

BUDGET WORKSESSION
DARLINGTON COUNTY COUNCIL
DARLINGTON, SC

April 23, 2018

A Budget Worksession of the County Council of Darlington County was held this 23rd day of April 2018, at 10 a.m., at Darlington Raceway Media Center, 1301 Harry Byrd Highway, Darlington, South Carolina.

NOTICE OF MEETING

In compliance with the Freedom of Information Act, a copy of the meeting notice providing the date, time, and place of the meeting was emailed to the local newspapers, persons requesting notification, and posted on the county's website and on the bulletin board in the lobby of the courthouse.

COUNCIL MEMBERS PRESENT

Chairman Bobby Hudson, Vice Chairman Marvin Le Flowers, Chaplain Dannie Douglas, Jr., Mr. J. Lewis Brown, Mr. David Coker, Mr. Robert L. Kilgo, Jr., and Ms. Joyce W. Thomas.

COUNCIL MEMBERS ABSENT

Ms. Mozella Nicholson.

ALSO PRESENT

County Administrator Marion Charles Stewart, III, Clerk to Council J. JaNet Bishop, Finance Director Sherman Dibble, Historical Commission Director Brian Gandy, and Human Resources Manager Ginger Winburn.

REPORTERS PRESENT

Ms. Samantha Lyles of the News and Press and Mr. Jim Faile of the Messenger.

Chairman Hudson called the worksession to order at 10:12 a.m.

General Fund

Mr. Stewart reported that the proposed FY18/19 budget consists of a little over \$22 million in operating expenditures, which requires a minimum of \$7.8 million in unassigned Fund Balance to be within Council's requirement to maintain at least 35 percent of the General Fund for Fund Balance. He presented a graph depicting Fund Balance from FY09/10 through FY15/16. Although the staff was still waiting for FY16/17 audit, Mr. Stewart presented the amount of unassigned fund balance (\$10.8 million and \$3 million to the good regarding the minimum requirement to remain in reserve), assigned fund balance (\$2 million), restricted, non-spendable, and committed funds, and dedicated funds such as grants and bonds. He also talked about Council previously assigning \$1 million to

the Economic Development Fund and \$1 million to the Capital Replacement Fund. Unassigned and assigned funds equated to over \$13 million in Fund Balance.

Mr. Stewart presented the total Fund Balance in the General Fund (over \$15 million), the Fire District Fund (\$5.2 million of which include \$2.1 million in bond funds for fire trucks, etc.), the Emergency Telephone Fund, Roads and Bridges Fund, Library Fund, Emergency Services Fund, Environmental Services Fund, the Airport Fund, etc. All of the funds have respectable balances with none being below the 35 percent requirement.

Mr. Stewart talked about the Contingency Funds decreasing as a result of the \$200,000 for the airport project and the additional one percent for retirement each year. He also talked about the proposed budget including a one-time, one percent bonus for employees. Mr. Stewart reminded Council that the Emergency Services Vehicle Fee and the Emergency Service Residential Fee were added last year to offset the cost of Emergency Services, to provide for a Contingency Fund for one-time projects, and to fund the one percent retirement increase the employer must pay each year for the next five years. He also reminded Council that one percent of the two percent increase last year was funded by the State. However, it was later discovered that the one percent that the State funded was based on FY16 payroll, which was a lower one percent. Also, this exact dollar figure will be used going forward and will show as a credit in the General Fund to pay the other funds.

Mr. Stewart explained that the employees received a 2.5 percent raise last year. In the proposed budget, he was requesting a one-time, one percent bonus which would equate to \$140,000 taken from Contingency and paid in the last paycheck in July so that employees would have the funds for the tax-free weekend. He reviewed employee raises/bonuses from previous years.

Highlights of the proposed budget included a one-time, one percent bonus for employees; the one percent mandatory retirement contribution; movement of funds for the IT position to the Contract IT line item to continue IT services on a contractual basis; a seven percent increase in employer-paid health insurance line item; numerous variations in incentive pay, professional service contracts for software maintenance, one-time fees, etc.; a tax increase of 2.13 percent (1.47 mills) for the General Fund and less than a two mill increase (\$230,0000) across all funds; and a decrease in projected revenue, especially federal inmate revenue.

Mr. Kilgo suggested raising the millage to the amount allowed and use \$140,000 for a one percent employee raise as opposed to a one-time, one percent bonus. Mr. Stewart explained that the one percent salary increase and the one-time, one percent bonus would be the same amount, \$140,000. However, the Contingency Fund would decrease going forward.

Environmental Services Fund

Mr. Stewart explained that during last year, the Solid Waste Fee was based on the previous two years and one year was overly inflated. The budget was balanced. However, if the fees are decreased, this would also decrease the amount of projected funds.

