

**BUDGET WORKSESSION
DARLINGTON COUNTY COUNCIL
DARLINGTON, SC**

April 3, 2019

A Budget Worksession of the County Council of Darlington County was held this 3rd day of April 2019, at 9 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, place, and purpose 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 J. Lewis Brown, Chaplain Dannie Douglas, Jr., Mr. David Coker, Mr. Albert Davis, III, Mr. Marvin Le Flowers, Mr. Robert L. Kilgo, Jr., and Ms. Joyce W. Thomas.

ALSO PRESENT

County Administrator Marion Charles Stewart, III, Clerk to Council J. JaNet Bishop, Finance Director Sherman Dibble, Human Resource Manager Ginger Winburn, Sheriff Tony Chavis, Deputy Sheriff Josh Edwards, and Ms. Kathy McDonald of the Humane Society.

REPORTERS PRESENT

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

BUDGET WORK SESSION

Chairman Hudson called the Worksession to order.

Prior to reviewing the proposed FY19/20 budget, Mr. Stewart provided the amount of the current year's total operating expenses (\$22,244,890) and minimal unassigned fund balance (\$7,785,711) and the proposed FY19/20 total operating expenses (\$23,564,967) and minimal unassigned fund balance (\$8,247,738). The county still has over \$20 million in unassigned fund balance (General Fund only).

For reference, Mr. Stewart presented information regarding the General Fund Balance from FY10/11 through FY 17/18 to include assigned funds, committed funds, restricted funds, unassigned funds, Contingency funds, etc. He briefly talked about the Contingency Funds and the effects of the increased retirement contributions. He presented the Contingency Fund balance for FY19/20(\$204,182) and for the current year (\$282,000).

Employee Compensation. Mr. Stewart explained that the proposed budget includes a two percent across the board cost of living adjustment for employees; a four percent to 6.5 percent wage increase (in lieu of the two percent cost of living adjustment) for targeted positions where specific needs are demonstrated; and multiple adjustments in health insurance, FICA, retirement, unemployment, and workers compensation. It was noted that the two percent cost of living adjustment would be less than the CPI increase of 2.44 percent.

Positions targeted for the four percent wage increase include correctional officer certified hourly positions with a rank of Sergeant or below at the Detention Center and Prison Farm; emergency medical technician certified hourly positions assigned to ambulances; and positions requiring a commercial driver's license (CDL) in Environmental Services and the Roads and Bridges departments. These positions are always advertised due to turnover.

Positions targeted for the 6.5 percent wage increase include law enforcement certified hourly positions currently below the rank of Lieutenant in the Sheriff's Office. These positions are also vacant. This increase would make the wage for these positions more competitive.

Mr. Stewart briefly reviewed the status of employee raises from FY16/07 through FY18/19.

Highlights Of Changes In The Proposed FY19/20 Budget. The proposed budget includes a two percent cost of living adjustment (4 percent or 6.5 percent wage adjustment for certain targeted positions); employer mandatory retirement rate increase; numerous variations in insurance premiums, incentive pay, and salary wage line items; and numerous variations in departmental budgets based upon professional services, annual software maintenance contracts, cyclic needs/changes in departmental obligations such as for Economic Development and Elections/Voter Registration. The proposed budget also includes an increase in tax millage (0.81 mills of possible 2.2775 mills for all the budgets). The CPI increase of 2.44 percent would allow up to a 2.2775 mill increase. However, the proposed increase (0.81 mills) is 35 percent of the increase allowable under the CPI cap. Mr. Stewart presented the amount of mill increase for the General Fund, Library Fund, Environmental Services Fund, and Fire Fund as a result of increasing the millage by 0.81 mills.

Mr. Stewart used the example that increasing the millage across all budgets by 0.81 mills, the property taxes on an owner-occupied house appraised at \$100,000 and assessed at 4 percent would increase by \$3.24. For the same home with an assessed ratio of 6 percent, the tax would increase by \$4.86.

Other highlights include additional funds in County Council budget for the previously approved increase in compensation for Council members and compensation for an Assistant Administrator; additional funds in the Finance Department budget for an additional position to assist with regulatory reporting requirements, etc., and to assist the Auditor's Office during peak periods in preparing tax records and notices (It was noted that the workload in the Auditor's Office was not consistent enough throughout the year to warrant an additional full-time employee.); Duke Energy proposed rate increases; insurance reserve fund

increases; additional funds for Elections/Voter Registration for the municipal and primary elections; increase in the Treasurer's Office for the previously approved position to handle DMS files and driver license suspensions for failure to pay dealer notice property taxes on vehicles; increase for coalescing of funds scattered throughout the General Fund into one activity for the transition from the contract shop to the new fleet management system and operating the county's own shop for heavy equipment/diesel engines; funds for the county's new vehicle leasing plan; and additional office space and funds (\$28,000) for the Solicitor's Office. Mr. Stewart reported that preparation for the space for the Solicitor's Office (in front of the Historical Commission Building beside Fountain Street) was in the process of being bid. He noted that if Council approves the additional \$28,000 for the Solicitor's Office, Council may not be able to take it back in the future. He requested Council's guidance as to whether to leave these funds in the Administrator's proposed budget for second reading.

