

BUDGET WORKSESSION
DARLINGTON COUNTY COUNCIL
DARLINGTON, SC

May 12, 2022

A Budget Worksession of the County Council of Darlington County was held this 12th day of May 2022, at 9 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 meeting notice 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 the bulletin board in the lobby of the courthouse.

COUNCIL MEMBERS PRESENT

Chairman Bobby Hudson, Vice Chairman Marvin Le Flowers, Chaplain Dannie Douglas, Jr., Mr. M. Kirk Askins, Mr. David Coker, Mr. Albert Davis, III, Mrs. Angie Stone Godbold, and Ms. Joyce W. Thomas.

ALSO PRESENT

County Administrator Marion Charles Stewart, III, Emergency Management Director Molly Odom, Finance Director Sherman Dibble, and Human Resources Manager Ginger Winburn.

REPORTERS PRESENT

Mr. Bobby Bryant of the News and Press.

Call To Order

Chairman Hudson called the Worksession to order at 9:05 a.m.

FY22/23 Accommodations Tax Funding Recommendations

Mr. Coker asked whether Council members had read the information regarding how the Accommodations Tax Advisory Committee came up with the funding recommendations. He pointed out that the Committee did not randomly suggest funding amounts, but looked at the information the applicants provided to prove that their event promotes tourism. The Committee also suggested that several applicants should develop a method to capture/track the number of people attending their event.

Mr. Askins stated that he watched the live stream of the Accommodations Tax Advisory Committee meeting and commended the Committee members for coming up with a strategy and consensus to divide the funds using the guidelines as presented.

Mr. Davis commended the Committee's work but wanted Council to look out for everybody since we were coming out of a pandemic. He presented his suggested funding recommendations as follows: \$2,000 for Christmas on Main in Lamar; \$2,000 for Darlington Veterans Memorial; \$4,000 for Grand Old Post Office Foundation; \$3,000 for Darlington Chamber of Commerce; \$3,000 for Darlington Downtown Revitalization; \$5,000 for EdVenture Hartsville; \$9,500 for Hartsville Community Center Building Commission; \$4,500 for Lamar Egg Scramble; \$3,500 for New Vision Community Development Corp; \$3,000 for Society Hill Catfish Festival; \$4,000 for SC Junior Golf Association; \$3,000 Southeastern Bluegrass Association of SC; and \$3,500 for Terrence F Carraway Foundation. (See spreadsheet column "Council Proposed" on page 6.)

Mr. Stewart questioned whether the \$13,500 from the Accommodations Tax 30% Special Fund would change. Mr. Davis clarified that the recommendation for the \$13,500 Special Funds for Hartsville Chamber of Commerce would not change.

Mr. Davis explained that just for this one time, he wanted to equal out the funds amongst everyone. He stated that he also watched the live stream of the Committee meeting for a better understanding. Mr. Davis also pointed out that Society Hill and Lamar do not have hotels but have been doing the festivals for years, and the people attending may stay in Hartsville and/or Florence.

Mrs. Godbold pointed out that Mr. Davis' proposal included an equal amount for Lamar and Society Hill (\$6,500 each) and an equal amount for Hartsville and Darlington (\$18,500 each), plus Hartsville will still receive the \$13,500 ~~Hospitality Fund Balance~~ Accommodations Tax 30% Special Funds which would give them 50% of the total \$63,500. She stated that Mr. Davis' funding recommendations were a fair assessment for each municipality.

Mr. Askins pointed out that the funds for Hartsville Chamber of Commerce should not be factored in because the 30% Special Funds must be sent a certain way. Mrs. Godbold stated that Darlington Chamber of Commerce did apply for the 30% Special Funds to be used for porta johns and rides. Mr. Stewart confirmed that the Accommodations Tax 30% Special Funds must go to someone with continual ongoing advertising and not advertising for one particular event. Darlington Chamber of Commerce qualifies for the funds but did not apply for funds for the purpose of continual ongoing advertising. Instead, Darlington Chamber of Commerce applied for funds to pay for porta johns and rides. Therefore, their application was moved to be funded with the remaining Accommodations Tax Funds.

