WORKSESSION OF THE FLORENCE COUNTY COUNCIL,
THURSDAY, APRIL 3, 2014, 7:30 A.M., FIRST FLOOR
CONFERENCE ROOM, ROOM 101, COUNTY COMPLEX, 180 N.
IRBY STREET, FLORENCE, SOUTH CAROLINA

PRESENT:
James T. Schofield, Chairman
Waymon Mumford, Vice Chairman
Mitchell Kirby, Secretary-Chaplain
Russell W. Culberson, Council Member
Alphonso Bradley, Council Member
Roger M. Poston, Council Member
Kent C. Caudle, Council Member (entered @ 8:09 a.m.)
Willard Dorriety, Jr., Council Member
Jason M. Springs, Council Member
K. G. Rusty Smith, Jr., County Administrator
D. Malloy McEachin, County Attorney
Connie Y. Haselden, Clerk to Council

ALSO PRESENT:
Suzanne S. King, Administrative Services Director
Kevin V. Yokim, Finance Director
Samuel K. Brockington, Jr., Fire/Rescue Services Coordinator
Chief Deputy Glen Kirby
Ben Zeigler, Attorney
Gavin Jackson, Morning News

A notice of the worksession of the Florence County Council appeared in the April 2, 2014 edition of the MORNING NEWS. Copies of the agenda were faxed and emailed to members of the media and public requesting such documents, posted in the lobby of the County Complex, at the Doctors Bruce and Lee Foundation Public Library and all branch libraries, and on the County’s website (www.florenceco.org).

DISCUSSION OF FIRE SERVICES AND PROPOSED ORDINANCES NO. 17-2013/14 AND NO. 18-2013/14
The Chairman stated the first item on the Agenda was the Discussion of Fire Services and Proposed Ordinances No. 17-2013/14 and No. 18-2013/14. County Administrator K. G. Rusty Smith, Jr. provided a report based on Council’s instructions at the March 13, 2014 Workseshion to provide options for Council’s consideration.

Mr. Smith stated the simplest and most effective manner to handle the pending problem would be to petition the Legislature to amend Section 6-1-320 of the South Carolina Code of Laws. The proposed amendment would only require 2 letters, three numbers and a hyphen to rectify the problem - “or 4-19” because 4-9 already allows what the County wanted to do with fire services. The inability to attain relief legislatively meant that
Council had to look at other options. He said he would provide several items, but some of them might still be questionable. He was trying to get opinions from DOR, in reference to the applicability to Act 388.

First option, Council could consider the creation of a 4-9 fire district via a referendum. This would not require inclusion of South Lynches, which had been part of the problem, but it would require 15% of the registered voters to sign a petition calling for a referendum (There were approximately 48,632 voters in the unincorporated area of the County, meaning 7,294 people would have to sign the petition). This would be a first responder millage to supplement the lowest current fire district millage of 8 mills. This action would be non-contestable. At earliest, it would be a November election which would delay implementation of fire services and there was always the risk of a negative response. If you had 8 mills and included South Lynches, you would have a first responder millage of 15, for a total of 23 mills.

Second option, Council could also consider creating via ordinance a first responder district under 4-9 utilizing the lowest current millage of 8 mils and supplement the shortfall with a first responder millage. It would have the same boundaries as the new consolidated district but would include South Lynches fire district. The millage would be for first responder service and volunteers would provide the service in each area just like fire protection. The County would then have to contract with South Lynches for first responder service. Since it is organized under 4-9-30 the millage would not be subject to Act 388. He had Emergency Management Department Director Dusty Owens determine the percentage of calls that were first responder and what percentage was fire. Based on the chart provided by Mr. Owens, 63.86% of total calls to fire departments across the County were for first responder. If you include South Lynches in this option, the required millage would be 13.7 first responder, added to the 8 mills, for a total of 21.7 mills.

Third option, Council could levy a 16.3 mil tax for all fire service areas (Windy Hill, Olanta, Johnsonville, West Florence, Hannah-Salem-Friendfield, Howe Springs, Sardis Timmonsville). This would raise about $4 million in revenue and stabilize departments as they were. The County was seeking opinions from DOR and would then seek an opinion from the Attorney General and potential test suit. Some feel this would comply with Act 388 because it does not raise additional revenues above last year plus CPI and growth.

Council would also need to adopt a $15.55 first responder fee on all real property with structures in the fire district and all vehicles registered in the districts, which would raise $1.7 million to provide revenue necessary to fund the budget adopted by the Fire Districts Finance Committee. Possible considerations there would be whether or not you would need to include this in the budget ordinance or draft a separate ordinance to hold three separate readings on the fee.

