

BUDGET WORKSESSION
DARLINGTON COUNTY COUNCIL
DARLINGTON, SC

April 6, 2022

A Budget Worksession of the County Council of Darlington County was held this 6th day of April 2022, at 9:30 a.m., at Pee Dee Regional Council of Governments, 2314 Pisgah Road, Florence, South Carolina.

NOTICE OF MEETING

In compliance with the Freedom of Information Act, a copy of the agenda 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

Chaplain Dannie Douglas, Jr., Mr. M. Kirk Askins, Mr. David Coker, Mr. Albert Davis, III, Mrs. Angie Stone Godbold, and Ms. Joyce W. Thomas.

COUNCIL MEMBERS ABSENT

Chairman Bobby Hudson and Vice-Chairman Marvin Le Flowers.

ALSO PRESENT

County Administrator Marion Charles Stewart, III, Clerk to Council J. JaNet Bishop, Emergency Management Coordinator Molly Odom, Finance Director Sherman Dibble, and Human Resource Director Ginger Winburn.

REPORTERS PRESENT

Mr. Bobby Bryant of the News and Press.

Call to Order

Mr. Douglas called the meeting to order at 9:43 a.m.

Discussion

In a PowerPoint presentation, Mr. Stewart reviewed the Fund Balance Policy; the current year's amended budgeted General Fund operating expenditures (\$27,510,279); the proposed FY22/23 General Fund operating expenditures (\$26,525,222); the current minimum Unassigned Fund Balance (\$9,628,598); the proposed FY22/23 minimum Unassigned Fund Balance (\$9,284,178); and the General Fund Balance breakdown from FY14 through FY21 showing the Unassigned Fund Balance; the Restricted Fund Balance; Non-Spendable Fund Balance; Committed Fund Balance; and Assigned Fund Balance. At the end of FY21, there was approximately \$27 million in Unassigned Fund Balance which will go towards the cost of the courthouse construction. After paying for the courthouse construction, \$11 million should be available in the Unassigned Fund Balance. The county

only needs \$9.2 million available for the proposed FY22/23 budget. As a result, the county will still be financially healthy and maintain a 35% minimum Fund Balance.

Council received information regarding the smaller fund balances (Fire - \$4,965,194, Emergency Services - \$525,459, Roads and Bridges - \$2,162,301, Library - \$1,579,222, Emergency Telephone - \$203,760, and Environmental Services (\$2,807,973).

According to a statement from the audit, the county's indebtedness and debt margin are healthy. The county currently has 90% of its debt margin available. A Summary of Audit Results was also presented showing that the county has an unmodified audit, no material weaknesses, no significant deficiencies not considered as material weaknesses, and no noncompliance material to financial statements noted.

Highlights of changes in the proposed budget included numerous variations in salary/wage line items; base premium for health insurance; numerous variations in departmental budgets based on professional services, annual software maintenance contracts, cyclic needs; and a 1% employer contribution rate increase imposed by South Carolina Retirement System.

It was noted that the Solicitor did not request a specific amount of money but submitted information showing how other counties of similar size are providing more funds than Darlington County. Darlington County is providing the Solicitor's Office with a significant amount of remodeled office space in the courthouse and the same amount of funds (\$140,000) as the Public Defender.

Council and the staff discussed the proposed budget for the Animal Shelter and the Sheriff's Office; staff turnover in the Detention Center; fleet operations; non-departmental increases for internet fees and IT hardware equipment; possible increase in revenue from local government funds; the 1% increase in employer retirement contribution; and a proposed 3% across the board cost of living allowance/raise for all employees (\$718,532 includes FICA, retirement, worker's comp, etc.).

Using information from the State regarding the CPI (consumer price index), Mr. Stewart explained that the proposed 3% cost of living allowance will be less than the CPI of 4.7%. The total CPI for the period FY15 through FY23 equated to 16.77% compared to the employees' cost of living allowances totaling 9.5% for that same period if the proposed 3% raise is approved. A chart showing the cost-of-living allowance/bonuses for employees from FY06/07 through FY 21/22 was presented. Employees received no raise in FY09/10 through FY11/12, FY13/14 through FY16/17, and FY21/22. Employees received a one-time, 1% bonus in FY15/16 and a one-time ARPA Premium Pay Bonus in FY21/22. If the proposed 3% cost of living allowance is approved, employees will only receive 9.5% of a 16.77% CPI since FY15.

Mr. Davis suggested a 5% cost of living allowance for employees to help them make ends meet. Mr. Stewart explained that the proposed 3% cost of living allowance requires a 4.4 mill increase in the General Fund. All of the other funds would remain the same. A 4.4 mill increase will produce \$1,008,000 in new taxes in the General Fund and will cost someone \$17.50 more in taxes per year on a \$100,000 assessed value home. There would need to be an additional \$479,000,000 and 2.1 mills to provide a 5% cost of living allowance for a total of 6.5 mills.

Mr. Coker stated that he was not comfortable with increasing taxes any more than the county absolutely has to because of the perception that the funds will be used to pay for the new courthouse. He commended the Administrator for not increasing the taxes that much over the past few years.

Mr. Askins talked about the General Fund increasing by about \$2 million each year for the past five years. He asked about using some of the increase in the General Fund and not increase taxes. Mr. Stewart reported that the increase in the General Fund has been getting narrower each year. If there is an increase this year, it would be due to receipt of the ARPA funds which all have not been spent. The ARPA funds will show in committed or restricted funds. It was also noted that the funds accumulating in the General Fund have allowed the county to build the courthouse without financing.