Mr. Douglas suggested reducing the funding amount for Society Hill Catfish festival and Lamar Egg Scramble and giving the bigger ones more.

Chairman Hudson recommended reducing the funds for Lamar Egg Scramble and giving it to Christmas on Main in Lamar since this was new and just starting. He also stated that the Egg Scramble had already taken place this year.

Mr. Coker questioned why Mr. Davis recommended more for EdVenture Hartsville than what was recommended by the Committee. The Committee had recommended \$3,200 and Mr. Davis recommended \$5,000. Mr. Davis responded that he was trying to break things down and make them more equal across the board. The proposed figure fit the narrative for the percentage.

Mr. Coker stated that he did not see how to justify Accommodations Tax funds for some of the events that do not bring people in to stay the night. He felt that those types of events should receive a different type of funds such as Hospitality Tax funds or money from the county's General Fund. He also mentioned that he would not serve on a committee if Council was going to completely wipe out the Committee's recommendations.

Mrs. Goldbold questioned whether Hospitality Tax funds would be taken from Hartsville Chamber of Commerce. She also mentioned that the Committee only makes recommendations, and she was ok with Council changing the recommendations to make a fair assessment – to make it more equitable among the municipalities.

Mr. Askins pointed out that Council could divide the Accommodations Tax funds among the towns or look at the mission for Accommodations Tax funds. Mr. Douglas commented about the number of people who come to the county to attend the festivals. Mrs. Goldbold emphasized that the funds should be spread out to help the smaller communities.

Mr. Flowers talked about the county not actually generating Accommodations Tax funds. These funds are "Robin Hood" money that the state divided up. He agreed that the funds should be equitable, and Council tasked a committee to make the funding recommendations. He suggested that the percentage of funds as presented (13% for the Lamar and Society Hill each and 37% for Darlington and Hartsville each) be added to the parameter for the future. Mr. Flowers said he would accept the Committee's recommendations as presented, use Hospitality Tax to fund Lamar and Society Hill, and change the parameters for next year. The committee would have to look at the funding amounts politically as well as festival funding.

In reference to giving Lamar and Society Hill Hospitality Tax funds, Mr. Stewart explained that this could present a problem according to what they will use the funds for. If Hospitality Tax funds are going to be used, he suggested Council consider Mr. Flower's suggestion from the last Council meeting - to reduce Accommodations Tax funds for Hartsville Center Theater to provide more funds to Lamar and Society Hill and use Hospitality Tax to replace the funds for Hartsville Center Theater since it would qualify for use of these funds as a facility of cultural arts/recreation, etc. He preferred this swap because

Hospitality Tax must be used for facilities or certain infrastructure that support cultural recreational tourism according to state law.

Mr. Davis stated that he was not trying to change the criteria for the Accommodations Tax Advisory Committee. He just wanted to make the funding more equitable this one time after the pandemic.

Mr. Flowers suggested the following: reducing Hartsville Center Theater from \$20,000 to \$13,000; \$3,500 for Society Hill Catfish Festival; \$3,500 for Christmas on Main of Lamar; and replacing the \$7,000 to Hartsville Center Theater using Hospitality Tax funds.

Mr. Stewart presented Section 6-1-730 of the South Carolina Code of Laws governing the allowable use of Hospitality Tax.

SECTION 6-1-730. Use of revenue from local hospitality tax.

(A) The revenue generated by the hospitality tax must be used exclusively for the following purposes:

- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;*
- (2) tourism-related cultural, recreational, or historic facilities;*
- (3) beach access and renourishment;*
- (4) highways, roads, streets, and bridges providing access to tourist destinations;*
- (5) advertisements and promotions related to tourism development;*
- (6) water and sewer infrastructure to serve tourism-related demand;*
- (7) control and repair of flooding and drainage within or on tourism-related lands or areas; or*
- (8) site preparation for items in this section including, but not limited to, demolition, repair, or construction.*

(B)(1) In a county in which at least nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12-36-920, the revenues of the hospitality tax authorized in this article may be used for the operation and maintenance of those items provided in (A)(1) through (6) including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

(2) In a county in which less than nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12-36-920, an amount not to exceed fifty percent of the revenue in the preceding fiscal year of the local hospitality tax authorized pursuant to this article may be used for the additional purposes provided in item (1) of this subsection.

