this question. We have to have a mechanism to say to them, we will only allow you to hold to "X" percent, of the amount you are requesting, above your budget.

Ms. Myers moved, seconded by Mr. Malinowski, to send this back to staff, and request they give some guidance, department by department, agency by agency, as to what is a reasonable fund balance.

Mr. Malinowski stated where staff says, "Staff recommends not having one set percentage for inside and outside departments receiving funds from Richland County due to the varying nature

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of the different funds”, he would like to remind staff that, if agencies budget properly, they do not need huge fund balances because Council, more than not, provides the funds needed for an agency to operate on an annual basis. If unforeseen needs arise, they can request a budget amendment.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

- e. Department of Public Works – Solid Waste Area 4 Collections Contract – Mr. Braswell stated the current contract expires December 31, 2019. Waste Industries has been doing a good job, in Area 4, for the past 4 ½ years. The Procurement code does allow Council to renew and renegotiate contracts, if it is in the best interest of the County. Negotiating a contract with Waste Industries will prevent disruption of service and allow time for the Solid Waste Division to evaluate Waste Industries performance and effectiveness using the new route management system, which is scheduled to go online in July. Negotiations to extend the contract will address the adjustments to the contract, based on actual Consumer Price Index, and not the 3.5% that was in there automatically every year, which should be a substantial savings to the County over the next 5 years. Any increase would not take place until January 2020, and staff recommends approval to renegotiate the contract.

Mr. Malinowski moved, seconded by Ms. Myers, to forward to Council with a recommendation to direct staff to negotiate amendments to extend the contract for Service Area 4 with Waste Industries, to include adjustments to the contract based on the actual Consumer Price Index (CPI), fuel surcharges, and hauler performance. Further, if the renegotiations are consistent with the recently awarded contracts for Areas 5A, 5B, and 7, that award of the renegotiated contract is also authorized.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

- f. Department of Public Works – Private Road Takeover – Mr. Malinowski moved, seconded by Ms. Dickerson, to forward to Council with a recommendation to accept staff’s recommendation to approve the recommendation of the evaluation committee to select Weston and Sampson Engineers, Inc. for the Private Road Takeover project.

Ms. Myers stated she understands what staff is saying, and she agrees with it in principle. She stated with all the trouble we are currently having with roads, she does not know how we got to this list, and she does not know where this list of roads, and their repairs, will fit in the overall scheme. She thinks we previously asked to have an overall plan for roads in the County. She is a little bit nervous that we would now be taking over roads, and have those roads leapfrog all of the other roads our constituents have been concerned about for some time. She would like to know how these roads will fit in with the general priority of roads, and how that will impact the constituents.

Mr. Ozbek stated this goes back to 2012, which predates him. Council made the decision to take over 40 roads. The roads were orphaned by developers either because of bankruptcy or neglect. The decision, at the 2013 Council Retreat, was that the County was going to take over these roads, at their current condition. The roads did not meet the County’s road standards. The 40 roads are already ours, and under maintenance of Public Works. In order for the County to take over the roads, we had to get the deeds and right-of-ways for the properties, which took years of effort to get for 26 properties. There is \$900,000 of seed money to get the repairs started. Public Works is in the process of doing design for the repairs on the 26 roads. They have been doing

small repairs (i.e. pothole repairs). Several years, Council members brought up other roads, so the 40 roads have grown to possibly 400 roads. The former Planning Director, Tracy Hegler, and himself, gave Council a presentation of all them, and a list of 103 roads, with a price tag of \$8 million, which has now been increased to \$9 million.

Ms. Myers inquired if they are planning to use the entire Public Works fund balance to do those roads.

Mr. Ozbek stated there is no funding that has been assigned on the future takeover of the private roads. What is before you, is the selection made by the Procurement Department for a consulting engineer to go out and give us a set of plans for us to bid out. It is going to come back to Council, at some point.

Mr. Jackson stated the only thing he would say is that we should be consistent with what we do, so that any practice that we have implemented with regards to the Penny Program, and we are being asked to massage and improve. He believes this should be considered in the same vein, so we do not run into the same problem that we are running into with the Penny Program.

Mr. Malinowski stated, currently, Richland County does repair on roads, correct?

Mr. Ozbek responded in the affirmative.

Mr. Malinowski stated, if we end up having a situation where the repair is more than what we can handle in-house, we contract it out to somebody that can do it.

Mr. Ozbek responded in the affirmative.

Mr. Malinowski inquired, if we normally do that, why do we need to go to a consultant, and spend \$150,000, to design the repair of the road.

Mr. Ozbek stated these repairs are beyond a simple pothole repairs.

Mr. Malinowski stated, but they are not beyond the expertise of companies that already exist out there and do it. So, why are we not asking for qualifications from a company, to hire them to do the repairs. Why are we putting a middle person in there to go out and design repairs?

Mr. Ozbek stated there are no companies that do design and repairs. It is a 2-step process.

Mr. Malinowski stated he thinks we need to look at which of the roads really need repair, and not go out and resurface something, if it does not need it, to the exclusion of the other roads that are in worse condition. If we have gotten right-of-ways for the 26, then we go with the 26 and cancel the rest out.

Ms. McBride stated we do not know how the roads look now. There could be some that look worse than these.

Mr. Ozbek responded that we do. These roads are ours.

Ms. McBride inquired, if they have looked at all the roads in Richland County, and these are still the priority roads.

Mr. Ozbek responded this has nothing to do with the Penny Program, or the prioritization of the roads. Unfortunately, these came after the prioritization of the Penny. We did not own them, or

have the right-of-ways. These were private roads. Over the years, we were able to accumulate them.