Other funding methods would be:

1) Just Real property with structures only $50 per notice or
2) Vehicles only (unincorporated areas) $22.56 each.
3) “Sweet Sixteen”: $16.25 for all vehicles in entire County with no property assessment. All vehicles travel throughout the County and need first responder services and they don’t check to see if you live in “City Limits.”

Regardless of the option, all revenue collected would go into a Special Revenue Fund; nothing would go in County General Fund.

Another option (Option 4) would be to levy just the 8 mills plus the CPI growth (approximately 8.8 mills) for fire service in all areas served by the seven operational organizations, which would raise about $2 million and was not challengeable. The County would then need to adopt a $35 first responder fee on all real property with structures in the districts and all vehicles registered in the districts. This would raise the other $3.7 million to fund the $5.7 million dollar budget adopted by the Finance Committee.

Regardless which option was selected, Council would need to include all administrative costs and anything to do with workers comp or fire departments’ budget from the County General Fund to the Fire Fund.

In response to a question from Councilman Kirby, Mr. Smith stated the current combined budgets of the seven (7) fire districts were $3.7 million. Finance Director Kevin Yokim stated the original requests came in in excess of $6.5 million, but the Fire Districts Finance Committee met and got the requests down to around $5.7 million, realizing this figure includes, for instance, personnel and utility costs at West Florence and estimated costs for anticipated new facilities and personnel training, etc. needed to operate those facilities.

Mr. Smith stated that Chairman Schofield had suggested possibly raising 6 mills in West Florence and, in essence, challenge Act 388, but if you did that you would also have to raise millage in Johnsonville and Hannah-Salem-Friendfield. (Johnsonville was currently at 41 mills.) In his opinion, this would not help the objective.

If all else failed, Council could look at maintaining the status quo, which to him was actually putting it in reverse. You would have to come up with funding for the shortfalls in several districts. If Pamplico went into Hannah-Salem-Friendfield as proposed, their deficit will probably be $45,000. If Johnsonville required the City of Johnsonville to pay its fair share (millage equivalency is $100,000) then Johnsonville Fire Department would probably need $40,000. West Florence would have to subsist. If Council took no action and did nothing, you would be delaying the inevitable.

Another option that would be kind of like deficit financing and probably not applicable to 388 either since it doesn’t limit bonds, would be to possibly issue a bond every year for operations. You would have to issue $3 million in bonds for 6 or 7 months, which would cost about $30,000 in interest and closing costs. Mr. Smith said this would be a last resort and he would not recommend it, but it was an option.
Chairman Schofield asked him which one of the options provided would he recommend. Mr. Smith responded that he would think either the 16.3 mills and lower first responder fee or the 8 mills and a higher first responder fee.

Councilman Springs asked if precedence had been set for this type of situation or anything similar. Chairman Schofield stated Sumter County consolidated two school districts and chose the highest millage available. There was no case law that addressed that specific issue. Horry County consolidated six (6) fire districts and set a new base millage, with no consideration of the existing millage, but determined what was required to operate and set a new base millage. In response to a question, County Attorney Malloy McEachin stated tying the millage to the revenue collected in the previous year, with the increase in CPI and population was a fairly reasonable expectation that the court would say you could do that.

In response to a question from Councilman Kirby, Fire/Rescue Services Coordinator Sam Brockington stated the two major things that were required to effectively respond to a fire were water and firefighters. The County needed to address two things now: career firefighters for daytime fires when volunteers were working ‘jobs’ and a better recruitment program to sustain and train volunteer firefighters. Chairman Schofield stated the County needed to improve its base of career firefighters to enable a 24-hour response. The County also needed to invest in the retention of volunteers so that there was a constant availability of firefighters 24-hours per day.

Councilman Dorriety stated one problem he had in his district was that 45% of the millage increase would come from his district, with only 33% returned to his district for the provision of fire services.

Chairman Schofield stated that to him the first responder fee was a way of sharing the burden equally, but the question was the legality of the fee. Councilman Springs asked if the fee was implemented countywide, would any of the fee be provided to the two municipalities that provided fire service or would the County need to increase the fee to augment their first responder services. Chairman Schofield stated that in his opinion it made it more defensible. He said fees had to be based on services provided so you would either need to start putting money to those municipalities for first responder services or provide first responder services within the municipal limits of those two. Councilman Springs asked how much the $16.25 first responder fee would generate in revenue. Chairman Schofield stated $1.7 million.