(C) If applying the provisions of subsection (A)(7), then the revenues must be expended exclusively on public works projects designed to eliminate or mitigate the adverse effects of recurrent nuisance flooding, including that which is attributable to sea-level rise, or other recurrent flooding. Such adverse effects include road closures and other transportation disruptions, stormwater drainage issues, and compromised public infrastructure. The public works projects must be within or on tourism-related lands or areas. Revenues must not be used to pay claims or otherwise settle litigation that may arise from time to time due to the harmful impacts of nuisance or other flooding.

Mr. Douglas suggested reducing Mr. Davis' recommended amount for New Vision Community Development Corp/Rice Festival and Terrence Carraway Foundation to \$2,500 or \$2,000 and adding more to the smaller things.

Mr. Flowers clarified that Mr. Douglas wanted to reduce Hartsville Center Theater from \$20,000 to \$13,000; \$2,000 for Society Hill Catfish Festival; \$2,000 for Christmas on Main of Lamar; divide the remaining \$3,000 among smaller entities; and replace the \$7,000 to Hartsville Center Theater using Hospitality Tax funds.

Ms. Thomas suggested that Council go with Mr. Davis' recommendations this year since it was a fair assessment.

Mrs. Godbold asked whether Hospitality Tax funds would be reduced for Hartsville Chamber of Commerce. Mr. Stewart clarified that no one gets reoccurring Hospitality Tax funds. Council would have to approve the appropriation of Hospitality Tax for a particular project. Hartsville Northern League was the last organization to receive Hospitality Tax funds for improvements at their ballfield.

As Council discussed how to formulate its proposed Accommodations Tax funding recommendations, Chairman Hudson mentioned that Lamar Egg Scramble had already taken place and was only a one-day event instead of a three-day event as was in the past. He also stated that Christmas on Main in Lamar had been going on for about three years and this group was still buying lights for the trees, etc. Therefore, he would rather fund Christmas on Main in Lamar than Lamar Egg Scramble.

Mr. Stewart pointed out that the recommended funds for the applicants would be for the period July 1, 2022, through June 30, 2023. He also stated that he had several copies of the Accommodations Tax applications if Council wanted to look at them.

Mrs. Godbold confirmed that according to Lamar Egg Scramble's application for FY22/23, the festival will be a three-day festival. Chairman Hudson stated that it may be, but he doubted it.

Mr. Flowers stated that he wanted to get back as close as possible to the Committee's recommendations and fill in using Hospitality Tax funds. Council members discussed and suggested funding amounts for the various applicants. It was noted that Council could vote to allocate funds from Hospitality Tax funds at a Council meeting. Mr. Davis emphasized that he did not want to use additional funding sources (Hospitality Tax funds) for the events. He only wanted to redistribute the existing Accommodations Tax funds.

MOTION made by Mr. Flowers and seconded by Mr. Douglas to accept the Workshop numbers as listed in the spreadsheet below:

