

BUDGET WORKSESSION  
DARLINGTON COUNTY COUNCIL  
DARLINGTON, SC

JUNE 9, 2015

A Budget Worksession of the County Council of Darlington County was held this 9<sup>th</sup> day of June 2015, at 10 a.m., at Darlington County Courthouse, 5<sup>th</sup> Floor Courtroom, 1 Public Square, Darlington, South Carolina.

NOTICE OF MEETING

In compliance with the Freedom of Information Act, a copy of the agenda, giving the date, time, and place of the meeting was mailed in advance to the local newspapers, persons requesting notification, and posted on the bulletin board at the entrance to the County Administrator's Office.

COUNCIL MEMBERS PRESENT

Chairman Bobby Hudson, Vice Chairman Robbin Brock, Mr. David Coker, Mrs. Wilhelmina P. Johnson, Ms. Mozella "Pennie" Nicholson, and Mr. Robert L. Kilgo, Jr.

COUNCIL MEMBERS ABSENT

Chaplain Dannie Douglas Jr. and Mr. Marvin Le Flowers.

ALSO PRESENT

County Administrator Terence Arrington, Clerk to Council J. JaNet Bishop, Library Director Jimmie Epling, Finance Director Sherman Dibble, Human Resources Director Ginger Winburn, Roads and Bridges Director Bobby Richardson, Economic Development Director Frank Willis, Prison Farm Director Jonathan McFadden, Environmental Services Director Renee Howle, Emergency Services Director Charles Stewart, Planning Director Doug Reimold, Corrections Director Mitch Stanley, Acting Historical Commission Director Kay Williamson, Elections/Voter Registration Director Hoyt Campbell; Recycling Coordinator Paula Newton, Sheriff Wayne Byrd, Building Maintenance/Janitorial Director Andrew Smith, Chief Deputy Sheriff James Hudson, and others.

REPORTERS PRESENT

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

Call to Order

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

Budget Message – County Administrator

Mr. Arrington handed out information involving the recycling center operating hours and fee structure, which Council previously discussed in executive session. He also provided budget analysis information as requested by Councilwoman Wilhelmina Johnson and information outlining proposed incentive pay as was previously discussed.

Mr. Arrington said he was currently working on a budget message, a final budget book containing all the changes approved by County Council, and a recap of financial information including percentage change for all funds and any changes made by Council. He pointed out corrections to the budget book, which included a line item in the Tax Assessor's budget, Corrections' budget, Building Maintenance budget, and a reduction in the contingency line item. He indicated that some of the contingency funds were used to close the gap instead of trying to further reduce departmental budgets. The former Interim County Administrator had reduced the current departmental budgets by two percent. Mr. Arrington pointed out that the budget presented was his proposal, which was open for Council's discussion as to how Council would proceed.

#### Recap of FY15/16 Budget Highlights by Fund

Mr. Arrington explained that in developing the proposed budget, the staff looked at and compared changes in revenue during the past several years. He pointed out the deletion of funds for one position in the Auditor's Office, the Sheriff's Department, and the Tax Assessor's Office and talked about the impact of the janitorial services contract and salary savings from vacant positions in the current budget. These vacancies will be filled in the new fiscal year. Mr. Arrington also mentioned that Council had discussed, in executive session, a strategy for Environmental Services, and a fee increase was being proposed for a six-month period and review.

#### Questions & Answers – Members of County Council

Mr. Arrington asked whether Council had any specific questions regarding the proposed budget.

In reference to funds proposed for creosote monitoring, Mr. Brock questioned that length of time the creosote pit has to be monitored.

Interim Finance Director Sherman Dibble indicated that funds (\$8,000) were budgeted for creosote monitoring, but nothing spent in the past two years. He will follow-up with DHEC (South Carolina Department of Health and Environmental Services).

Mrs. Johnson commended the staff for the proposed budget. However, she was concerned about the deletion of funds for Clemson Extension Services and items that would affect poverty. She requested funds for Pee Dee Regional Transportation Authority (PDRTA).

Mr. Arrington explained that it would be his goal to have such meeting as this worksession on the front end so that Council can convey their concerns prior to the proposed budget being presented. The proposed budget included his thoughts based upon discussions with staff and Council members. He pointed out that the proposed budget was a recommended budget to Council.

Mr. Arrington stated that the *Questions and Answers* section of the worksession was intended to provide Council members with the opportunity to indicate what they want to see in the budget. The department directors were present so that they may understand Council's directives involving the budget prior to budget approval.

Mr. Hudson pointed out that the janitorial services vendor may hire the janitorial staff. Mr. Arrington explained that the staff met with the janitorial services vendor and talked about opportunities for the current janitorial staff to work for the janitorial vendor.

Mr. Kilgo mentioned that the Public Defender had complained about the two percent cut. He asked whether the proposed budget was using \$459,000 from Reserve/Capital Funds.

Interim Finance Director Sherman Dibble clarified that funds from Fund Balance would be used for lease purchase payments as approved by County Council.

It was Mr. Kilgo's understanding that the proposed budget would not use Capital Funds (Fund Balance); that the proposed budget was based upon operating within anticipated revenues. He commended the budget and the staff's efforts to cut down on overhead. Mr. Kilgo emphasized that every county employee should be treated the same in reference to compensatory time and overtime. However, it would take time to get rid of overtime. He thanked the staff for presenting a budget in two months that does not require the use of Reserve Funds (Fund Balance). He also stated that he would approve the budget "as is" with the changes that were pointed out at the beginning of the worksession. Mr. Kilgo commended the services of Clemson Extension and the Animal Shelter, but stated that sometimes the county has to "bite the bullet." He said there were no reasons for Council to "nit pick" the budget.

