



County Council of Beaufort County

Chairman

Joseph F. Passiment, JR.

Vice Chairman

D. Paul Sommerville

Council Members

Michael E. Covert
Gerald Dawson
Brian E. Flewelling
York Glover, SR.
Chris Hervocho
Alice G. Howard
Mark Lawson
Lawrence P. McElynn
Stu Rodman

County Administrator

Ashley M. Jacobs

Clerk to Council

Sarah W. Brock

Administration Building

Beaufort County Government
Robert Smalls Complex
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Budget Work Session Minutes

Thursday, May 14, 2020 at 2:00 PM

[This meeting is being held virtually in accordance with Beaufort County Resolution 2020-05]

PRESENT

Vice Chairman D. Paul Sommerville
Council Member Michael Covert
Council Member Gerald Dawson
Council Member Brian Flewelling
Council Member York Glover
Council Member Chris Hervocho
Council Member Alice Howard
Council Member Mark Lawson
Council Member Stu Rodman

CALL TO ORDER

Vice Chairman Sommerville called the meeting to order at 2:00 p.m.

FOIA COMPLIANCE

Sarah W. Brock, Clerk to Council, confirmed that public notification of the meeting was published, posted, and distributed in compliance with the South Carolina Freedom of Information Act.

APPROVAL OF AGENDA

Motion: It was moved by Council Member Flewelling, seconded by Council Member Passiment, to approve the agenda. The vote: YEAS – Chairman Sommerville, Council Member Passiment, Council Member Covert, Council Member Glover, Council Member Hervocho, Council Member Rodman, Council Member Howard, Council Member Dawson, Council Member Flewelling, and Council Member Lawson. The motion passed 10:0.

DISCUSSION ITEMS

Proposed Budget Fiscal Year 2020-2021

County Administrator, Ashley Jacobs, started the budgeting process with these specific goals in mind; a balanced budget, a no tax increase budget, a budget that maintains current levels of service, a financially constrained plan that provides for critical personnel and capital equipment, and no layoffs or furloughs.

Ms. Jacobs reviewed the General Fund Revenues: FY20 Budgeted Revenue \$135,000,000.00, FY20 \$132,000,000.00 which was adjusted due to COVID, Original FY21 Revenue Projection \$126,605,151.00 this amount reflects

COVID-19 Impact and a loss of \$3 Million from the Town of Hilton Head Island for Sheriff's Services. Ms. Jacobs explained that after speaking with other counties, participating in workshops, and conferring with experts, there were changes made to the budget which in turn increased the budget to \$130,300,431.00. Those changes were; keeping Ad Valorem Tax flat \$2,439,671.00, changing permits, fines and fees from 30% to 20% \$243,6600.00 and keeping the Local Government Funds flat \$1,011,949.00, this may need to be reviewed in September when State Government goes back into session, right now there is a continuing resolution to keep their revenues at current level as well.

Ms. Jacobs covered the total requested expenditures which totaled \$136,775,132.00 and the total adjusted revenue is \$130,300,431.00 so there was a gap of \$6,474,701.00. Ms. Jacobs noted that the with recommended budget expenditures at \$130,297,237.00 that left a surplus of \$3,194.00.

Ms. Jacobs explained the following reductions or cuts were how a balanced budget was achieved; new equipment \$2,005,801.00, new personnel \$1,541,077, canceled Girls World Series \$50,000.00, kept Together for Beaufort flat \$102,000.00, reduction at Hilton Head Island Recreation \$140,000.00, reduction in overtime \$78,648.00, reduction in training \$200,555.00, IT deferred upgrades \$709,430.00, and new operating/review of line items \$1,647,190.00.

Ms. Jacobs pointed out that some items that were not included in the expenditure cut was Merit Pay/COLA \$3,500,000.00 and Paid Parental Leave (estimated) \$900,000.00 she also stated that the transfers to DSN \$3,160,600.00 and Alcohol and Drug \$626,605.00 were eliminated and she has received information regarding DSN and Alcohol and Drug's concerns to the eliminated funds and that will be taken into consideration.

