



**MINUTES
BUDGET WORK SESSION
FAIRFIELD COUNTY COUNCIL
APRIL 13, 2021**

Present: Moses Bell, Shirley Greene, Mikel Trapp, Timothy Roseborough, Doug Pauley, Cornelius Robinson, Clarence Gilbert, Council Members; Jason Taylor, County Administrator; Laura Johnson, Assistant County Administrator; Kenneth Davis, County Attorney; Patti L. Davis, Clerk to Council.

Others Present: Anne Bass, Beverly Mozie, Brad Caulder.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80 (e), as amended, the following persons and/or organizations have been notified of the time, date and location of this meeting: The Independent Voice of Blythewood and Fairfield, The Country Chronicle and one hundred forty one other individuals.

I. CALL TO ORDER

Chairman Bell called the Work Session to order at 6:00 p.m.

II. APPROVAL OF AGENDA

Motion made by Council Member Trapp, seconded by Council Member Roseborough, to approve the Agenda. ***The motion carried unanimously 7-0.***

III. INVOCATION

Council Member Robinson led the invocation.

IV. ITEMS FOR DISCUSSION

A. FY 2021-2022 Budget

Chairman Bell stated the County is in a very tight year concerning the budget. The original budget sent to Council showed that the revenues did not match the expenses by about \$3.5M. Some work has been done to get the County in a better position, because it cannot continue to maintain a budget that the revenues do not match. Chairman Bell thanked Council for the work on the budget, but more importantly, he thanked staff for their work. Mr. Taylor asked for Mrs. Bass to start this session with essentially reiterating the items from the last meeting, where we are now and how we arrived there. Per Mrs. Bass, at the last work session, fund balance was being used in the amount of

around \$3.5M. Council was shown a list of different options to try to balance this. Through this work session came some suggestions and discussion from Council, and the figures were then updated. Copies were emailed to Council, and after this, more items were discussed. Based on these discussions, it was understood that there would be no recommendation for a millage increase.

Mrs. Bass further stated there is an ongoing discussion concerning collection of a previous debt. Per Mr. Taylor, the County had funded the hospital for many years. Some of this funding was given to the hospital to continue operations, and other times, the funding was not deemed a loan and not a gift. There was a loan back in 2011, again in 2016 and then a few other times. The total outstanding loan balance is \$1,256,425.70 that the hospital owes the County. The hospital has acknowledged in the past that this is owed to the County, and at times, they actually repaid some of the money. In 2011, the hospital was making payments of \$13,333 per month, and then at some point, it was negotiated to \$3,000 a month and then payments ceased. However, the debt is still owed. Council Member Gilbert has had some initial discussions with the board concerning the balance of the money owed. Per Mr. Gilbert, he had a conversation with Mrs. Fantry and Mr. Mitchell in reference to this debt to look for ways the County could collect this money to assist with the budget. Council Member Gilbert stated last week there was a very good discussion, and he feels they are open to working with the County. When Council Member Gilbert was a member of the Hospital Board, the County came to their aid when it was needed, so it is time for them to do the same. The Hospital Board is looking for this to be a win/win for both sides. They cannot pay a lump sum, but instead, they are looking at making monthly payments. They will be in discussion with their board concerning this. Per Mrs. Bass, this is currently included on the list of changes. Once the list is gone through again, the list will then translate into the motions list. Chairman Bell stated what he is hearing is this is not firm, so we need to make sure going forward.

Moving into the expense adjustments, Mrs. Bass stated agency funding was added back in with a 30% reduction. Chairman Bell stated there has been some discussion concerning Fairfield Behavioral Health, and he would like to look at all other agencies cut 30% with Behavioral Health restored to their 2021 budget. Council Member Robinson inquired of the justification for this. Per Chairman Bell, this agency has been hit hard, and Council Member Pauley had stated they had to lay off an employee. Their paperwork from last year to this year reflects the same thing. They provide services without billing the County. This will be placed on the motions list.

Per Mrs. Bass, it was discussed that some of the County website can be funded from the State accommodations taxes for the tourism promotion portion. The number has not been adjusted. Engineering had been reduced by about \$100,000 but, after reviewing this, it was removed because this would not be reasonable. The grant match had been reduced by \$200,000 with the thought that if an economic development opportunity becomes available, an ROA can be brought forward.