Mr. Stewart suggested the use of ARPA funds (that have been declared as lost revenue) to pay for a wage/salary analysis that has not been conducted in Darlington County for at least 20 years. Bids would have to be solicited for a wage/salary analysis since it could cost \$40,000 or more and could take up to four months to complete after receiving all the necessary information.

Ms. Thomas wanted to know how the county wages compare to wages in other counties. Mr. Stewart reported that South Carolina Association of Counties compiles a Wage and Salary Handbook. However, everyone does not compare apples to apples because counties report one salary in the book but advertise a different salary for the same job.

Mr. Coker asked whether the county could use ARPA funds to cover the additional cost of a salary increase instead of increasing the mills. It was Mr. Stewart's opinion that since the ARPA funds had been declared as lost revenue, the county could use the funds for any governmental functions. However, the ARPA funds are one-time money and will not reoccur. Once the wages increase, this cost will reoccur each year and the county is only allowed to grab millage at certain times. Nevertheless, this would be a decision of Council.

Mrs. Godbold asked about forecasting the cost-of-living allowance several years in the future. Mr. Stewart talked about the county not having an established step for cost-of-living increases. Therefore, there is no projection.

Mr. Askins asked about the timeframe for the School Board to complete their budget so that Council can see how much their increase will be. Mr. Stewart talked about the negative impact on the county if Council makes its decision based upon the School District and/or municipal budget increase.

From the budget book, Mr. Stewart reviewed the year-to-date expenditures through March 2022; revenues through December 2021; the amounts budgeted; the department requests; and the Administrator's proposals.

Mr. Davis asked the length of time it takes employees to reach their mid-point salary. Mr. Stewart explained that the mid-point salary was a term from the classification pay plan. Employees reaching their mid-point salary is based upon pay raises since there are no automatic step increases or cost of living allowances. Employees are not maxing out their pay grade. He also pointed out that a new employee will start at the same pay as employees who have worked five or more years and started at their base pay since base pay increases with cost-of-living allowances and there are no step increases or separate things occurring outside of increasing the base pay. Mr. Stewart also mentioned that in the past, disparities were created with the merit system pay. Currently, County Council decides when raises are given, except for the Sheriff's Office. Directors and elected officials cannot give raises within their departments unless there are certain situations (grade changes) with vacant positions.

Mr. Coker did not feel that Council members should receive the 3% cost of living allowance. Mr. Stewart confirmed that the 3% cost of living allowance was across the board. This would be a decision of Council.

Mr. Askins expressed the need for a wage/salary study instead of a 3% across-the-board increase. Mr. Stewart talked about the advantages of a wage/salary study and the fact that such a study could not be completed within this budget. He also mentioned that the South Carolina Association of Counties Wage report is a self-reporting study and may not be reliable.

Ms. Thomas asked whether a newly hired employee could come in making more than someone who has worked 50 years. Mr. Stewart commented that a new person could come in making the same amount if the current employee has not received an adjustment within grade outside of an across-the-board pay raise.

Mrs. Godbold stated that there should be an established timetable to re-evaluate salaries. Mr. Stewart confirmed that the pay plan should be re-evaluated every five years due to changes. Darlington County tries to compare to counties of comparable size or smaller and sometimes with Florence County for certain jobs.

Mrs. Godbold talked about cutting expenses and not services in order to not increase taxes. Mr. Stewart did not believe that any expenses could be cut without cutting some type of available service.

Mr. Stewart explained that if Council does not direct changes for second reading of the budget, the budget presented today would be the budget presented for second reading. Council then talked about various line items in various departmental budgets but did not direct any changes for second reading.

Ms. Thomas asked about funds for human services agencies such as the Community Action Agency. Mr. Stewart stated that Council would have to authorize funds for such agencies.

Mr. Davis mentioned that the county had not done anything since 1990 to help retirees afford health insurance. Human Resource Manager Ginger Winburn explained that the county will pay \$100 per month towards the cost of retirees' health insurance for those employees who have worked 25 (South Carolina Police Retirement) or 30 years (South Carolina Retirement System). The amount reduces to \$85 and \$75 per month based on the retirees' years of service. Mr. Stewart added that it could be troublesome for someone to retire from a \$45,000 per year job and have to pay an average health insurance premium of about \$500 per month for single coverage with the county paying only \$100. The staff will conduct a survey of what surrounding counties are contributing to the cost of retirees' health insurance. He pointed out that increasing the county's contribution towards the cost of retirees' health insurance will increase the county's long-term liability.

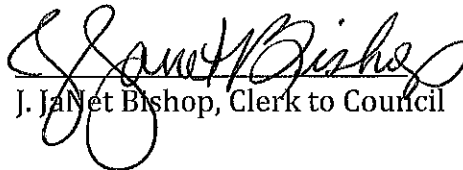
Mr. Askins pointed out that several departmental line-item requests were lower than the proposed amount. Mr. Stewart explained that this was due to the directors changing the salaries without changing FICA, etc. The staff made the necessary changes in the Solicitor and Sheriff's Department budgets.

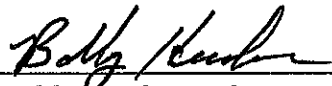
Mrs. Godbold requested a list of job titles/categories and salaries. Mr. Stewart will provide the current pay plan.

Mr. Douglas asked whether Council wanted another Worksession. There was not a consensus for another Worksession at this time.

Motion made by Mr. Douglas and seconded by Mr. Davis to adjourn the worksession. There being no further discussion, the Worksession was adjourned at 11:15 a.m.

Respectfully submitted,


J. Janet Bishop, Clerk to Council


Bobby Hudson, Chairman
Darlington County Council

Approved at meeting of May 2, 2022.