



Minutes
Sumter County Council
Budget Meeting
April 20, 2010 - Held at 5:00 p.m.
County Administration Building County Council Chambers
13 E. Canal Street, Sumter, SC

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COUNCIL MEMBERS PRESENT:

1. Chairman Vivian Fleming McGhaney, Council District #5
2. Vice Chairman Eugene Baten, Council District #7
3. Councilman Artie Baker, Council District #2
4. Councilman Larry Blanding, Council District #6
5. Councilman Jimmy Byrd, Council District #3
6. Councilman Charles T. Edens, Council District #4
7. Councilman Naomi D. Sanders, Council District #1

COUNCIL MEMBERS ABSENT: None

STAFF MEMBERS PRESENT:

William T. Noonan, County Administrator
Johnathan Bryan, County Attorney
Lorraine Dennis, Deputy Administrator/HR
Pam Craven, Finance Director

Mary W. Blanding, Clerk To County Council
Gary Mixon, Deputy Administrator
Keysa Rogers, Budget Analyst
The Honorable C. Richardson, Treasurer

MEDIA PRESENT:

No members of the media were present. However, a tape player was provided by the Item.

THE PUBLIC PRESENT:

No members of the public were in attendance.

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CALL TO ORDER: Chairwoman Vivian Fleming McGhaney called Sumter County Council's special meeting of April 20, 2010, to order.

INVOCATION: Vivian Fleming McGhaney gave the invocation.

PLEDGE OF ALLIGIANCE: All in attendance repeated the Pledge of Allegiance to the American Flag.

APPROVAL OF AGENDA: Chairwoman McGhaney stated that she would entertain a motion to approve the agenda.

ACTION: MOTION was made by Councilman Edens, seconded by Councilman Byrd, and unanimous carried by Council to approve the agenda as presented.

ITEMS TO BE DISCUSSED:-

- (1) Update, If Necessary, On Certain Matters Pertaining To The 2009-2010 Fiscal Year Budget.

The County Treasurer, the Honorable Carolina B. Richardson, presented the following collection information as it pertains to taxes.

	2010 Budget	% Collected	2010	Difference
Ad Valoem Taxes	\$16,685,840	10%	17,035,316	349,475.96
Legislative	253,200	98%	248,653	(4,547.05)
Mandate	6,000,000	93%	5,582,669	(417,331.24)
LOST	\$22,939,040	100%	\$22,866,638	(72,402.33)

(2) Fiscal Year Budget Discussion 2010-2011

The County Administrator introduced the 2010-2011 Fiscal Year budget by asking Council members to review a letter that he and the financial staff had prepared which has eight bullet points. As these points are viewed by Council, then if there is any action that needs to be taken, Council members could talk action on those matters which would help the staff to know the direction Council would like to take on each of the matters.

1. The most current information available indicates the State Local Government Fund revenue will be at least \$600,464 less than FY 2010.

If no changes happen in Columbia, the State Local Government Fund revenue will be at least \$600,464 less than last fiscal year.

2. The Technology Fee has been removed from the General Fund and set up in a separate fund. This will allow the County to purchase hardware or software through a lease-purchase arrangement using a dedicated revenue stream for payments. This is a reduction to the General Fund revenues of approximately \$265,000.

No changes have occurred. The staff supports the Technology Fee being set-up in a separate fund as listed above.

3. Fees for billing and collecting taxes have been established and built into the budget. At \$4 per bill, it has been determined that \$233,200 should be included as revenue from Pinewood, Mayesville, and the City of Sumter.

The Administrator said that the Administrative Fee is approximately a quarter of a million dollars for the County's budget. He also said that the County needs to make a decision on whether or not to implement this fee this year.

Councilman Byrd stated that during the Liaison Committee meeting held on April 19, 2010; City Council members voiced their concern about this proposed fee.

Councilman Edens stated that he thought Sumter County Council had already acted on implementation of this fee. Councilman Byrd stated that Council did approve implementation of the ordinance on last year; however, listed in the line item was "0" collection rate for last year. The Administrative Fee was listed within the County's budget ordinance.

The Chairman stated that the City of Sumter has asked that Sumter County Council consider repealing the portion of its budget ordinance to collect \$4.00 for Administrative Fees to bill taxpayers for taxes to be paid by City of Sumter taxpayers.

The Chairman further stated that the City feels that the County is double dipping on City residents if they are required to pay this fee.

Chairman McGhaney also stated that if the County agrees to change its Administrative Fee collection for the City of Sumter, then the County would need to do it for Mayesville and Pinewood.

The Administrator stated that he and the Financial Staff have already factored into this year's budget the \$233,200 which would be collected as revenue from the City of Sumter, Town of Mayesville, and the Town of Pinewood.

The County Treasurer was present; she stated that the Administrative Fee cost factor was figured as follows:

- Initial Costs for Creating the Bill
- Labor Costs
- Delinquent Costs
- Certified Bills
- Levy Notices
- Tax Sales
- Processing Deeds

NOTE: Council members suggested that any "collection costs" should be assessed to the person and not to the governmental entity. Any person that is late in paying for his/her taxes, should be required to pay the extra cost to send notification for the tax bill.

FOLLOW-UP: The Financial staff will follow-up on this matter and provide Council members with a clearer pictures of what the cost factors are to process the tax bills for the City of Sumter, the Town of Mayesville, and the Town of Pinewood.

Councilman Edens also stated that being a City resident, there has been an argument on the Road User Fee. He added that maybe there is something that can be worked out about the Administrative Fee and the Road User Fee.