Applicants		Requested Amount	Committee Recommend	Council Proposed	Work shop	% of Funds
Christmas on Main in Lamar	L	\$2,500	\$300	\$2,000	\$3,500	4%
Darlington Veterans Memorial	D	\$2,000	\$500	\$2,000	\$500	4%
Grand Old Post Office Foundation	D	\$15,000	\$7,000	\$4,000	\$7,000	8%
Darlington Chamber of Commerce	D	\$8,445	\$4,000	\$3,000	\$4,000	6%
Darlington Downtown Revitalization	D	\$10,000	\$4,000	\$3,000	\$4,000	6%
EdVenture Hartsville	H	\$10,000	\$3,200	\$5,000	\$3,200	10%
Hartsville Community Ctr Bldg Comm	H	\$25,000	\$20,000	\$9,500	\$12,800	19%
Lamar Egg Scramble	L	\$4,500	\$500	\$4,500	\$500	9%
New Vision Community Dev. Corp	SH	\$15,000	\$500	\$3,500	\$2,000	7%
Society Hill Catfish Festival	SH	\$3,000	\$500	\$3,000	\$3,000	6%
SC Junior Golf Assoc	H	\$9,000	\$5,000	\$4,000	\$5,000	8%
Southeastern Bluegrass Assoc of SC	D	\$12,000	\$4,000	\$3,000	\$4,000	6%
Terrence F Carraway Foundation	D	\$20,000	\$500	\$3,500	\$500	7%
			\$50,000	\$50,000	\$50,000	
Hospitality Fund Bal Atax 30% Special						
Funds Hartsville Chamber		\$13,500				
		Amount Per Municipality	% of Fund	Total		Total %
Lamar		\$ 6,500	13%	\$ 6,500		10%
Darlington		\$ 18,500	37%	\$18,500		29%
Hartsville		\$ 18,500	37%	\$32,000		50%
Society Hill		\$ 6,500	13%	\$ 6,500		10%
		\$ 50,000		\$63,500		

Those voting in favor of the motion were Mr. Askins, Mr. Flowers, Mr. Hudson, Mr. Douglas, and Mr. Coker. Opposing were Mrs. Godbold, Ms. Thomas, and Mr. Davis.

The motion carried.

MOTION made by Mr. Flowers and seconded by Mr. Hudson to place on Council's next agenda for consideration \$7,200 from Hospitality Tax funds for Hartsville Center Building Commission.

Mr. Douglas asked whether appropriating \$7,200 in Hospitality Tax to Hartsville Center Building Commission would affect anyone else. Mr. Stewart's response was no – over \$700,000 was in this account.

Chairman Hudson called for the vote.

Mr. Askins stated that he had been in contact with Hartsville Center Building Commission, and they would like to make a presentation before County Council. He wanted to place them on Council's agenda to speak.

It was clarified that with the proposed \$7,200 in Hospitality Tax funds, Hartsville Center Building Commission would receive a total of \$20,000 as recommended by the Accommodations Tax Advisory Committee. Several Council members wanted to know whether Hartsville Center Building Commission wanted to appear before Council to request additional funds.

After a brief discussion about recommending Hospitality Tax funds for Hartsville Center Building Commission and they possibly wanting additional funds, a **MOTION** was made by Mr. Flowers and seconded by Ms. Thomas to accept Mr. Davis' Accommodations Tax funding recommendations as presented above in the column labeled "*Council Proposed.*"

Mr. Askins clarified that he was asking questions to find out what could happen at the next Council meeting. It was suggested that Council finalize the Accommodations Tax funding recommendations and for Hartsville Center Building Commission to wait before presenting a proposal.

It was also clarified that Council was in the midst of voting on the motion to place on the agenda for consideration \$7,200 from Hospitality Tax funds for Hartsville Center Building Commission.

The motion carried with Mr. Davis opposing.

FY22/23 Proposed Budget

Mrs. Godbold clarified that Council was proposing a tax increase of 4.4 mills to cover a 3% cost-of-living pay increase for employees at a cost of \$700,000 with a difference of \$300,000 for fleet cost, IT equipment, and internet services.

Mr. Stewart talked about the numerous factors affecting the cost for health insurance, the 1% increase in retirement contribution, and various other changes such as software contracts, longevity pay, etc.