With further investigation into the furlough, elected officials or judges cannot be required to participate. Per Mr. Caulder, there are stipulations that elected official's budgets cannot be reduce, and some have communicated that they would not be amenable to doing this. Also, even though employees can be required to furlough, the County would still be required to pay a portion of their benefits by State law, including the County's part of the retirement contribution as well as the employee's part.

Temporary personnel funding has been suspended and reduced, and the closure of the recycling centers for two days was included in that number. Council Member Trapp inquired concerning the internal position audit. Per Mrs. Bass, the computer system has a position budget module, and she and Mr. Caulder combed through some of the bigger departments, counting off the number of positions and people in those positions. Three positions were identified that were in the budget but not currently filled, and these were removed entirely. An additional unfunded position was also removed since the last meeting with the duties of this position distributed.

There was a discussion at the last work session concerning \$20,000 for a newsletter. Looking under travel in Council's budget, Mrs. Bass stated there is currently \$63,000 budgeted. Mrs. Bass did not investigate 2020 because of the reduction in travel due to the pandemic. However, in 2019 a total of \$30,000 was used for travel. This was, therefore, reduced by \$20,000 making the newsletter a budget neutral item.

In the McMaster fund balance, there had been a balance carried over of about \$380,000. This had been set aside in previous years for economic development. There was a transfer going from the general fund to the new speculative development of \$248,000. However, the money that had been set aside can be used for the new development. The furniture budget was also removed along with the vehicle allowance. All these reductions bring the use of fund balance to approximately \$630,000. Chairman Bell stated, as he looks at this, the only thing that is happening is that some money was found. Mrs.

Bass stated it can be put this way, but instead, everything is being squeezed down as tight as possible.

Referring to the bottom group on the sheet, Mrs. Bass stated these are additional changes and adjustments concerning the furlough, the Sheriff's Department position request, reduction of building maintenance temps, reduction of animal control temps, reduction of limb site hours and recycling center hours seasonal reduction. This brings the balance used from fund balance to \$640,685. However, the potential debt collection could result in around \$250,000 more in revenue, which would result in around \$390,000 use of fund balance. Chairman Bell inquired if the temporary employees are long-term employees. Per Mr. Caulder, by policy temporary employees should only be employed for a specified period of time. However, some employees have been with the County a while as a temp. Mr. Caulder also emailed to Council the list of positions that were being suspended or not being filled. Chairman Bell questioned what will happen next year based on the suggested cuts and the same revenue. Mrs. Bass stated she does not feel Council needs to go into the next year with the same revenue. She feels the pattern must be broken of not doing a millage increase. The County has gone five to six years without an increase. At the minimum, the County needs to take the CPI each year or it will catch up with us, and it has. She personally would recommend a millage increase this year; however, this did not seem to be the pleasure of Council. She does not feel we need to go into the next year without this increase. Chairman Bell stated this situation has been known since 2017. Mrs. Bass agreed and stated for several of the years with no millage increase, there was construction happening at the nuclear plant. The thought was that if it could be held together, a millage increase would not be needed. Now, that is not an option, and Mrs. Bass feels Council seriously needs to do the increase. Council Member Trapp inquired if this was recommended to Council then that the millage should be raised. Mrs. Bass cannot remember everything that has happened in past budget work sessions, but this has been discussed each year; however, she does not recall to what extent. Chairman Bell stated Council does not want to do a millage increase; however, at the same time, he questioned how we get beyond where we are now with really no major cuts. Per Mrs. Bass, if the County is forced to dig deeper, the services provided will have to be reduced. Chairman Bell stated last year \$5.2M was taken from fund balance. Another \$1M was taken for the Mt. Zion escrow. There is probably another \$600,000 to \$800,000 that may be needed from this year's fund balance. Looking at 2019, the fund balance was \$26M; in 2020 it was \$23M and this year it is \$19M. There must be serious thought of where we go from here. Chairman Bell stated he feels Mrs. Bass has done a good job at finding all the available money taken from all accounts, etc. However, going

into next year, a roof will need to be done, cars will have to be purchased along with fire trucks and ambulances, and there will be no funds to do this. Since 2017, something different probably should have been done, but that is water over the dam. It will be unacceptable if all the services the people pay for are cut. The County's revenue does not match its expenses, and this will not be fixed overnight. Chairman Bell stated Council must think about how it can work together to solve this problem.

