

**Richland County Recreation Commission
Special Call Board Meeting Minutes
Tuesday, May 11, 2010
6:00PM**

Commissioners in Attendance:

J. Marie Green, Vice Chair
Rev. Charles Epps, Secretary
Wilbert Lewis, Commissioner
Barbara Mickens, Commissioner
G. Todd Weiss, Commissioner
Weston A. Furgess, Jr., Commissioner

RCRC Staff in Attendance:

James Brown, Interim Executive Director
Kenya Bryant, Interim Assistant Executive Director
Curt Wilson, Business Systems
Ronnie Kinnett, Property Management
Cornelia Watts, Executive Assistant

Others in Attendance:

James Bridgett, Jr., Consultant/Parliamentarian

1. Call to Order:

Vice Chair Green called the meeting to order at 6:00p.m.

2. Adoption of Agenda:

Motion to adopt the agenda made by Commissioner Furgess, second by Commissioner Mickens. Motion approved unanimously by all members present; Green, Furgess, Mickens, Epps, Lewis and Weiss.

3. Budget Work Session:

Curt Wilson, Business Systems, distributed proposed budget for fiscal year 2010-2011. Mr. Wilson explained that at the Commission's pre-budget meeting with Mr. Milton Pope, Richland County Administrator, on March 3, 2010 and subsequent meeting on May 5, 2010, we were advised that the Commission did not have to make a presentation of its budget request to County Council this year. The Commission was also informed by letter that County Council has directed that millage agencies should submit a funding request that does not exceed the dollar funding level appropriated for fiscal year 2009-2010. Mr. Wilson pointed out that on the proposed budget our funding request is \$406,900 over what the Commission received this year. The reason for this increase is that the new

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OPEB requirement to set money aside in an irrevocable trust for the employer portion of retiree benefits begins this year. This is a 30-year commitment and failure to comply could harm the Commission's bond rating and its ability to borrow money.

Mr. Wilson explained that last year he went before the Board to get permission to spend \$5,000 for an actuary study which led up to what we would have to pay over the next 30 years to fund this Other Post Employee Benefit (OPEB). After we received the actuary study, it came out to be \$406,900 which puts us in the hole before we even start.

Mr. Wilson presented budget decisions that were made to develop a budget that included no increase in funding as follows:

- This budget makes no provision for employees to receive a cost of living raise or pay for performance.
- This budget includes a furlough to the sum of around \$130,000. If the Commission does not receive funding for the retiree benefits mentioned, this figure will increase to \$536,900 and the Commission will be forced to look for additional cuts.
- This budget has cut out all conferences, memberships and training.
- This budget includes no provisions for Park Improvements.
- This budget includes only \$2,000 for new equipment.
- This budget has eliminated uniforms for the Property Management Division- \$21,280.
- Worker's Comp has increased \$57,761 (increased rates and accidents).
- Risk insurance has increased \$43,512 (increased rates, more items insured and updated asset values).

Proposed budget concerns from Commissioners and responses from Mr. Curt Wilson and Staff present as follows:

Weiss: In reference to the OPEB, are all state agencies required to fund OPEB?

Wilson: This applies to all government agencies in the country. The Governmental Accounting Board passed this in 2000 and depending what your budget was in 1999 determined when you came on line. RCRC's budget was under 10 million so we were in Phase III. RCRC should have paid something this year but we had to cut it out because we did not have the money and we did not have our actuary study completed. Our auditor said we could start paying the next year. We have the option to not fund this, however there are some ramifications. First, our bond rating will be in jeopardy because when we went for the bond rating for our current bond I told them that we would be funding this in the future. Secondly, if we don't fund this we may not be able to borrow money. The \$406,900 is based on RCRC using Municipal Association of South Carolina's (MASC) irrevocable trust. If we don't use MASC our OPEB figure will increase.

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Weiss: Who draws on the trust?

Wilson: We will in the future draw on the trust, when paying retiree insurance, but we can't touch it now.

Epps: Have you come up with a figure on the cost savings of the furlough and other cuts?

Wilson: The furlough for the first round is about \$130,000 for holidays; two positions of employees that left are frozen and taken out of the budget in the amount of about \$98,000; conference and memberships cut was 45,000; park improvements cut about \$62,000; and uniforms cut \$21,000.

Mickens: When did we fall deeper into debt and what happen to the \$100,000 for pay for performance, the \$60,000 for commissioners training and the \$4.5 million in reserve?

Wilson: On June 30, 2010 when we close our books we will have about \$5 million in reserve. Between July 1, 2010 and December 30, 2010 we have to supplement our expenditures by using the reserve because the bulk of our money comes from County Council in January and by December our reserve is usually zero. The reserve fund is built back up monthly by funds received from County Council by June. The \$100,000 was used in pay adjustments during the reorganizations.

Mickens: Why can't we use the reserve fund in place of employee furlough?

Wilson: Because we are at the point now where the money coming in from County Council is less than all our expenses and what's going to happen is that the \$5 million is going to get lower and lower and will not last until December. We are spending more than we are bringing in.

Mickens: Commissioner Epps and I asked the question at the February Board meeting if employees would loose jobs and you said no, you didn't see this coming.

Wilson: At the time, I didn't know that we were only going to get the same amount of money.

Mickens: You had told us that County Council was not giving us any more money.

Wilson: OK, if that's what I said, but after looking at the numbers, the money is going to dwindle down to no more money.