Salary Increase

MOTION was made by Mr. Kilgo and seconded by Mr. Flowers to include in the proposed budget a one percent salary increase for employees instead of a one-time, one percent bonus.

The motion carried unanimously.

Fire District Fund

Mr. Stewart explained that since there was available revenue in the Fire District Fund, the Fire Chief was requesting to expand fire service due to the decrease in volunteer services. The proposed Fire District Fund budget includes four new firefighters to provide 24/48 coverage in the rural fire district. Three of the firefighters would be on duty 24 hours a day with one in Lamar area, one in Dovesville area, and one at the center station. Lamar and Dovesville areas were chosen based on current responses and where faster response is needed and not being provided by the volunteers. This could possibly improve the county's ISO rating. Also included in the Fire District's proposed budget are three additional dispatcher positions. The Emergency Services Fund already has the money to move another person into a dispatcher position so that one dispatcher is added to each of the four shifts.

The Fire Chief was requesting the standard CPI increase which will equate to 0.3 mills. Currently, there are five bond mills that will expire in about 2 years, and Council would not have to add back more than 2.5 mills because of the reserve for capital project replacement. Mr. Stewart stated that the operation logistics for the firefighters would have to be worked out in reference to whether a firefighter can drive an ambulance. However, the Fire District would not want the firefighters to respond to every ambulance call.

Mr. Brown presented concerns as to whether the additional positions were being requested because the money is available or whether there was a justifiable need. If the county was falling short on its responsibilities, then the money should be spent based on need rather than available revenue. Council and the staff talked about the decrease in volunteer service.

Emergency Services Fund

Mr. Stewart was proposing to add five new medic positions so that an ambulance can be added 12 hours per day, seven days per week. The county currently runs five trucks 24/7. This would add a sixth truck for the first half of the day. He talked about how the call volume has increased, the four rescue squads not being able to handle what they once handled, and the decrease in volunteers.

Mr. Stewart mentioned that although it was not included in the proposed budget, the staff would present a requested for an Emergency Medical Protocol Dispatching System so that the dispatchers are able to give pre-arrival instructions. The staff will request this purchase from currently budgeted funds and receive eight percent back from the State. Therefore, the proposed positions will help the county with the EMD and the EMD will help with pre-arrival instructions and prioritizing calls.

In response to Ms. Thomas's concerns about funding for the rescue squads, Mr. Stewart stated that there are no plans to change the funding amount for the rescue squads. The rescue squads will receive the same amount as in previous years, plus \$150 per month beginning in February. Previously, the county's Emergency Services Director or the Training Director would handle the rescue squads' administrative paperwork with physicians, which places the county at liability if the paperwork is inaccurate. Therefore, the rescue squads will receive \$150 per month via line item transfer in the budget. Mr. Stewart added that the county has not cost the rescue squads anything, and the members were not attending the county's training program. He noted that only one squad has stated a problem with the change, and the staff has told them that there has not been a funding change.

Mr. Kilgo asked whether the county could collect the money for the rescue squads. Mr. Stewart said he had previously offered the county's service to do the billing for the rescue squads, but they did not want the county involved with their money. Nevertheless, this may no longer be feasible since the county may change its vendor service because of noncompliance with the software company regarding DHEC submitting requirements. Also, the rescue squads would have to use what the county uses and make changes as the county make changes. He indicated that the rescue squads are independent 501(C)3 agencies, and the county does not need to be responsible for their administrative paperwork. He also mentioned that the rescue squads could not do debt setoff like the county, but they can obtain the service from debt collectors.

Environmental Services Fund

Mr. Stewart explained that Environmental Services' proposed budget includes one position to assist with litter and nuisance. Most of the funds would come from Codes Enforcement. This position will work in Codes Enforcement as a Litter/Nuisance Officer and assist with litter pickup since Prison Farm inmates will not be able to pick up as much trash along the roads because they will be cutting grass. He also mentioned that this person could possibly obtain service from Palmer Pre-Release inmates to assist with litter pick up, especially during the summer when the Prison Farm crew is cutting grass.

Council and the staff briefly talked about considering a stiffer ordinance and penalties for litter/nuisances.

Airport Fund

Mr. Stewart explained that the proposed Airport Fund includes \$200,000 for a one-time match to receive federal funds for a planned runway rehab project. Finance Director

Sherman Dibble confirmed that this would be the county's ten percent match and the State may provide five percent. Therefore, the county may not spend the entire \$200,000 from Contingency.

Mr. Kilgo suggested that a nice entrance sign be erected at the County Airport and at the I-20 Industrial Park. After a brief discussion about signage, Mr. Stewart stated that the staff would work on this along with signage for the solid waste collection stations and Lake Darpo.