Ms. Jacobs listed the recommended expenditures to the general fund which are; Community Caring-Care mobile \$81,000.00 which was accidentally left off the first version of the budget, Council Contingency \$100,000.00, EMS Personnel (6 positions) \$347,980.00, EMS Remounts (2 @ \$155,000.00 each) \$310,000.00, EMS Quick Response Vehicles (2 @ \$37,250.00) \$75,500.00, Voter Registration and Elections Personnel (2) \$93,857.00, Solid Waste Packer Truck \$160,000.00 (final amount will be verified), Animal Shelter Vans (2) \$90,000.00 and Lowcountry Regional Transport Authority (increase for grant match) \$8,195.00.

Ms. Jacobs alerted Council that there was a Public Defender request that was not in the Budget which increased \$700,091.00 from the current transfer of \$899,909.00 totaling \$1,600,000.00 some of the line items from the budget included; 1 social worker \$74,790.00, 4 Attorneys (\$93,488.00 each) \$373,952.00, 3 Administrative Assistants (\$49,860 each) \$149,580.00, and infrastructure \$150,000.00. This will be presented by the Public Defender's office in a later meeting.

Council Member Rodman asked Ms. Jacobs if the contributed amount of \$500,000.00 -\$600,000.00 from the Town of Hilton Head regarding Sheriff's Services, would be in the general fund budget. Ms. Jacobs replied that Hilton Head has agreed to contribute \$100,000.00 and it will be in the fund balance.

Council Member Covert asked if Ms. Jacobs if she could explain what the transfers mean to DSN and Alcohol and Drug. Ms. Jacobs explained that \$3.1 Million are transferred out of the general fund to support DSN and Drug and Alcohol each year and to balance the budget those transfers have been eliminated because the departments do share \$5 Million fund balance.

Council Member Covert also wanted to discuss how the \$3.2 Million, not being paid from Hilton Head and how that affects the fund balance going forward. Ms. Jacob stated that the Town of Hilton Head does not feel that they need to pay anything additional for Sheriff services because of what they are already paying the County in taxes however they have been previously paying approximately \$3 Million, this year they will not.

Council Member Covert asked Ms. Jacob's to explain the difference between the requested budget and the recommended budget. Ms. Jacobs said that the requested budget is what the Department heads have submitted and the recommended budget is what has been recommended for funding.

Council Member Hervochon questioned what the value is in trade between the Town of Hilton Head and what they have been paying for and what it would cost the County in terms of the Sheriff's Department services. Ms. Jacobs explained that those numbers are still being compiled but it is not a dollar for dollar trade.

Vice Chairman Sommerville wanted clarified that the budget isn't being cut for DSN and Alcohol and Drug but are asking them to use the departments fund balance reserves in lieu of transfers from the County and the reserves would be sufficient. Council Member Rodman asked if the transfers were discretionary to DSN and Alcohol and Drug or is there is an ordinance. Ms. Jacobs stated that it is discretionary. Vice Chairman Sommerville stated that Beaufort County is one of the only Counties in the state that fund/support departments such as DSN and Alcohol and Drug. Council Member wanted to clarify if the \$5 Million was shared between DSN and Alcohol and Drug and Ms. Jacobs response was yes, it is shared. Council Member Hervochon asked if there was any information on how the transferred monies were used by DSN and Alcohol and Drug. Ms. Jacobs believed it was for operations but referred the question to Assistant County Administrator, Monica Spells who replied yes, it was used for operations but it is also used for other things such as vehicles and properties for DSN but a report is being compiled with specific information of what the fund balance is used for.

Council Member Dawson would like to see the exact amount of COLA is apart from Merit Pay. Ms. Jacobs stated that the information will be provided for him at a later time but wanted to draw awareness to the fact the budget was cut down to the bare bone and doesn't think it can be reduced anymore without implementing an increase in taxes, and or furloughs or layoffs.