Epps: Our plea to County Council at this point is for the \$406,000?

Wilson: Yes, and County Council can only give us the amount of money that is in the CAP and we don't know what that is.

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Mickens: What happened to the pay for performance money?

Wilson: There have been a lot of reorganization and pay increases that the money was used for.

Green: From now until July, are we OK?

Curt: Yes

Bridgett: What is the next fiscal year budget based on?

Wilson: This budget is based on trying to get us as close to having the same budget we had this year since we are not getting any more money.

Bridgett: Is the budget starting July 1 based on the Strategic Plan?

Wilson: This budget is based on survival.

Bridgett: The reason I am asking this is because in a strategic plan goals are set and everything is cost out and at the end of the year you make adjustments, maybe carrying over projects to the next fiscal year if needed.

Lewis: As I look at this budget, the only way I can assess where we are, decreasing and increasing, I have to know what we are trying to accomplish, where are our priorities, what's driving our budget? The budget should be driven by a set of priorities that we've said we want to accomplish.

Bryant: The previous Executive Director instructed staff to submit budgets based on their department's goals and objectives for the next year which were derived from the Strategic Plan.

Lewis: As an organization we need to set some goals we want to accomplish next year and then we look at what we say we are going to fund to get there.

Furgess: Explain the bank charges.

Wilson: The bank charges are the fees we pay for deposit slips, deposit bags, supplies and fees for running our accounts.

Weiss: Explain the contract services line item.

Wilson: Contract services decreased because the plan for a professional IT service did not happen.

Furgess: Explain the professional services line item.

Wilson: Professional services is a combination of things, we switched auditors, legal fees, and parliamentarian fees.

Lewis: As I look at this budget, what do I use to see where we are going with this budget in terms of trying to accomplish the outcomes that we have laid out for fiscal year 10-11?

Wilson: We approached the budget, with no increase, to try and pay the bills and make payroll.

Epps: Do we still use temp agencies?

Bryant: We use our part timers instead of paying temp agencies.

Green: When you refer to furlough, this is for holiday pay?

Wilson: Correct

Furgess: Where is the figure for telephone service?

Wilson: Telephone service is included on the utilities line.

James Brown, Interim Executive Director, explained that we are working on cost saving measures in every area and we are not spending excessively.

Kenya Bryant, Assistant Interim Executive Director, addressed Mr. Lewis's concern of the agency goals and explained that we have to keep our day camps and after school programs running for our communities so we look to cut in other areas so that our Park staff can keep these programs and activities running efficiently.

Mr. Lewis stated that then our priority is the children and their activities, then it justifies spending money in those areas but it should be clear about what's driving our budget. Our budget should be driven by the priorities that we set of what's important.

Mr. Brown stated that we are looking at our fees along with the Ad Hoc committee because we are giving away too much.

Commissioner Lewis commended Mr. Brown for what the fees committee has done so far and expressed his views pertaining to fees being an operational item. After Board and Staff discussion it was decided that the fee structure is operational.

Motion to disband the fees ad hoc subcommittee made by Commissioner Weiss, second by Commissioner Epps. Motion approved unanimously by all members present; Green, Weiss, Epps, Mickens, Furgess and Lewis.

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Lewis: During these budget tight times we will have to continuously look at ways to bring in more so that we can maintain staff and programs. Are we doing anything in the area of partnering with the City to save maybe on duplicate programming?

Brown: Right now we are building relationships with County Council and then maybe the city.

Bridgett: There would be very little that we could partner with City Parks.

Bryant: In a meeting with Milton Pope he talked about doing some collaborative things to save the County and Commission once we are done with this aspect, then we can come back to the table and talk about partnerships.

Lewis: I think there are opportunities to partner with the city and I'm not sure what laws or regulations that would prohibit partnerships. I know this is an issue for the future, but we do not need to take this off the table. I would be concerned if there were any statutes that prohibit partnerships with the city.

Bridgett: The way it has been interpreted in the past, and you can get the lawyer to check it out, is that the law establishes that RCRC area is outside of the city of Columbia and that prohibits RCRC from spending money inside the city. I don't think you can partner with the city on recreation.

Lewis: Does the increase at Pine Grove Community Center provide for a full time staff person at the center?

Wilson: No, more programs.

Weiss: The last page of the budget proposal, critical needs first and second priority, included in budget:

Wilson: No, the direction from County Council was that they wanted the budget document to include a sheet of critical needs, but we are already asking for \$406,000 more for OPEB so we don't expect to get anything for critical needs.

Kinnett: James came in at a time when RCRC is facing major problems and I want to commend him, Kenya and Curt for the job that they have done with this budget.

The Commissioners commended Mr. Brown and staff, under the leadership of Curt for their efforts.

Mr. Brown thanked Curt and staff for their input for the budget process.

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Motion to approve proposed budget for submittal to County Council made by Commissioner Weiss and second by Commissioner Mickens. Motion approved unanimously by all members present; Green, Weiss, Mickens, Epps, Lewis and Furgess.

4. Executive Session:

No items for Executive Session

5. Adjournment:

Motion to adjourn meeting made by Commissioner Epps and second by Commissioner Furgess. Motion approved unanimously by all members present; Green, Epps, Furgess, Lewis, Mickens and Weiss.

Meeting adjourned at approximately 7:15p.m.



J. Marie Green, Vice Chair

Minutes approved on this 21st day of June, 2010.