Mrs. Godbold expressed concerns about the following: Council increasing tax by \$1 million when the county has a surplus; something could be done to decrease expenses without disrupting services to the public; the county not having an IT contract and receiving the services on an "as needed" basis; the county paying \$194,000 per year for IT services without a contract and bids; monthly lease payments for vehicles - the fact that one employee has a vehicle that cost \$1,000 per month and the lowest lease payment being about \$500 per month; the proposal to increase pay when the staff was not being responsible with the

resources; the county can attract and retain good employees without increasing taxes; Council could not continue to increase taxes for the same people when Council has not done what it needs to do; and the county incurring expenses for Economic Development and there has not been a “bang for those bucks.” Mrs. Goldbold stated that she reviewed the information several times and has come up with ways to tighten up at least 12 months.

Mr. Stewart explained that the county currently has an IT company that takes care of the county’s needs without an exclusive contract. This service was bid out previously and an IT company came in and performed a full detailed assessment, and their bid was higher than what the county was currently paying. The county could go to another IT vendor if there is a problem that the current IT vendor cannot handle. The IT service is on an as-needed basis, but this does not mean that they do not respond to the county. There is very stiff security on the county’s system which is in compliance with SLED for NCIC. He also mentioned that the procurement ordinance contains an exclusion for this type of business. However, if Council wants to bid this service, the staff will solicit bids. In reference to the vehicles, Mr. Stewart explained that Council decided four years ago to lease vehicles and stop with the shop except for yellow iron/big diesel equipment. The Sheriff’s Department evaluated which type of vehicles they would use. As for the vehicle with a \$1,000 monthly lease payment, an elected official chose that vehicle which was within the allotment of funds that official had available to spend. As for an increase in taxes, Council did not increase taxes the last two years and only a small percentage of the allowable tax increase the previous year. Council members were reminded that they had heard about some of the Economic Development activities.

Mr. Flowers stated that unless there are specific changes to the budget, he was in favor of a vote to proceed with the budget process. Mr. Stewart explained the timeframe for scheduling the public hearing and the readings for the budget ordinance.

Mr. Coker stated that Council had been fiscally responsible over the past few years which has allowed the county to build a new courthouse without raising taxes or a separate fee. He was opposed to increasing mills which had not increased in three years. Therefore, if it takes an increase this year, he would vote for it.

MOTION made by Mr. Coker and seconded by Mr. Flowers to pass the budget as is.

Mr. Davis asked about the number of new positions in the proposed budget as compared to the number of new positions in the current budget, and the number of positions that are being reclassified in the proposed budget. He also asked whether department directors could place pay raises in their budget.

Mr. Stewart responded that there are no new full-time positions, and no one will be reclassified or change pay grade in the proposed budget. Department Directors can request raises in their budgets. However, the only raise in the proposed budget is the 3% cost-of-living allowance. It was also noted that Department Director can approve a within-grade

change/increase with permission from County Administration if funds are available within their budget, and this would not have to go before Council. This would be rare because the funds would not be available.

Mr. Davis asked whether a 4% cost-of-living allowance could be given to employees without increasing the millage, and whether there were any available funds since the employees did not receive a cost-of-living allowance last year. Mr. Stewart responded that there was no way to increase anything without increasing the millage or cutting something. He noted that the millage did not increase last year and there were no available funds left from last year that could be given this year for employee raises. However, funds may have been left from vacant positions, but these funds would have gone back into the General Fund at the end of the fiscal year. In some instances, for EMS, E-911, and the Sheriff's Office, funds from vacant positions are used for overtime or part-time help. A 5% cost-of-living allowance would require more money than what is proposed.

Mrs. Godbold asked whether the cost-of-living allowance would go to all employees regardless of how long they have been with the county and include all open/vacant positions. Mr. Stewart confirmed that this was correct. The across-the-board adjustment will go to all positions and all open position grades adjusted. Elected officials and Council members will also receive the cost-of-living allowance. Mr. Douglas stated that he did not want to raise taxes and give people more money. However, he would vote for the proposed 3% cost-of-living allowance.

Ms. Thomas asked about the lowest salary for the county and whether it was minimum wage. She also requested to periodically receive a list of open positions. She was interested in finding out about the rate of employee turnover. Mr. Stewart talked about the previous rapid rate of turnover at the Detention Center and that Council gave a specific salary adjustment for the Detention Center last Fall. As of yesterday, the Detention Center had 11 openings -- the lowest in some time. However, there was turnover in EMS, with MEO/CDL driver, etc.