Ms. McBride inquired, if these are the only roads, that are private, and the County is providing funding for. She inquired about the 14 roads that we do not have right-of-ways on.

Mr. Ozbek stated they are still private roads. There is no priority, at this time. That is why they need the consultant. In order to put these out for bid, for construction and repairs, we need the assistance of engineering firms.

Ms. McBride inquired if the consultant will look at all 40 roads, or just these.

Mr. Ozbek stated just the 26 roads.

Ms. McBride stated, for clarification, we had no input on these roads, so we do not know what is going on with the other 14 roads. They could be worse off than these.

Mr. Ozbek responded in the affirmative.

Ms. Myers stated we need a policy before we can start sending people out to repair this road, over that one. They do not have any guidance. They are trying to do their best, but we do not have a policy. We need to harmonize a policy for roads in Richland County.

Ms. Myers made a substitute motion, seconded by Ms. McBride, to defer this item to the October committee meeting.

Mr. Malinowski inquired if the deferral is also a request for them to bring a policy back.

Ms. Myers stated she believes Council is at the point where it is being forced to look at a policy. The transportation issues, coming out of the Transportation Ad Hoc Committee, are going to force the policy discussion.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

- g. Award for Delinquent Tax Notice Posting – Ms. Myers moved, seconded by Mr. Malinowski, to forward to Council with a recommendation to accept staff's recommendation to award a contract to Palmetto Posting for the posting of delinquent tax notices for Richland County.

Mr. Malinowski stated, in the past, when you go through the delinquency, there are some properties that have been requested to be reviewed to ensure there is no one to go after the funds for. He inquired if that has been done for those requests over the last couple years.

Mr. Adams stated those are turned over to the Assessor's Office because they handle the ownership information. If the property is found to be either a rental property, or an abandoned property, then it automatically goes to 6% tax rate. Then, it starts going through the process. The person has the opportunity to appeal that decision. If they still do not pay, they will run into this delinquent process, which includes the posting of the property.

Ms. McBride inquired if the evaluators were 3 different groups.

Mr. Adams stated they were the head of the Delinquent Tax Office, the Deputy Treasurer, and himself.

Ms. McBride stated she noticed a significant difference in Evaluator 1 and Evaluator 3. Is there an evaluation tool that provides criteria on technology, and how you rank them?

Mr. Adams stated the way he used it was, in reviewing the technology, of the 2 groups that submitted their responses. When he is looking at it, he does not have an IT grid, but he does have the businesses responses that either meet what our checklist is, or do not.

Ms. McBride stated, for clarification, the people that evaluated are qualified in this area.

Mr. Adams stated the criteria they have, in their office, is State law. State law says they have to proceed in certain manners, on different types of notifications to the public. In this case, there are certain ways in which we have to go through and post about 3,000 properties each year.

Mr. Malinowski stated, based on the evaluation system we have, one company could score 5 – 10 point higher than the 2nd one, but we do not know a cost at that point.

Mr. Adams stated, in a lot of these cases we can ask, but it is not required. Usually that is a part of the negotiation after you have selected the best service provider.

Ms. Wladischkin stated, at the time the packages are evaluated, by the evaluators, they do not know the costs, so it cannot influence their decision in any way because it is a negotiated process. Once the submittals are ranked, then Procurement looks at a cost, and it is given a score, based on who is highest/lowest. Then, when it comes to the next step, where they are ranked, then the department is involved for the negotiation process.

Mr. Adams stated this is a revenue account and is paid for by delinquent taxpayers only. This does not come from the general taxpayers. On average, it costs \$85 per delinquent taxpayer.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

- h. Fleet Maintenance Services Contract Award – Ms. Myers moved, seconded by Ms. Dickerson, to forward to Council with a recommendation to accept staff's recommendation to approve the contract with First Vehicle Services for the provision of fleet maintenance and repair services to the Richland County fleet.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

- i. EMS Billing and Collections Services Contract – Ms. Myers moved, seconded by Mr. Walker, to forward to Council with a recommendation to accept the staff's recommendation of awarding the contract to EMSMC for EMS billing and collections services.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

- j. Town of Eastover Sewer Bills – Ms. Myers moved, seconded by Mr. Malinowski, to forward to Council with a recommendation to approve staff's recommendations as follows:

- 1. Per the June 23, 1998, intergovernmental agreement between Richland County and the Town of Eastover, staff recommends the following:

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- a. The County stops paying monthly land lease (\$3,166.66) where the wastewater treatment plant (WWTP) is located in Lower Richland;
 - b. The County applies this amount toward the delinquent sewer user fees indefinitely;
 - c. The Acting County Administrator issues a 30-day disconnection notice to Town of Eastover followed with performing disconnection, as necessary, if the Town does not pay past due invoices;
 - d. The Acting County Administrator be authorized to exercise any actions including legal or collection, enabling Richland County to recover the lost fees associated with the services provided to Town of Eastover;
2. Staff also strongly recommends revisiting the 1998 IGA to a Satellite Sewer Agreement (SSA) covering all the regulatory and financial exposures that the current agreement may have. Note that a SSA is a recommended practice and serves the best interest of environment, public health, and the overall good for all parties.

In Favor: Malinowski, Myers, Walker, Dickerson and McBride

The vote in favor was unanimous.

- k. Columbia Housing Authority Vehicle Donation – No action was taken.

5 **ADJOURNMENT** – The meeting adjourned at approximately 6:54 p.m.