Mr. Kilgo noted that currently, the Solicitor was receiving \$137,200 and the Public Defender was receiving \$140,000. He suggested funding both agencies equally at \$140,000. After a brief discussion, it was the consensus of Council to fund the Solicitor's and the Public Defender's Office the same amount, \$140,000.

Mr. Stewart reported an increase in funds for Darlington County Humane Society and for the new lease payments for 30 vehicles on order for the Sheriff's Office and 20 vehicles ordered/planned for other agencies (without the use of any of the \$1.5 million of Fund Balance set aside for projects over the next 3 to 5 years).

Minor Funds. Highlights of the Minor Funds include increase in the Emergency Telephone Budget for pay adjustments/increases and reduction in overall budget due to less planned upgrades; increase in Library Fund for pay adjustments/increases, Duke Energy rate increase, and insurance increases; increase in Environmental Services Fund for pay adjustments/increases, an additional CDL driver position, Duke Energy rate increase, and insurance increases; increase in Fire District Fund for pay adjustments/increases, previously approved additional dispatchers and moved from inter-fund transfer to a wage line item as a position expense for better clarity in use of funds, Duke Energy rate increase, and insurance increases; increase in the Airport Fund for pay adjustments/increases, insurance increase, and change due to grant completion in current year; increase in Roads and Bridges Fund for pay adjustments/increases and insurance increases; and increase in Emergency Services Fund for pay adjustments/increases, Duke Energy rate increase, and insurance increases. The Accommodations Tax Fund will reflect expected income and expenses and the Hospitality Tax Fund will provide a basic budget that Council will utilize/assign as needed throughout the year.

Mr. Stewart, again, reviewed the results of the increased millage for the General Fund, Library Fund, Environmental Services Fund, County Fire District Fund, and total millage increase of 0.81 mills across all budgets. He also presented and compared the 2016 Tax Levy Sheet with the 2018 Tax Levy Sheet to show how the School District mills (16.7) had increased compared to the county's (3.09) mills. Mr. Stewart concluded by stating that the proposed tax hike of .81 mills was very small and will provide approximately \$160,000 with the remaining coming from increase value in the county and the way the budget is worked.

Council Comments/Concerns.

In response to Mr. Flowers' questions about future discussions regarding the landfill, Mr. Stewart stated that prior to third reading of the budget, he may ask Council to increase commercial garbage tipping fee. However, he will need to get more information. He also mentioned that there may be some capital purchases from the net position on hand (Fund Balance for the Enterprise Fund).

Mr. Brown presented concerns about there not being any momentum for economic development, except from one area of the county; the building permit fees being skewed; the amount of funds (over \$3 million) Darlington County will provide to Florence Darlington Technical College compared to the amount (\$2.4 million) paid by Florence County and the county not receiving the best results needed for existing industries; and the need to capture revenue from the amount of traffic on Highway 52.

Mr. Stewart reported that he was in discussion with Darlington County Progress to supply funds to hire an additional position in Economic Development at no cost to the county. The position will help with additional recruitment and support for existing industries. This was not included in the proposed budget but may possibly be a future amendment to the budget.

Mr. Brown commented about there being economic development opportunities in the county which the county is not in a position to take advantage of. He pointed out that every place in the state that is thriving has a very vibrant technical school which has been critical to the county's growth.

Mr. Stewart reported that through March 26th, the Treasurer had collected \$2.78 million from the 12 mills assessed and levied by the School District on behalf of Florence Darlington Technical College. There will be additional funds from delinquent tax collections, etc.

Mr. Brown noted that Florence County mills were set at 4 mills for Florence Darlington Tech and controlled by Florence County Council.

It was Mr. Stewart's understanding that initially, the amounts were supposed to be the same. This has changed over the years, but Darlington County Council does not control it. There is special legislation to levy the tax, but not the amount.

Mr. Flowers thanked the newspapers for placing the pie charts of the county's income and expenses in the newspapers last year. The pie charts were also placed on the tax bills.

Mr. Stewart concluded that for second reading, the only change to his proposed budget would be the increase the Solicitor's Office budget by \$2,800 to equal \$140,000 - the same amount as the Public Defender's Office.

Ms. Thomas was concerned about people knowing what to expect regarding installment payments for property taxes.

Mr. Stewart emphasized that installment payments would be prepayments. Individuals will pay their current year taxes by January and in February, they will begin paying payments for the following year. It was noted that large companies cannot make installment payments because they must go through the Department of Revenue.


Adjournment

There being no further comments, the meeting was adjourned at 9:56 a.m.

Respectfully submitted,



J. Janet Bishop
Clerk to Council



Bobby Hudson, Chairman
Darlington County Council

Approved at meeting of May 6, 2019.