Ms. Thomas suggested that there be a salary study to compare the county's salaries with salaries in other counties. She also suggested the use of available areas in various county buildings for childcare for employees and other similar perks. Ms. Thomas talked about the county previously using prison ministries to clean county buildings instead of hiring someone to clean the buildings. Mr. Stewart responded that some county buildings are cleaned by inmates from the Prison Camp and others are cleaned by contract cleaners. He talked about the various crews of trustees and the various tasks they perform such as grass cutting, etc.

Ms. Thomas asked about the status of capital improvements. Mr. Stewart talked about getting the new courthouse built. The Capital Project list will be updated for consideration in next year's budget.

Ms. Thomas asked whether an employee who has worked 50 years would still be considered an hourly employee. Mr. Stewart responded that this would depend upon the job.

Mr. Askins asked whether employees making below \$40,000 could receive a 5% cost-of-living increase and employees making above that receive a 2% cost-of-living allowance using the proposed funds included in the budget for the 3% raise. Mr. Stewart responded that it would cost \$15.4 million to give a 2% increase across the board to full-time employees only; add an additional \$2,000 continuously for employees making \$30,000 or less; add \$1,500 for employees making \$40,000 or less; add \$1,000 for employees making \$50,000 or less; and add \$500 for employees making \$60,000 or less. This totals \$400,000 more than the cost for a 3% across the board increase.

Mrs. Godbold asked about giving the employees an established dollar amount instead of a percentage. Mr. Stewart explained that cost-of-living adjustments are normally across the pay grades, and the proposed percentage is a standard way of providing cost-of-living adjustments. However, Council could do a dollar amount. He mentioned what some of the surrounding counties were proposing for employees.

Mr. Flowers was concerned about treating employees differently on a small employee base like Darlington County because Council would then be getting into personnel matters. With the 3% across the board, everyone would be treated the same. Mr. Stewart stated that the place to make such an adjustment would be with a salary study. Mrs. Godbold suggested using a specific dollar amount for this time, getting the wage/salary analysis, then correcting the salaries according to the wage/salary analysis.

Mr. Stewart explained that a detailed wage/salary study may cost from \$40,000 to \$60,000. The South Carolina Association of Counties' Wage Study is voluntary, self-reporting, and a good quick reference. However, everything is not reported the same, and although a range is listed, the county may hire outside that range. A detailed study would be best because the employees describe what they actually do. He stated that Council could still provide the cost-of-living based on a percentage or a dollar amount. However, he would recommend using a percentage.

Chairman Hudson called for the vote on the budget as is – to present this budget as is for first reading which includes the proposed 3% cost-of-living allowance across the board. Mr. Stewart noted that the staff would solicit a Request For Proposal for a wage/salary study to obtain a cost.

The motion carried the Mrs. Godbold opposing.

Mr. Stewart asked Council to consider a schedule for the readings of the budget. It was the consensus of Council to schedule first reading of the budget on Wednesday, May 18th, at

6 p.m. at the Courthouse Annex/EMS Building; second reading during the regular meeting on June 6th; and third reading and public hearing on June 13th.

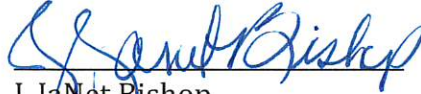
MOTION made by Mr. Hudson and seconded by Mr. Coker to approve the schedule for the readings and public hearing of the proposed budget.

The motion carried unanimously. Mrs. Godbold noted that she would not be present at the meeting on June 13th.

Adjournment

MOTION made by Mr. Flowers and seconded by Mr. Hudson to adjourn the Worksession. There being no further comments, the Worksession was adjourned at 11:01 a.m.

Respectfully submitted,



J. Janet Bishop
Clerk to Council



Bobby Hudson, Chairman
Darlington County Council

Approved at meeting of June 6, 2022.