The Administrator stated that there are two sources of revenue for road projects. The Road User Fee and the "C" Funds. The "C" Funds come from the State. Twenty-five percent of the funds go to the City and 50% go to the County. Of the paved roads in Sumter, the City of Sumter only has 4% from the "C" fund prospective, the City gains much more money. The County has 75% of the roads, but only receives 50% in funding.

Mrs. Craven stated that the County is not required to give 25% of the "C" funds to the City; however, 25% of those funds are currently going to the City of Sumter.

Council also discussed the Accommodations Tax and the Hospitality Tax as it relates to the City and County.

The County Administrator as well as Mrs. Craven stated that it has been approximately five years that the City has been injecting the words of "True Costs." Therefore, the County is now trying to get to the same level of calculating "True Costs."

Council members asked that the staff provide additional information on the Administrative Fee - what is the actual cost to process an initial bill to send to the Taxpayer. No late fees should be calculated into the initial billing process.

4. Although not part of the General Fund, a Storm Water Utility Fund has been established as mandated by the Federal Government. Related costs of approximately \$150,000 have been removed from the Engineering and Public Works Departments and included in this new fund whereby reducing General Fund expenditures. A fee structure must be put into place in order to fund the mandated expenses related to the Storm Water program. Discussions are ongoing.

Council asked that the staff review looking about a fee versus millage, etc. Councilman Byrd stated that he is interested in looking at a millage instead of a fee.

The requirement of implementing the Storm Water Utility mandates will cost the County approximately \$900,000 - the \$150,000 is a part of the implementation costs.

5. Road User Fees have been removed from the General Fund and another new fund has been established in which all related costs will be recorded. Costs in the Public Works Department equating to the amount of revenue collected will be processed through this new fund making this a revenue neutral arrangement.

No changes or additional suggestions.

6. Funding for Central Carolina Economic Alliance and the Lobbyist position have been removed from the FY 2010-2011. Additionally, funding for the Development Board has been budgeted under the Infrastructure Fund. Combined, this is a savings to the General Fund of \$348,000.

The Administrator stated that a letter has been sent to Central Carolina Economic Alliance and the County's Lobbyist (Mr. Laddie Howard) informing them that they have been removed from the 2010-2011 budget.

Mr. Noonan has also asked that during this upcoming fiscal year that the Development Board be budgeted from the Infrastructure Fund.

ACTION: MOTION was made by Councilman Edens, seconded by Councilman Baker, and unanimously carried by Council to allow the Development Board to be budgeted from the County's Infrastructure Fund during the 2010-2011 fiscal year. No funding amount has been determined as to how much the Development Board would receive in funding for the upcoming year.

7. Built into General Fund Revenues is a charge for costs associated with booking inmates at the Detention Center. This is referred to as an "exposure" cost determined by the actual number of municipal detainees booked as a percentage of total bookings. This equates to increased annual revenues of approximately \$632,822 used to directly offset the cost of operations at the Detention Center.

The County Administrator stated that this is a new process to the City and they have not seen this process before. This funding was calculated just as the City calculates cost to the County for Fire Services. The costs are calculated on exposure cost. The exposure is based on the City's actual previous year's use. The City had all 4.2% use of the Detention Center during 2009. The City of Mayesville is currently being bill in the same manner. The City of Sumter will be required to pay an additional \$632,822 if billed in this manner. However, the City can reduce the cost by reducing the number of inmates coming into the Detention Center.

NOTE: The Council members are interested in seeing the review that is generated from the Municipal Court System. It was also suggested that the County operate the Municipal Court system and receive all the funds/fees through this system.

FOLLOW-UP: The County needs to get the "True Costs" for the medical expenses of municipal inmates and this cost needs to be borne by the City of Sumter as well as all other entities that bring their inmates to Sumter Lee Detention Center.

8. The City of Sumter has submitted all jointly funded financial requirements for FY 2011. At this time, the County's proposed budget includes an increase to the Fire Service Contract for F/D 1 and 2 of \$406,952, bringing the total contract cost to \$2,157,875. This equates to 40% funding of the City Fire Department's operational budget based on assessed property values.

This matter was presented to Council for consideration. The Administrator stated that items number seven and eight are large ticketed items and if they could be settled, the budget could be balanced.

- (3) Budget Presentation - Economic Development Board.

This matter was not discussed, but it will be listed on Council's Fiscal, Tax, and Property Agenda for Tuesday, April 27, 2010.

- (4) It Is Necessary To Hold An Executive Session And To Take Action Thereafter For One Or All Of The Following:

- A. **A Contractual Matter Pertaining To Utilities.** The Chairman stated that she would entertain a motion concerning this contractual matter.

ACTION: MOTION was made by Councilman Edens, seconded by Councilman Byrd, and unanimously carried by Council to enter executive session to discuss a contractual matter.

After discussions in executive session, council re-entered open session after a motion and a second. The Chairman reported that no action was taken on the executive session matter.

(5) Additional Item: No additional items were added.

ADJOURNMENT:

There being no further business during this meeting; there was a motion and second to adjourn the meeting at approximately 6:28 p.m.

Respectfully submitted,

Vivian Fleming McGhaney
Chairman or Vice Chairman
Sumter County Council

Mary W. Blanding
Clerk to County Council
Sumter County Council

Approved: April 27, 2010

I certify that public and media notification of the above-mentioned meeting was given prior thereto as follows:

Public Notified: Yes

Manner Notified: Agendas posted on bulletin board on third floor of the Administration Building.

Date Posted: April 16, 2010

Media Notified: Yes

Manner Notified: An Agenda was sent to The Item.

Date Notified: April 16, 2010

Respectfully submitted,

Mary W. Blanding
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