

WORKSESSION
DARLINGTON COUNTY COUNCIL
DARLINGTON, SC

February 18, 2019

A Worksession of the County Council of Darlington County was held this 18th day of February 2019, at 10 a.m., at Darlington Raceway Media Center, 1301 Harry Byrd Highway (Highway 151), 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 worksession 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, Mr. David Coker, Mr. Albert Davis, III, Mr. Marvin Le Flowers, Mr. Robert L. Kilgo, Jr., and Ms. Joyce W. Thomas.

COUNCIL MEMBERS ABSENT

Chaplain Dannie Douglas, Jr.

ALSO PRESENT

County Administrator Marion Charles Stewart, Clerk to Council J. JaNet Bishop, Finance Director Sherman Dibble, Human Resource Manager Ginger Winburn, Chief Deputy Sheriff Josh Edwards, Captain Kaynnera Capers, and others.

REPORTERS PRESENT

Ms. Samantha Lyles of the News and Press, Mr. Jim Faile of the Messenger, and WBTW TV13.

Chairman Hudson called the Worksession to order at 10:06 a.m.

County Administrator Charles Stewart provided highlights from the FY17/18 audit. Council members had received a copy of the Audit Report and the Auditor's Discussion and Analysis at the last Council meeting, and the Council members serving on the Finance Review Committee received a review of the audit during the Finance Review Committee Meeting that was held prior to his Worksession.

Mr. Stewart pointed out that the county funds include the General Fund (the largest fund), the Fire Board Fund, Emergency Services Fund, Road Maintenance Fund, Library Fund, Debt Services Fund, Emergency Telephone Funds, etc.

As of June 30, 2018, the Fund Balance for the General Fund was about \$24 million and in compliance with county Fund Balance Policy which states that the county must maintain 35% fund balance on operating funds (approximately \$9 million).

The Fire Fund was healthy with a balance of \$795,000 and revenue at approximately \$2.6 million. The staff will probably suggest to Council to use some of this Fund Balance to make purchases for the Fire District (replace fire trucks).

The Emergency Services Fund, a fairly new fund, has a small Fund Balance which will grow slowly from year to year. This Fund does not need an excess amount of Fund Balance, but the staff would like to see it move to 35% of operations.

The Road Maintenance Fund, a relatively new Fund, was established so that the \$30 Road Maintenance Fee would go directly into this Fund to be used for the Roads and Bridges Department expenditures, only. Mr. Stewart explained the process of how funds were previously transferred into the account after the audit to ensure that revenue from the \$30 Road Maintenance was only used for Roads and Bridges expenses.

Mr. Flowers wanted to know the amount that should be in the Road Maintenance Fund Balance next year if nothing is spent. Mr. Stewart clarified that the money in this Fund is used to fund the operation of the Roads and Bridges Department. This fund should not zero out each year because these funds will be used to finance equipment for Roads and Bridges Department. He also explained that the revenue from the \$30 per vehicle fee will fluctuate due to people buying vehicles.

The Proprietary Funds – Environmental Services Fund and Airport Fund were also stable.

In a snapshot of the General Fund, Mr. Stewart noted that the Fund Balance for the General Fund was higher this year. Also, GASB (Governmental Accounting Standards Board) required the county to segregate additional money according to its use – assigned funds, committed funds, restricted funds, unassigned funds, etc. Unassigned funds are available for one-time general use purchases. Mr. Stewart mentioned that Council had already committed \$1.5 million over the next three to five years towards the vehicle program. The restricted funds will increase next year since the County received a \$4 million donation for the Historical Commission which will be accounted for in the General Fund. Councilman Kilgo requested a copy of the chart displaying this snapshot.

As for the revenues and expenditures for the General Fund, the majority of the revenue came from taxes and local government (funds from the state government to help offset the cost for providing building/facilities for DSS, DHEC, the court system, etc.), and the major expenditure was for public safety (Sheriff's Office, Detention Center, Prison Camp, Clerk of Court operations, etc.). Fire, EMS, and dispatch were not included in the public safety

expenditures since they were included in their respective funds. The second largest expenditure was General Government activities (Treasurer's Office, Auditor's Office, Administration Office, Assessor's Office, etc.). Mr. Flowers requested that the graphics showing the revenues and expenditures be placed on the county's website for citizens to view.

Mr. Stewart reviewed the county's bond indebtedness to include the General Obligation Bonds, Revenue Bonds, Capital Lease, Notes Payable, landfill post-closure, annual leave, pension, and other long-term liabilities as of June 30, 2018. Of the two General Obligation Bonds, one will be paid off in 2019 and the other paid off in 2021. The 2014 Refunding GO Bond will be paid off in 2020.

