



Richland County Council

ADMINISTRATION AND FINANCE COMMITTEE

July 23, 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, Leonardo Brown, and Tyler Kirk

1. **CALL TO ORDER** – Ms. Dickerson called the meeting to order at approximately 6:00 PM.
2. **APPROVAL OF MINUTES**
 - a. May 23, 2019

In Favor: Malinowski, Dickerson and McBride

Present but Not Voting: Myers and Walker

The vote in favor was unanimous.
 - b. June 25, 2019 – Ms. Myers moved, seconded by Ms. McBride, to approve the minutes as distributed.

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

The vote in favor was unanimous.
3. **ADOPTION OF AGENDA** – Ms. McBride moved, seconded by Ms. Myers, 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 moved, seconded by Ms. Myers, to forward to Council with a recommendation to approve the ordinance provided by Legal.

Ms. McBride requested Mr. Smith to give the committee an overview of the ordinance.

Mr. Smith stated Council addressed two years ago, based on concerns raised by Mr. Malinowski, entities who have a tax-exempt status being provided certain services. Obviously, they may be tax-exempt from the standpoint of having to pay property taxes, but he was concerned about whether or not there was a situation where there was some sort of payment they were required to make for certain services. By way of example, if a particular entity is tax-exempt you may have uniform service fees, which may apply to them for services (i.e. sewer services, solid waste, etc.) If there is a particular service that is tied to a tax, rather than a fee, then they are tax-exempt. There had been some concern about how you address that part of it. This simply says, those entities, which are tax-exempt, should be subject to pay all appropriate fees that apply to services, which we provide to them.

Ms. Myers inquired if this includes churches and 501(c)3s.

Mr. Smith stated we did a memo about this several years ago and one of the things we wanted to know was whether there any specific services that anyone was concerned about that we needed to address. It is his understanding, from one of the attorneys in his office, that they got with Utilities and Solid Waste, and were told those fees are currently being applied. For instance, if you have a situation where a church is receiving sewer service.

Ms. Myers inquired about the types of fees we are contemplating.

Mr. Smith stated he does not know that there are any additional fees being contemplated that are not being applied. What was discussed with the maker of the motion had to do with issues related to services that were being provided by way of a tax, rather than a fee. For example, you pay for the Sheriff's Department by way of ad valorem tax. There is not a fee attached to that. Obviously, you could not create a situation where you created a fee for something that would otherwise would be paid for by way of property tax.

Mr. Malinowski stated he originally contemplated that the taxpayers of Richland County are bearing the full brunt of all the services provided, especially if they are being paid for by taxes because of all the tax-exempt properties that exist within Richland County. He was hoping to alleviate the burden on the taxpayers by having a fee imposed on all the non-tax paying property owners because they still get the benefit of the services. He felt it was important that they put in a fair share amount, as the taxpayers do.

Ms. Myers stated, for clarification, Mr. Malinowski is contemplating an impact fee. For instance, if a school called in a bomb threat, and the Sheriff Department and Emergency Services responded. We would send them a bill?

Mr. Malinowski stated we would not send them bill because they would be paying an annual fee.

Ms. Myers stated she would like to exempt churches.

Ms. McBride inquired if this includes all the 501(c)3 organizations.

Mr. Malinowski stated, if they are not paying taxes on a property. There are a lot of 501(c)3 that are paying property taxes.

Ms. McBride stated it will affect some of the 501(c)3 and churches, as it is written now.

Ms. Myers offered a friendly amendment to exempt churches and houses of worship.

Mr. Malinowski accepted the amendment.

In Favor: Malinowski, Myers and Walker

Opposed: Dickerson and McBride

The vote was in favor.

- b. The COMET Interest Payments – Ms. Myers moved, seconded by Ms. Dickerson, to forward to Council with a recommendation to approve the interest payment of \$301,984.59 withheld from the COMET since the inception of the Richland County Transportation Penny Program.

Mr. Malinowski stated the ballot question that the citizens voted on had figures in it. Project One was improvements to highways, roads, and bridges. Project Two was for continued operation of the mass transit services provided by CMRTA, which included the implementation of near, mid and long-term service improvements. The amount that was slated for them to receive was \$300M. About halfway down on p. 15 of the June 25th committee minutes, it states, “Of the funds collected, the CMRTA is receiving 29%”, which is the amount they are required to receive, based on the amount the people voted on giving them. Therefore, for them to receive anymore is in violation of this agreement. Also, nowhere did it ever say the CMRTA/COMET would receive interest. This came to us previously. The Council voted it down, and now it is back again.

Mr. Walker stated he is not interested in accelerating when the COMET receives their payments.

Dr. Thompson stated it does not change the cap, so the \$300,991,000 to the COMET, is the total of what they are slated to receive. This would accelerate the payment to them.