Mr. Caulder then discussed the personnel budget reduction considerations. Some of the reductions have been incorporated in the draft budget, and some additional reductions are included for Council's consideration. The new reductions contain an idea of the budgeted amount for this year, where we are year-to-date and what actually was spent FY2020. The position duties are also included. There is quite a bit of responsibility in this list. The personnel budget reductions that have been discussed already are the ones found by Mrs. Bass and Mr. Caulder, and these would make the least impact as far as services offered. Chairman Bell stated this is a tough question, but even if we say this can be done through attrition and the County will not be on the same path as today, will there be some sort of formula going forward to monitor this. Per Mr. Taylor, he has a list of all departments; however, the problem is that a lot of the County departments are small. The Sheriff's Department cannot be touched along with other elected officials' offices. This would leave Public Works, Building Maintenance, Recreation, Administration, Planning, Work Force Investment (completely grant funded), Transit (again grant funded), IT (very small department), Museum (very small department), vehicle maintenance (small department), Election Commission (small department), Animal Control (temps cut), HR (small department), Economic Development (department of 1), Assessor (small), Airport (1 person) and Delinquent Taxes (2 people). Again, going through the list, there are a number of very small departments that just cannot be cut. That leaves us with looking at the larger departments, including Public Works, Building Maintenance and Recreation. These are departments that, as has been stated, serve the public; therefore, we would start getting to the point where services would be affected. Council Member Pauley inquired of the estimated salaries for employees. Per Mr. Taylor, our numbers will be skewed because of capital projects being cut, but the majority of the budget now will be personnel. Chairman Bell stated he brought this up last year concerning the salaries versus the other information. He inquired if Mrs. Bass has a copy of the pie chart from last year. She does not have this but can get it updated and sent to Council. Council Member Robinson inquired if it does come to cutting positions, Council might want to possibly look at a third party to review this. Per Mr. Taylor, the County does have a policy and asked for Mr. Caulder to review this. Per Mr. Caulder, the

policy basically states that if it becomes necessary to reduce, consideration for retention will be based on two things, (1) employees with the best record of performance and who possess skills and abilities which are essential, and (2) employees with the greatest seniority. In addition, employees who have been separated as a result of lay-offs are eligible for reinstatement to future vacancies for one year after separation. Chairman Bell is thinking more in line with attrition. Per Mr. Caulder, this is something we have been able to cut down already in a year. This is done automatically, and he feels we can do better as we go forward. It is also evaluated all the time. There is some technology that can be invested in that can also assist. All options will be considered. Chairman Bell further stated with the one and two people departments, the question becomes how departments can be combined when the opportunity presents itself. There will be more money coming from the fund balance this year which will result in the fund balance reducing more. Per Mrs. Bass, usually right after March, the fund balance is the highest.

Council Member Trapp would like for Mr. Taylor to go over the projects list. Mrs. Bass will still need to get the figures concerning the specific projects. Council Member Trapp inquired if all would be coming out of this year's budget. Per Mr. Taylor, some are ongoing projects, some have had money spent on engineering and planning or land acquisition and others may not have had any money spent yet.

- The North Backlot Merchant Parking Lot is the parking area behind the building on Main Street the County was looking to redo. Some money has been spent on engineering, but the project has not started. It has been held up by easement acquisition.
- Wateree Fire Station. Assistance with this project has been requested from the State. Per Mr. Taylor, the request has been made, and the County has budgeted \$375,000. The land has been acquired with some engineering and drainage done. The land clearing and grading has been done in-house. At this point, it has not been bid out. Chairman Bell stated we will wait to hear from the State to see if they can assist, and if necessary, wait six or seven months into the budget year before the building is started.
- Farmer's Market sprinkler and commercial kitchen upgrades. Per Mr. Taylor, this has been budgeted to put sprinklers in the building to support a kitchen but has not yet been bid out.
- Spec Building Detention Pond. Per Mr. Taylor, we are contractually committed to do this. This was part of the commitment when the company decided to come to the area.