~ ~ Councilman Kilgo left the work session at 11:08 a.m. ~ ~

Florence-Darlington Technical College

Mr. Brown asked the amount the county contributes to Florence-Darlington Technical College. Mr. Stewart responded that the school district levies the mills and the County Treasurer sends the money (from \$12 million to \$13 million) to Florence-Darlington Tech. County Council cannot touch these funds which are not included in the county's budget.

Building Permit Fees

Mr. Brown talked about the building permit fees escalating and almost tripling. He had received complaints and was concerned about economic development and the housing stock in the county. He also stated that Council was under the misguided assumption that things were going in a certain direction. Council and the staff talked about where the most houses were being built, the cost of building permits reducing builders' profit margin, etc. Mr. Stewart stated that a reduction in the permit fees would cause a major shift in available Contingency funds and revenue. However, an action of Council would be required to change the fees since the fees were established by an action of Council.

Fleet

In reference to the county fleet, Mr. Stewart said he was not proposing to change anything. However, during the May or June Council meeting, Council would receive a proposal to not continue with First Vehicle Services and go with Enterprise Fleet. There will be no intention of spending additional funds and there probably will not be any savings during the first five years. The savings will appear when it is time to purchase new vehicles and the county will not have to issue bonds for the purchase. Enterprise will have agreements with the local shops for maintenances and the vehicles (excluding extremely heavy equipment) will turn over every three to six years based on usage. The county shop will close and existing vehicles will go to Enterprise. The transition will take from two to three months.

Inmate Labor

Mr. Flowers stated that he wants the county to get out of the business of inmate labor, housing inmates, and being responsible for the welfare of inmates. Mr. Stewart stated that this would be a decision of Council. However, the current funds for the current employees (ten employees) could be used to retain eight of the employees and add twelve more employees to do the work that the inmates currently perform. Mr. Flowers suggested that instead of having 25 inmates, the county could have 35 tax-paying, working employees and, if necessary, contract with Palmer Pre-Release Center to get inmates at a cost of \$15 per day per inmate. Mr. Stewart clarified that the number of employees would be 20. He explained how the funds would be distributed to cover the cost of 20 employees, fuel, gas, equipment, etc. to do the same job.

Chairman Hudson spoke in favor of the Prison Farm. Mr. Stewart stated that this was a policy preference and the work could be done with employees or inmates. Mr. Flowers indicated that he would present this matter at the meeting for a vote since he morally, ethically, and philosophically detests Council and administration having coercive powers over inmates. He feels that you get a better job when you pay someone to do something rather than coerce them to do it.

Conclusion

Mr. Stewart mentioned that a number of departments had requested more than what was recommended. If requested by Council, he would provide the individual department requests. However, in order to keep the budget balanced, if something is added, something must also be subtracted.

Mr. Stewart asked how Council felt about the proposed ballot question from the Capital Project Sales Tax Commission. He briefly talked about ensuring that people are educated to the fact that the Capital Project Sales Tax would be the quickest and the cheapest way to do the project because the cost would be spread amongst the most people and people from outside the county. He noted that if the Capital Project Sales Tax fails and Council decides to move forward with the project, then property tax on vehicles, homes, boats, etc. would have the potential to increase for 20 plus years. Mr. Stewart also stated that if Council votes to place the question on the ballot, then philosophically, Council must, at least, think there is a need to do something. If Council feels that nothing needs to be done, then he would ask why place the question before the public. Mr. Stewart concluded by stating that Council needs to authorize the study to find out about adding to the current building and making it compliant.

Mr. Coker responded that he does not think that the citizens will vote for a \$20 million project. Mr. Brown talked about the sales tax being disproportionate because 85 percent of the tax would come from two districts. Mr. Stewart clarified that the people living in the two districts that Mr. Brown was referring to would not produce all the taxes.

Mr. Flowers stated that if the question is defeated, this would mean that the citizens do not want another courthouse, and Council could use the funds (\$2.5 million to \$3 million) within the budget to address safety issues. He indicated that he was ok with the budget and the referendum question. Mr. Stewart suggested that Council publicly state that if the referendum fails, Council will take this as a sign that the public wants nothing done with the courthouse. Mr. Flowers stated that his interpretation will be that if the public does not want to pay for the courthouse project with the penny sales tax, then they do not want a new courthouse. He also stated that if Council supports him on his motion to eliminate inmate labor at the Prison Farm, he would not want it done within the FY18/19 budget year since it would take about a year to transition from inmate labor to employee labor. The numbers could be used to plan for the FY19/20 budget.

Mr. Stewart briefly talked about the audits being delayed. The budget changes will be included for second reading. There being no additional comments, the worksession was adjourned at 11:49 a.m.

Respectfully submitted,



J. Janet Bishop
Clerk to Council



Bobby Hudson, Chairman
Darlington County Council

Approved at meeting of May 7, 2018.