Mr. Walker stated he cannot support it either way, primarily, because he is more interested in the opinions of other entities who have become involved in looking at how these finances are being used, where they are being spent, and the transparency thereof. Therefore, to support accelerating the availability to any entity that is currently in that position just flies in the face of reason, from his perspective.

Ms. Myers stated the COMET thinks this would be over, and above the cap. The County’s position is that this accelerates the cap payment. She does not know if we are discussing apples to apples. She inquired if it legally allowable for us to give the COMET more money than that amount. Would interest payments constitute payments above the referendum?

Mr. Smith stated he saw two documents that speak to this issue. One, Mr. Malinowski has already addressed, which is the specific amount in the referendum. In addition, he took a look at the agreement between the CMRTA and the County. Section 5, of the agreement, says, “The CMRTA shall make a written request to Richland County Council annually for distribution of the 29% of the available proceeds of the Transportation Penny.” Available proceeds of the Transportation Penny is defined as, the amount of sales and use tax revenue, after deducting administrative expenses. Again, there is no reference to interest, which he indicated when we first started talking about this. There is nothing in the referendum and/or the agreement that spoke to the issue of interest.

Ms. Myers stated she has great sympathy for Mr. Andoh’s position. She thinks he does a dynamite job with the COMET, and she would love to be able to support this, but on the strength of what Mr. Smith has told us, she does not think she can. She does not think we have the legal authority to do so.

Mr. Malinowski made a substitute motion, seconded by Mr. Walker, to forward to Council with a recommendation that the COMET continue to receive their 29%, and no interest payments.

In Favor: Malinowski, Myers, Walker, and Dickerson

Abstain: McBride

The vote in favor was unanimous with Ms. McBride abstaining from the vote.

- c. 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 forward to Council with a recommendation to adopt the “Other Fund Balance” policy presented by staff.

Mr. Malinowski requested clarification on the staff’s recommendation.

Ms. Hamm stated the outside agencies would fall under one of the four categories, listed on p. 29 of the agenda, and would be reviewed annually during the budget process.

Mr. Malinowski stated his request was that a fund balance policy be created for these agencies, and he is still not that. What we have been given is a regurgitation of fund balance policies of all the millage agencies.

Ms. Hamm stated the outside agencies have their own board that defines their fund balance policy for their General Fund.

Mr. Malinowski stated, if we have no control, then we should move on and forget this.

Ms. Hamm stated we still have Special Revenues, which are a part of the County.

Mr. Malinowski made a substitute motion, seconded by Mr. Walker, to forward to Council with a recommendation to handle all of the County departments, as outlined by staff.

Ms. Myers stated we are setting millage for these outside agencies, and we are taxing the public to collect their money. In many of these cases, they are squirreling away money and coming back to ask us to raise the millage above the cap. What we are now saying is that if their board tells them to come and do that, we should just say, “They got a board that told them to do that.” She does not think we should do that. We should send some kind of signal as to what this Council deems prudent, and the point at which we will no longer provide new money.

Mr. Walker stated the way we would control the fund balance would be through the budget process, and not just taking these millage agencies, which has become habitual, and guiding, by way of controlling the purse strings of these entities, their usage and expenditure of excessive fund balances. (i.e. in excess of \$50M).

Ms. Hamm stated the \$50M is only 19% of their \$267M budget, which is below what we consider an acceptable fund balance.

Mr. Walker understands the need for reserves and fund balances. What he was pointing to was the ability to slow down the rate of year over year budgetary increases, by way of forcing the usage of a particular percentage of their General Fund, as opposed to coming in and asking for a 10% increase, which actually exceeds the millage cap, as a way of controlling fund balance.

Ms. McBride stated, when it comes to the County, we need to determine the amount rather than putting the pressure on them. She inquired if we have the authority to not approve the amount the agencies request.

Mr. Smith stated Council does have the authority. He had a discussion with Ms. Hamm about the purpose for which you are appropriating funds. For instance, if you are appropriating funds for operating and you give them "X" number of dollars, and they do not exceed "X" number of dollars in any fiscal year, then that money lapses into a fund balance. It seems there are two ways to deal with that. You can address it by policy, in terms of how much of fund balance you think is reasonable for what they do, or, when they come back to you, the next year, asking for funding for operations you can look at what their fund balance is and determine whether or not there is any portion of that fund balance that needs to be used to address their operational costs rather than giving them new money.

Ms. Myers stated history shows that it is very difficult, in the budget process, when folks have come in and said, "We want this money for Library, Midlands Tech, the school districts, etc." to request them to come back with a lower number that also employs their fund balance to get to where they need to be. It may be more prudent to send the signal, so that later we are not trying to drag ourselves along to make what is a hard decision on whether or not we are going to say, to the school board, "You have come and told us that without this money you cannot educate all of your children, and now we are not going to give it to you."

