

MINUTES OF A WORK SESSION
SALUDA COUNTY COUNCIL
MONDAY, SEPTEMBER 16, 2019 AT 6:00 P.M.
COUNCIL CHAMBERS OF SALUDA COUNTY ADMINISTRATION BUILDING
400 WEST HIGHLAND STREET, SALUDA, SOUTH CAROLINA 29138

A. CALL TO ORDER

The work session was called to order by Chm. Derrick W. Jones at 6:00 P.M.

Present were: Chm. Derrick W. Jones
Coun. Justin Anderson
Coun. Jones P. Butler
Coun. J. Frank Daniel, Sr.
Coun. Wayne Grice

Also present were: County Director, Sandra G. Padget
Clerk to Council, Karen T. Whittle
County Attorney, Christian G. Spradley

B. INVOCATION

Coun. Butler delivered the invocation.

C. PUBLIC INFORMATION

It is noted by the Clerk herein, that in compliance with the Freedom of Information Act, notice of the work session was given to the local news media and properly posted, to include the county website.

D. WORK SESSION

Chm. Jones clarified a comment that was made in the September 9, 2019 regular County Council meeting during the public hearing that the school system owed the county money. For the record, Chm. Jones clarified that was not true; it had been cleared up and taken care of, and there was no money owed between the two.

Chm. Jones opened the floor for discussion of balancing the county operating budget.

County Attorney Chris Spradley presented the amounts of money that had been taken from the county's fund balance each year for the past ten years to balance the county operating budgets, with a balance of approximately \$2.6 million currently remaining in the county's reserve fund balance. For Fiscal Year 2019-2020, \$1,027,822.00 was transferred from fund balance to balance the county operating budget.

Options mentioned to balance the county operating budget were: tax anticipation note bonds to operate the county until property taxes began being collected in December, which would involve paying bond attorneys and paying interest on money borrowed; cut 22.6 county positions; furlough county employees; or fees addressed in the two proposed ordinances Council requested Atty. Spradley to draft. Atty. Spradley said two of the options would be placed on the county employees.

Atty. Spradley addressed comments that had been made since EMS had been taken over by the County, that EMS was the reason for the increase of using fund balance. Atty. Spradley presented figures from the Saluda County Fiscal Year 2017-2018 Audit with the EMS budget being \$1,895,000.00 and EMS fees collected were \$1,235,000.00 for a cost of \$660,000.00 to the county. Atty. Spradley said prior to the county taking over EMS, the county appropriated approximately \$627,000.00 in Fiscal Year 2012-2013 to the Saluda Nursing Center for EMS. EMS only increased approximately \$32,000.00 for the County over the past six years.

Costs addressed, but not limited to, as to the increase of the county budget over the years were: the S.C. Department of Corrections mandated seven new positions at the Detention Center; yearly mandated increased rates to the employer for the retirement system through 2023; increased health, property, liability, and workers compensation insurance premiums; recent salary study and compensation for county employees; along with other yearly increased costs of operating the county.

Atty. Spradley addressed over the past ten years, past and current Council had been balancing the budgets from fund balance as yearly operating costs rose and now the current Council was faced with the hardest decision a Saluda County Council had to make in finding a solution to balance the budget, or the County would be out of money in less than two years.

Atty. Spradley explained the motor vehicle fee ordinance would be \$20.00 for each motor vehicle, unless a person was exempt. The public safety fee ordinance would be \$50.00 for a taxable structure on a parcel/lot of land. If someone was exempt from taxes and did not receive a tax bill, they would not receive a tax bill for the fee, unless during the reassessment year the person was not fully exempt and received a tax bill, then the fee would be on the tax bill. Atty. Spradley explained he was directed by Council to place a fee in the vehicle ordinance and a fee in the public safety ordinance to add up to the figure of \$1,027,822.00 that was used from fund balance to balance the county operating budget.

Atty. Spradley addressed the process of financing bonds for the new Saluda County Detention Center. Atty. Spradley explained on October 25th, a delegation from the county had to go to New York to meet with Standard and Poor's to present information to obtain a credit rating for Saluda County. In order for the county to borrow money, the county needed to show the problem of balancing the county operating budget from fund balance had been solved. Council decided to solve the problem by implementing the fees.

The penny sales tax that was approved was for five projects over an eight year period, to be funded in the order as listed, with the new Saluda County Detention Center as the fifth (last) project. Atty. Spradley explained Council was seeking bonds to do all five projects at the same time in order to begin construction soon to avoid increased construction costs later. The sales tax revenue would go towards the bond payment.

Atty. Spradley stressed Council needed to do something now and not wait until next year's budget process. Atty. Spradley informed Council of the following option: Since the vote for second reading did not receive a second to the motion, it was not dead; any Council member could bring both ordinances back up at any subsequent meeting for second reading; it was not a defeated vote. Atty. Spradley said he needed direction from Council as what to present to Standard and Poor's.

Other discussion among Council, Atty. Spradley and the public were, but not limited to:

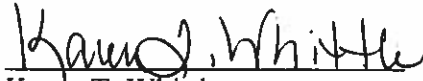
1. Department of Corrections requiring Saluda County to build a new detention center.
2. The state cut the local government fund.
3. Council cut state and other county agencies out of the budget, but that did not help much with the deficit, with some agencies coming before Council and being reinstated.
4. Council implemented hiring freezes, but department head requests to fill vacancies had not been denied.
5. Amending the ordinances with a limit on the fee amounts and a two year time limit for the fees. This was not recommended due to the ordinances changing after the public hearing and the public not being able to comment on new changes. Standard and Poor's would not like short time limit of years on fees.
6. The process of implementing fees was rushed in order to get on current year property tax bills; could October 25th date be rescheduled.
7. Ordinances needed to be advertised and explained to educate the public. (Ordinances were available in the Clerk to Council's office approximately three weeks prior to the September 9th Council meeting and were posted on the county website along with the September 9, 2019 agenda).
8. Some public attendees understood fee ordinances once explained.
9. State law would not allow millage to be increased to make up the deficit.
10. Since the County Treasurer took office in July, she had cashed in three CD's and transferred EMS revenues in order for both sources to keep the county operating.

Coun. Grice recommended Council research implementing county business license fees as a source of revenue as presented by Ms. Kim Craig with SafeBuilt during a previous work session versus the fees due to fees presenting a hardship on some citizens. Coun. Anderson stated he had contacted the Town of Saluda for a copy of their business license ordinance. Atty. Spradley informed Council he was working on a business license ordinance, but Council needed a work session to discuss the structure of the fees.

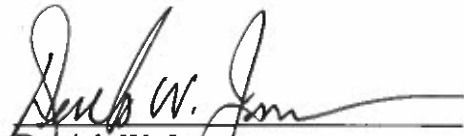
After discussion, consensus of Council was to have a called meeting, Wednesday, September 18th at 5:30 p.m. to bring both fee ordinances back up for second reading.

E. ADJOURNMENT

On motion of Coun. Butler, seconded by Coun. Anderson, the work session was adjourned at 6:50 P.M.



Karen T. Whittle
Clerk to Council



Derrick W. Jones
Chairman

October 14, 2019
Date Approved