As a recap, the 2014 General Obligation Bond for \$3.75 million was for the purpose of acquiring, constructing, furnishing, equipment, general infrastructure, and improvements to the I-20/340 industrial park; renovations, expansion and/or relocation of the county courthouse and related facilities; and refunding the county's 1994 and 1998 General Obligation Bonds. The 2015 General Obligation Bond for \$2,100,000 was for vehicles/equipment and improvements to Fire District, and the 2014 General Obligation Bond for \$500,000 was for three fire stations and equipment.

The county's debt capacity was healthy at \$18.5 million. Mr. Stewart talked about the county's ability to borrow \$16.7 million in General Obligation Bonds without any special vote by the public. He also mentioned the Airport Revenue Bond that was being paid with revenue generated from hangar fees. The 2009 note with Pee Dee Electric had been paid off.

Mr. Stewart explained that the audit mentioned two items for improvement – revenue receivables/unavailable revenues and segregation of duties. The previous outside auditors did as much to prepare the financials to be audited as they did the audit. The new firm only reviewed the financials for the audit and determined areas for improvements. There were 11 to 13 notes of suggested improvements in the FY2015/2016 audit and only two in the FY2017/2018 audit. The suggested improvements deal with the amount of taxes charged, the amount of taxes collected, and the amount of taxes left to be owed and delinquent. The staff is working on this issue with the software vendor, QS1. Mr. Stewart explained that the Auditor has the responsibility to enter the taxes, the Treasurer has the responsibility to collect the taxes, the Delinquent Tax Collector has the responsibility to collect delinquent taxes, and at any given time, the staff should be able to see the amount of account receivables. However, this amount may change daily. No issues were found with the segregation of duties, but the auditors suggested additional segregation of duties of the person collecting the money, posting the bills, making the deposits, etc.

Hospitality Taxes

The county brought in approximately \$214,000 in Hospitality Tax during FY16 and the balance through January 2019 was \$123,000. Mr. Stewart mentioned that Hospitality Tax

funds would be used to upgrade Lake Darpo Clubhouse. The staff will be meeting with bidders to scale down the upgrade and information should be available by the March Council meeting.

The next suggested project to be funded with Hospitality Tax would be welcome signs along major highways entering the county. It was also noted that a certain amount of Hospitality Tax funds is placed in the General Fund to help offset the cost of Fire, EMS, and law enforcement during race weekend.

As for Lake Darpo Dam, engineers have been engaged to provide a proposal for replacing the dam.

Mr. Brown presented concerns regarding the variations in the monthly revenues for Hospitality Taxes. Mr. Stewart explained that the closing of restaurants must be taken into consideration.

Mr. Brown mentioned that the Labrador Retriever Tournament that was held in the county two years ago will come back in October. This event will have a huge economic impact with about 1,200 entrants from all over the country who will be looking for trainers and places with small ponds for about three weeks. Mr. Brown will provide more specifics to the staff so that the county may benefit.

Mr. Stewart reported that Lamar Concession Stand had not officially opened. Mr. Flowers and Chairman Hudson commended the facilities.

Chairman Hudson requested information from Codes Enforcement as to what was being constructed near the intersection of Highway 340 and I-20.

Accommodations Tax

Mr. Stewart presented a chart provided by Ms. Shannon Attaway of the Department of Revenue showing the breakdown of Accommodations Tax generated in FY16, FY17, and FY18 in the unincorporated areas of the county, the City of Darlington, City of Hartsville, Town of Lamar, and Town of Society Hill. Almost no Accommodations Taxes are generated in the unincorporated areas of the county. However, the county receives a good portion of Accommodations Tax money (Robinhood effect) based upon the money generated in larger counties. Mr. Stewart explained that any county not generating \$400,000 of its own Accommodations Tax, once the State receives and distributed the revenue back to everyone who collects the tax, a portion is given to the county. The county has been budgeting from \$50,000 to \$60,000 in Accommodations Tax revenue. However, for FY18/19, the county only appropriated \$25,000 in Accommodations Tax funds based on available revenue. For FY19/20, the Accommodations Tax Committee will have more funds (\$65,000) available to recommend for events. The staff did not know the details of the municipalities' Accommodations Tax collections or the formula used to establish what they receive.

The staff informed Council members that Mr. David McFarland declined his appointment to serve on this year's Accommodations Tax Advisory Committee due to health issues. Therefore, at the next Council meeting, Council will be asked to replace Mr. McFarland in the Citizen-At-Large position.

Recess

Council recessed at 10:55 a.m. and reconvened at 11:05 p.m.