Chairman Hudson commended Mr. Arrington and the staff for compiling the proposed budget, which he felt needed only a few minor changes.

Mr. Arrington expressed his appreciation to the staff for their work throughout the budget process, especially Emergency Services Director Charles Stewart and Interim Finance Director Sherman Dibble.

Mrs. Johnson asked about the payment of fringe benefits for janitorial employees. She felt that the county was only saving the cost of fringe benefits by contracting out janitorial services.

Mr. Arrington explained that some of the savings for salaries and fringe benefits from the Janitorial Departments were used to "plug" the gap, which was about \$300,000 at one time. The janitorial services contract, among other changes, assisted in closing the "gap" in order to balance the budget.

### Revenues

Interim Finance Director Sherman Dibble presented the General Fund Revenue comparison from 2008 through 2014. His discussion included general taxes, intergovernmental revenues, charges for services, etc., the percent increase in general property taxes in 2014, and the overall percent decrease from 2008 to 2014. Overall, the revenue was reduced, as well as expenses. The revenue was set at the same figure as last year.

### Increase In Cost For Health Insurance Costs for County Employees

Human Resources Director Ginger Winburn talked about the increase in cost for health insurance (\$352,000) and presented compared the cost for health insurance in FY14/15 to the projected cost for FY15/16.

Mr. Arrington pointed out that the savings from the janitorial services contract helped to subsidize the increased cost of health insurance.

Chairman Hudson mentioned that other counties were looking at agencies outside of the State for health insurance coverage.

Mr. Arrington stated that this matter was discussed in a previous executive session. On June 15<sup>th</sup>, Council would hear a presentation from a company that specializes in working with counties and municipalities get out of the State plan. He also mentioned that the staff had visited Lexington's Health Care Center.

Councilman Kilgo left the meeting at 10:58 a.m.

### Departmental Budgets

It was Chairman Hudson's understanding that the solid waste collection sites would close only on the days that Florence and Chesterfield Counties' site were closed. However, he heard that all the sites, except for three, would be closed two days per week and the open sites would be in Darlington and Hartsville. It was his belief that this would result in more trash along the roads, etc.

Environmental Services Director Renee Howle stated that on Tuesdays and Thursdays, the county gets an influx of trash because the sites in Florence and Chesterfield Counties are closed. Therefore, the department was trying to reduce cost to help balance the Environmental Services Budget. The three busiest sites (Old Ruby Road, Bay Road, and Smith Avenue sites) would remain open. Closing the sites with very little traffic and reducing the operating schedules would save the department about \$130,000. This would also place the county on the same operating schedule as surrounding counties. Ms. Howle pointed out that Chesterfield County solid waste collection sites are open three days per week and Florence County sites are open four days per week, closing at 6 p.m. The Summer hours for Darlington sites are 7 a.m. to 7 p.m. Monday through Friday and 8 a.m. to 7 p.m. on Saturdays. The staff was requesting to change the operating hours to 7 a.m. to 6 p.m. to help with cost savings.

Chairman Hudson questioned the sites that would close and requested that all the sites be closed for two days.

Mrs. Howle said this would be something for Council to consider and would result in additional cost savings to include fuel, labor, etc.

Mr. Arrington stated that the staff could try this. If it does not work, another solution would be implemented.

Chairman Hudson also suggested rotating the sites, but would recommend closing all the sites on the same dates.

Council and the staff talked about efforts to make sure that only Darlington County residents use the county's solid waste collection centers. Ms. Howle suggested the use of a sticker in cars entering the sites as opposed to the attendants having to request to see driver's licenses. She indicated that with the change in operating hours, the department would not lose attendants, the attendants would lose some time.

Mr. Brock suggested that truckloads of furniture should have to go to the landfill. He and the staff talked about the collection of delinquent landfill fees.

Mr. Arrington stated that on Thursday, March 11<sup>th</sup>, the staff would present a recommended schedule for the operation of the solid waste collection sites and an analysis on the savings.

Mrs. Johnson requested the placement in dumpsters in certain rural neighborhoods.

Employee Incentive Pay

Mr. Arrington stated that Council initially discussed raises for employees and then an additional incentive pay. He recommended Council's consideration of a half percent or one percent bonus/incentive for all employees. Mr. Arrington handed out information containing the cost for a bonus/incentive pay, which Council would have to decide where the funds would come from. He also mentioned that this could be taken as a one-time expenditure from Fund Balance. However, this would have to be decided by Council.

Mr. Brock suggested a one percent incentive pay on top of the two and one half percent employees receive near the end of the year.

Mr. Arrington indicated that updated information would be presented to Council on June 11, 2015.

Chairman Hudson commended the staff and announced that Council would hold another budget worksession on Thursday, June 11<sup>th</sup>.

Mr. Arrington pointed out that for the new fiscal year, there was a fee ordinance and one budget ordinance as opposed to about seven different budget ordinances. Mr. Cox had reviewed the proposed ordinance and was in support of its format. Mr. Arrington pointed out that if the format is changed at this point to go back to seven ordinances, Council would need to schedule an additional meeting for the third reading of the seven ordinances. Therefore, he asked whether Council wanted to continue with one ordinance and, if desired, go back to seven ordinances next year.

Chairman Hudson indicated that he was in favor of the current budget format. He suggested waiting to Thursday to receive input from Mr. Douglas and Mr. Flowers.

The worksession was adjourned at 11:17 a.m.

Respectfully submitted,

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J. JaNet Bishop  
Clerk to Council

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Bobby Hudson, Chairman  
Darlington County Council

Approved at meeting of July 6, 2015.