Councilman Dorriety asked if the 8.8 mills and $35 fee mentioned in Option 4 was just in the districts or did that include the City. Mr. Smith responded that that option was just the districts. Councilman Dorriety asked what it would be if the City had been included. Chairman Schofield stated somewhere between $16.25 and $35. It was $22.56 just on vehicles in the districts but at 8 mills you needed to pick up another $2 million to fund the districts so it would go up to approximately $44.

Councilman Springs stated if the fee was implemented on all vehicles in the County, he would like to determine an amount that could be returned to the two municipalities and
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South Lynches. Councilmen Kirby and Mumford requested that the budget requests from the fire districts and the options presented by the Administrator be provided to Council to review and study.

Attorney Ben Zeigler stated one observation he had was that once Council set a millage, whether 8 mills, 16 mills, or whatever, the County would be stuck with that millage and that Act 388 would then apply and the County would be stuck with CPI increases.

**DISCUSSION OF FISCAL YEAR 2015 BUDGET**
Chairman Schofield stated the next item on the Agenda was the Discussion of the Fiscal Year 2015 Budget. Mr. Smith stated the current budget (FY2014) was $52,394,000 and requests received from departments for the FY2015 budget were $56,543,000, which was $4,148,000 more than the current budget. Mr. Yokim and his staff submitted a balanced budget for consideration. Some of the items impacting the FY2015 budget were: 1) health insurance premium increase of $400,000; 2) retirement contribution increase of $105,000; 3) ewaste, another unfunded State mandate, was costing the County $80,000 per year (Mr. Smith suggested Council consider placing items such as this on the tax notices as a separate millage for unfunded State mandates); 4) the Probate Judge received an order from the State requiring additional paperwork that would require at least two additional employees to bring it into compliance with the requirement at a cost of approximately $70,000 per year; 5) Florence County Sheriff’s Office pay scale would cost approximately $510,000 to rectify this situation beginning in January 2015. Another item presented at the previous meeting was a 1.5% COLA for all County employees, but this received no traction at that meeting so it was not included in the items presented to Council at this meeting. The amount needed for the Sheriff’s Office was 1.3 mills and would require an increase in the Fiscal Year 16 budget (a little more than one mill), as well, to continue funding the pay increase.

Councilman Mumford stated Council began discussion of this during the Fiscal Year 2015 budget process and he was in favor of doing whatever it took to get the Sheriff’s Office where it needed to be to adequately recruit and retain law enforcement officers.

Councilman Caudle stated it was a shame that Florence County deputies were eligible for SNAP benefits due to low income. He said he was of the opinion that Council needed to do what was necessary to rectify this situation and fix the problem.

Chairman Schofield stated the solid waste fund was subsidized by $907,000 from the County General Fund. If the County fixed the fire issue, there would be an additional $200,000 in the General Fund. Councilman Kirby asked the possibility of utilizing a portion of the accommodations tax monies for the Sheriff’s Office. Mr. Smith stated it would be minimal funding available if any could be used for that purpose. Councilman Springs stated he wanted to express his support for a solution for the Sheriff’s Office salary issues.

Mr. Smith stated staff was working with Waste Management to obtain a price on the curbside service. The only people that pay for the household solid waste fee were people in the City of Lake City and people in the rural areas of the County. Staff was also trying
to figure in the revenue increase from the property tax values, which would be anywhere from two to three hundred thousand dollars.

In response to a question from the Chairman, Mr. Yokim responded that in order to address the salary issue with the Sheriff’s Office, Council would have to increase millage and the solid waste fee. Councilman Kirby asked how much millage. Mr. Yokim responded that if Council waited to address the salary issue for the Sheriff’s office until January, Council could increase millage by 1.3 mills and not have to touch the solid waste fee. If Council addressed the issue beginning July 1, it would require 1.3 mills, plus some on the solid waste fee, or reduce the millage and increase the solid waste fee more. Mr. Smith stated Council needed to be reminded that even if you wait until January to address the issue, Council would need to include the costs in the fiscal year 2016 budget, as well. Councilman Bradley stated the County needed to look at more alternative ways to increase revenue. Mr. Smith responded that was the reason for the fees being presented. If the LGF was fully funded the County would receive an additional right at $2 million in funding.

Councilman Dorriety asked that an article be written providing the public with factual information on the road system maintenance fee.

There being no further business to come before Council, Councilman Mumford made a motion to adjourn. Councilman Springs seconded the motion, which was approved unanimously.

COUNCIL WORKSESSION ADJOURNED AT 9:42 A.M.