Sunday Blue Laws

Mr. Kilgo stated that Florence County is exempt from Blue Laws due to the size of its Accommodations Tax. Darlington County recently approved Sunday sales of alcohol and can also be exempted from Sunday Blue Laws. He stated that Council needs to look at the possibility of doing the same thing for businesses in the unincorporated areas of the county. This would allow all the Dollar Generals and Family Dollars in the county to fairly compete with the Wal-Marts located within the municipalities and allow people to shop on Sunday mornings if they wish to. Of the ordinances from various other counties that Council received, Mr. Kilgo stated that he preferred Sumter County Ordinance that suspends Sunday work prohibition because it was good without being too wordy and provides that employees wanting to be off on Sunday will not be penalized by employers. He recommended that this ordinance is placed on Council's March 4th agenda for first reading.

Property Tax Installment Payments

Mr. Stewart provided ordinances from several counties that implemented installment payments for taxable real property. This would have to be implemented earlier enough for the citizens to begin making installment payments as outlined in the South Carolina Code of Laws. If approved by July 1st, this would not become effective until 2020. The 2020 taxes would be estimated from the 2019 taxes.

Mr. Flowers stated that Treasurer Jeff Robinson had previously talked with him about this and would like the installment payments to be bank drafted or some type of automatic draft with the last installment payment generated since it may be higher or lower than estimated.

Mr. Stewart did not know whether the county could require the payments to be bank drafts. However, if Council can make this requirement, it would have to be placed in the ordinance.

It was Mr. Flowers' understanding that the county's QS1 program would make installment payment process simple if using bank drafts. The program could instantly show whether everyone has made their payment or whether there was an insufficient fund from a bank draft, etc. The Treasurer would not have to go through information to make sure that everyone has paid their installment payment.

Mr. Stewart indicated that he would have to research the State law to find out whether this restriction could be placed on the property tax installment payments. However, the law would provide specific deadlines dates for the payments. If someone misses a deadline, they would be removed from the program.

Courthouse

Mr. Stewart asked how Council wanted to move forward with the courthouse. Council had received an Executive Summary in December containing the costs for various options. He mentioned that the staff was looking at "fixing" options for the courthouse to include the HVAC/air handling system, replacement of the original furnace and fan coil units, heating/air for the 5th-floor courtroom, renovating the Law Library to convert that area for Family Court, etc. Council recently approved \$70,000 to change the drainage system for the current HVAC system. He asked whether Council wants the staff to do any work on pursuing information for a referendum of any type (capital project sales tax, general obligation bonds, etc.).

Mr. Kilgo talked about the renovations that have occurred and are planned for the courthouse to include Probate Court, the employees' breakroom, Family Court, relocation of the visiting judge's office, relocation of the Solicitor's Office, use of the 4th floor private elevators, etc. He suggested dropping the ceiling in the 5th-floor courtroom to improve heating/air and the lighting.

Mr. Stewart pointed out that dropping the ceiling in the 5th-floor courtroom would cover up part of the windows and woodwork. However, this would make it simpler and quicker for the HVAC work. He also talked about security and the implementation of a key system for the elevators as a safety measure for the judges.

Mr. Kilgo confirmed that there was not a need for the high ceilings and windows in the 5th-floor courtroom. He requested replacement of the chairs in this courtroom that have been in place since 1965. Mr. Kilgo suggested dividing the 5th-floor courtroom into two courtrooms - one for juries and one for non-jury. This would also free up the other side of the building for a large holding area. He also suggested that the current Public Defender's Office be divided so that the Solicitor can use one half of the space. The Solicitor and the Public Defender's main offices will be located outside the courthouse.

Mr. Brown talked about complaints he received about the lack of parking around the courthouse.

Mr. Davis asked about the county obtaining Wells Fargo Bank to house some of the county offices. It was Mr. Stewart's opinion that the Treasurer, Auditor, Assessor, and Tax Collector should be in the same building so that people would not have to various buildings to take care of their business.

Chairman Hudson asked about the old Rite Aid building located across from Burger King at the intersection of Lamar Highway and 52 By-pass. Mr. Stewart talked about several possibilities for use of this space. However, he had not inquired about the price, etc. The staff will obtain information regarding this building and the Wells Fargo Building.

Ms. Thomas requested maintenance on the Mazingo Building. Mr. Stewart indicated that the staff was looking at updates for this building.


Mr. Kilgo asked about the status of the trees. Mr. Stewart responded that he had not done anything with the trees. He suggested replacing the trees with Crepe Myrtles and renovating the courtyard to add sod, sprinkler system, underground electrical outlets, and replacing the brick overlay. A proposal will be obtained after the 4th-floor renovations.

There being no further comments/discussion, the Worksession was adjourned at 11:50 a.m.

Respectfully submitted,



J. Janet Bishop
Clerk to Council



Bobby Hudson, Chairman
Darlington County Council

Approved at meeting of March 4, 2019.