- Spec Building Painting. Per Mr. Taylor, this was also done as part of the sale. The money will be given to the company to have this done, but the County will not have to do it. Mr. Taylor will check on this.
- Wastewater Treatment Plant. Per Mr. Taylor, for the most part, the County has some money associated with it because of what we had to do in choosing a location. The land acquisition was a one-time cost which has been done. The State has funded most of the associated engineering. There was additional engineering because the public wanted the County to look at an alternative location, the Broad versus Exit 32, so there is some money associated with that.
- Speculative Development Pad. Per Mr. Taylor, this will be rolling some of the money from the sale of the spec building to doing another pad to have a site ready for a new spec building. Per Mrs. Bass, the \$1.6M is for the speculative development pad, but none of the money would come from general fund. Most of it will come from the sale of the spec building and then part will be from the transfer of McMaster Industrial. Per Mr. Taylor, there is a good bit of grant money from Commerce/I-77 Alliance. This is shown in the revenue and expenses because it must be shown going through the budget. Mrs. Bass also pointed out that the detention pond will be paid for from the funds received from the spec building. This will also not come from general fund. Council Member Trapp inquired if some of the money from the sale of the spec building could be used to balance the budget. Mrs. Bass stated we could use the proceeds, but we would not be able to do other projects. Further, some grant money has been received already that is for certain intended purposes, so the terms of the grant agreement would need to be reviewed. Council Member Trapp requested that this information be sent to Council.
- County Courthouse. Looking at the original bond budget, Council Member Trapp stated it was budgeted for \$1.8M and inquired how it got to \$4.2M. Per Mr. Taylor, \$1.8M would have never begun to do the project. The \$4.2M was decided based on the engineering costs. Per Mrs. Johnson, when the bond was issued, those were estimated budgets, and she does not think anyone ever got quotes. All the figures, in her opinion, were not reliable with the recreation facilities being a good example. The bond says estimated costs, and when the bond was issued, there was nothing stating those were valid costs. Council Member Trapp requested an itemized list for Council of the \$4.2M cost of the Courthouse. He would also like to see what is required to be done versus what we want to do.

Vice Chair Green stated when we look at making cuts, we also must take a look at some contingencies. Right now, we are doing construction on a shoe string, and that will not work. There are always overruns and additional costs, so there must be contingencies. Per Mrs. Bass, in the general operating, department 100-008, there is some money for contingency.

Chairman Bell inquired when we could get something firm from the hospital board concerning the debt. Council Member Gilbert stated he will get in touch with Mr. Mitchell tomorrow to see if he has had a conversation with his board. He will hopefully know something by next Wednesday.

Chairman Bell stated right now the amount is around \$640,000 to be taken from fund balance. Mrs. Bass stated the amount would be around \$390,000 depending on if we get the number for the debt collection. Per Council Member Gilbert, the .50 on the dollar is something that was thrown on the table for discussion.

As of right now, Chairman Bell stated it appears it is agreed upon for the agency list to be a 30% reduction with Behavioral Health on the motion list. Council Member Trapp stated it will all be on the motion list. Mrs. Bass will compile the list and send to Council, and they can then let her know if anything needs to be added. Council Member Trapp reiterated that we should look into using funds from the spec building, and Mrs. Bass will get this information out to Council.

Chairman Bell stated the next meeting will be next Wednesday with a Special Meeting for Mrs. Greene's report at 6:00 p.m. and then the Budget Work Session at 7:00 p.m. Council Member Robinson inquired of Vice Chair Greene if this is a presentation on the Ad Hoc Committee, and Vice Chair Greene agreed that it is. Mrs. Bass also stated the Library millage increase will also have to be discussed further, and this will also be on the motions list. Chairman Bell would also like for the Budget Work Session time to be listed as "Immediately Following Special Meeting".

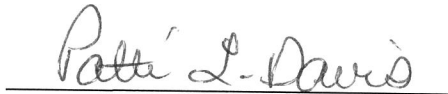
Vice Chair Greene inquired concerning the COVID money and if there is any further information concerning how the money can be used. Mrs. Bass stated she participated in a call last week, and they have not developed the guidance yet. She is scheduled for another call on Thursday of this week. Right now, we are not sure if it will start March 2020 so past expenses can be claimed or if it will be future expenses. With the Cares Act Grant, this was all a reimbursement basis. Mrs. Bass has heard a lot about infrastructure, particularly around water/sewer and broadband service, and a lot about elder care. Hopefully, by Thursday she will know more and be able to report at the next meeting. Chairman Bell also stated he has instructed Mr. Taylor to reach

out if we need any additional resources, such as consultants, concerning this money.

Chairman Bell thanked everyone for their time, and we will be better on the other side.

V. ADJOURN

At 7:02 p.m., motion made by Council Member Trapp, seconded by Council Member Gilbert, to adjourn. ***The motion carried unanimously 7-0.***



PATTI L. DAVIS
CLERK TO COUNCIL



MOSES BELL
CHAIRMAN