Ms. Dickerson stated has a problem when she feels like we are being used. If you have \$50M sitting up there, do not ask for an additional \$50M. When you can show me that you have used some of the \$50M, then that is when she will be more apt to give them what they need.

Mr. Malinowski stated, for clarification, his motion is to approve the recommendation by Ms. Hamm for the four (4) areas outlined on p. 29 of the agenda, and to also include a 5th category that will address the outside agencies.

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

The vote in favor was unanimous.

- d. Columbia Housing Authority Vehicle Donation – Mr. Malinowski moved, seconded by Ms. Myers, to forward to Council with a recommendation to approve the donation of four retired Richland County Sheriff's Department vehicles to the Columbia Housing Authority for use by their police personnel.

Mr. Malinowski inquired if we provided vehicles to this group in the past.

Dr. Yudice stated we provided vehicles to Benedict College in the past.

Mr. Malinowski inquired if we need a hold harmless agreement.

Dr. Yudice stated we would do the same documentation we did when we donated the vehicles to Benedict College.

Ms. McBride inquired if they contacted the Sheriff's Department. She knows with Benedict College they have a law enforcement department, and she is not sure this is same case with the Columbia Housing Authority. She would like to know the Sheriff's thoughts on them using their cars.

Chief Cowan stated the organizations do contact them, but then they are directed to Risk Management and Fleet Services. They deadline the vehicles for Public Safety at 125,000 miles. The Columbia Housing Authority does have a law enforcement entity.

Ms. Myers inquired what the mileage is on these vehicles.

Mr. Peters stated most of the vehicles have between 125,000 – 140,000 miles on them.

Mr. Walker inquired where the revenue generated by the auction of these vehicles would go.

Ms. Hamm stated it would go to Capital Projects.

Mr. Walker inquired if we have a way to restrict the use of these vehicle to their law enforcement entity, as opposed to administrative/board personnel.

Mr. Smith stated we could put something in an agreement that indicates the purpose for which the vehicles are being donated. We would have to keep track of that, in order to enforce it.

Mr. Malinowski stated it is his understanding that Gilbert Walker is no longer with the Columbia Housing Authority, and that is who sent this request. He stated he would think we would want a new request, from whoever is in charge, to make sure they still want these vehicles. He inquired if we have gotten an updated request since Mr. Walker's departure.

Mr. Peters stated he can request that, but he did get a call from them asking if the request was on the agenda, and the progress of the request.

Mr. Malinowski stated he would like to see a new request. He inquired who would decide which vehicles are to be donated.

Mr. Peters stated he would be selecting the vehicles.

Mr. Malinowski moved, seconded by Ms. McBride, to forward this item to Council without a recommendation.

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

The vote in favor was unanimous.

- e. South Edisto Project Funding: Use of CDBG Funds – Ms. Myers moved, seconded by Ms. Dickerson, to forward to Council with a recommendation to approve the funding request from Homes of Hope, Inc. in the amount of \$350,000 as a one-time grant, which will be used for land acquisition for the South Edisto proposed project to develop 29 affordable rental units for low to moderate income families or individuals.

Mr. Malinowski stated on p. 35 of the agenda it says, "County staff has verified that Homes for Hope, Inc. has satisfied three out of the four conditions." He inquired which conditions have been satisfied, or which condition has not been satisfied.

Mr. Voignier stated, it is his understanding, that all of the conditions have now been satisfied.

Mr. Malinowski stated the development cost was \$3.546M. Now it shows \$5.54M in project costs.

Mr. Voignier stated he does not know when that particular funding letter was drafting, but the actual project budget is located on p. 78.

Mr. Malinowski inquired if land is considered infrastructure. We said we would give the City of Columbia \$350,000 toward infrastructure, but the only thing in that amount coming from Richland County is for land.

Mr. Smith stated he would have to research that, and bring it back to Council.

Ms. McBride she will meet with Mr. Voignier offline to get her questions answered.

Ms. Dickerson made a substitute motion, seconded by Ms. McBride, to forward to Council without a recommendation.

In Favor: Malinowski, Walker, Dickerson and McBride

Present but Not Voting: McBride

The vote in favor was unanimous.

- f. Town of Eastover Inspection IGA – Ms. Myers moved, seconded by Ms. Dickerson, to forward to Council with a recommendation to approve an Intergovernmental Agreement (IGA) between the Town of Eastover and Richland County for providing building code inspections and plan reviews of all residential and commercial buildings for the purpose of renovations, repairs, additions, and new construction within the Town of Eastover’s jurisdictional limits through the Building Inspections Division of the Community Planning and Development Department.

Mr. Voignier stated this is essentially an agreement with Eastover. They no longer have a building official and we are offering our services through an IGA.

Mr. Malinowski stated in the IGA it says, “The Town of Eastover agrees that in order to recoup the costs associated with the services provided under this Agreement, Richland County shall collect fees for such services as set out on the Richland County Fee Schedule, which is attached as Exhibit A.” He inquired if the possibility exist that the fee schedule could change as time goes on. He stated we may want to add, “or any future changes that come about in the fee schedule”.

Mr. Malinowski offered a friendly amendment to add the following language, “or any future changes that come about in the fee schedule” and “that any legal matters arising out of Richland County’s assistance will be covered by the Town of Eastover.”

Ms. Myers stated, for clarification, are we talking about legal issues arising because of their actions or inactions, or just any legal issues.

Mr. Malinowski stated any legal issues that arises without fault by Richland County.

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

The vote in favor was unanimous.

- g. New Hire Probation Update – Ms. McBride moved, seconded by Ms. Myers, to forward to Council with a recommendation to approve a change to the policy of New Hire Probation. The change requested would decrease the probationary period from twelve (12) months to six (6) months.

Ms. Myers inquired if six (6) months is now the industry standard rather than twelve (12) months.

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

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

The vote in favor was unanimous.

- h. Richland County Recreation Commission Reprogramming of funds for Allen-Benedict Court Residents – Mr. Malinowski moved, seconded by Ms. Dickerson, to forward to Council with a recommendation to approve a revision of the Recreation Commission's usage of the funding approved by the County Council to assist residents of the Allen Benedict Court Community and to be reimbursed for those expenditures incurred during the Day of Giving.

Mr. Malinowski stated the agenda says this particular day the Recreation Commission held was on May 21st. He inquired why they are coming after the fact requesting approval for something they did not have approval to do. They were given monies to provide afterschool activities at six (6) locations. Yet, they spent it all on a one-day event. The general public was at this particular event, so he does not see why the County should be paying for a one-day event in violation of what this entity was told to do with the funding.

Ms. Brandy James, Recreation Commission's Chief Financial Officer, stated the original event that was in their proposal, approved by Council, was to be held with PRISMA Health and the Richland Library. However, there was a scheduling conflict and they were unable to attend the event on April 27th. In order to make sure that we were serving the residents of Allen Benedict Court they had to revise our proposal.

Mr. Malinowski stated that does not address his question. He stated Council originally approved funding to the Richland County Recreation Commission to provide afterschool activities at six (6) separate locations. Why were those not done? It has nothing to do with a particular one-day event.

Ms. James stated in the original proposal they proposed a resource fair with PRISMA Health and Richland Library. At the resource fair, we agreed to issue 100 vouchers at \$150 each. Again, there was a scheduling conflict that arose, in which they were not able to attend the resource fair.

Mr. Malinowski stated that still does not answer the question. If you were told to provide afterschool activities, at six (6) locations, and spread that funding out, so several individuals could receive the benefit of taxpayer funding, you put it all into one. He sees that you limited it to 75 vouchers.

Ms. James stated they provided 25 grocery vouchers at \$200 each, which totaled \$5,000 to some of the Allen Benedict residents. They also provided other household items, which totaled \$6,925 during the Day of Giving event.

Mr. Malinowski stated the Recreation Commission revised the proposal without Council's permission.

Ms. James stated they spoke with Mr. Hayes during the process.

Ms. Myers made a substitute motion, seconded by Ms. Dickerson, to forward this item to Council without a recommendation.

Mr. Malinowski made a second substitute motion, seconded by Mr. Walker, to deny the request.

In Favor: Malinowski, Walker and Dickerson

Opposed: Myers

Present but Not Voting: McBride

The vote was in favor.

- i. Solid Waste Rate Study – Ms. Myers moved, seconded by Mr. Malinowski, to forward to Council with a recommendation to accept staff’s recommendation to approve and implement the recommendations contained in the Solid Waste Rate Study performed by HDR and the amendment to the Solid Waste section of the County’s ordinance.

In Favor: Walker, Dickerson and McBride

Opposed: Malinowski and Myers

The vote was in favor.

5. **INFORMATION/DISCUSSION**

- a. Cherry Bekaert – Richland County Audit Planning Discussion – This item was not taken up.

6. **ITEMS PENDING ANALYSIS: NO ACTION REQUIRED**

- a. “Move to allocate up to \$50,000 per year in FY20 and FY21 to hire a firm to guide the county in establishing a strategic plan. This planning process would begin after completion of the upcoming county-wide survey and use that constituent input to inform county priorities and strategies. Funds are currently available in the FY19 budget that can be encumbered for strategic planning.” [NEWTON] – No action was taken.

5 **ADJOURNMENT** – The meeting adjourned at approximately 7:00 p.m.