Ms. Jacobs proceeded with her presentation bringing up the following solid waste savings opportunities totaling \$730,000.00; discontinue acceptance of C&D items at convenience sites \$400,000.00, discontinue acceptance of yard waste at convenience sites \$230,000.00 and discontinue acceptance of latex paint waste at convenience sites \$100,000.00. Ms. Jacobs mentioned that the convenience site in Hilton Head costs approximately \$900,000.00 to operate and is currently on Town property and negotiations will have to be made to with the Town regarding that site to reduce the cost. Council Member Flewelling stated he felt that it would be difficult to refuse yard waste at the sites since yard burning is prohibited. Council Member Lawson wanted to know what Beaufort County's obligation when it comes to Solid Waste in the Town of Hilton Head. Ms. Jacob's stated that there is no agreement between the County and the Town of Hilton Head. Council Member Sommerville asked if this was the only convenience center in the municipality. Ms. Jacob's answered yes and the rest of the municipalities offer curb side service in which the Town of Hilton Head refuses to do. Dave Wilhelm reported that there is a lot of C&D being dropped off at the convenience centers and that he also agrees with Council Member Flewelling, that the larger centers could still allow yard waste to be dropped off. Mr. Wilhelm also stated that the Hilton Head site is the only site that sits on property not owned by Beaufort County.

Ms. Jacob's retrieved the numbers for the cost of maintenance in the Town of Hilton Head for Council Member Hervochon, which are: \$50,000.00 for road maintenance, \$390,000.00 for the 5-year resurfacing plan, \$50,000.00 in park maintenance and another \$130,000.00 for other park cost, totaling \$622,000.00 and then the additional cost of the convenience center would total \$1,522,000.00.

Ms. Jacob's continued her presentation by presenting the Enterprise Fund Projected revenues which are: 1) Stormwater Enterprise Funds- Utility Fee \$6,177,216.00, CWI City of Beaufort \$94,052.00, CWI Town of Port Royal \$34,454.00, CWI Town of Bluffton \$441,272.00, CWI Town of Hilton Head \$256,325.00, interest on investments \$112,500.00 and Misc. Revenues \$11,174.00 which total \$7,126,994.00. Council Member Sommerville asked what the Town of Bluffton was paying for fee, Mr. Desai stated County is paying \$95 per resident, Town of Bluffton has a proposed increase of \$115, City of Beaufort is at \$110, and Town of Hilton Head is \$130, these fees are set by the municipalities. Council Member Sommerville, stated that Council needs to have a discussion on the fees. Ms. Jacob's spoke about projected expenditures for Stormwater Enterprise Fund- Wages/Benefits \$3,710,558.00, Operating \$3,069,453.00, and Capital Projects \$346,983.00 which total \$7,126,994.00 and then projects that are paid for with Stormwater fund balance is \$2,794,262.00 for a total of

\$9,921,256.00. Ms. Jacob's also provided a list of projects funded by Stormwater funds and their cost. 2) Hilton Head Enterprise Fund: Projected Revenues (includes \$1.2M CARES Grant) \$4,061,469.00, Expenditures \$4,135,002.00, Depreciation Expense (\$73,533.00) which evens out the balance. New Personnel (salaries and benefits) \$113,400.00, Assistant Security Coordinator \$44,100.00, Maintenance Techs (2 @ \$37,800) \$75,600.00 totaling \$233,100.00. Council Member Rodman feels there needs to be a cash flow projection for the next few years and how to pay the differential and Ms. Jacob's agreed. Council Member Glover asked if the salary amounts were comparable and Ms. Jacobs said yes, but that the maintenance technicians may be on the lower end. 3) Lady's Island Enterprise Fund- Projected Revenues (including \$30,000.00 CARES Grant) \$631,740.00, Projected Expenditures \$658,925.00, Depreciation Expense (\$27,185.00) which evens the balance. New Personnel (salaries and benefits), Lineman (2 @ \$31,500.00) \$63,500.00, which is low.

Ms. Jacobs discussed the next budget steps and the itinerary. May 18, 2020 Finance Committee; Budget Presentations from Elected and Appointed Officials. May 21, 2020 Budget Work Session; Budget Presentations from Fire Departments, USCB, TCL, Beaufort Memorial Hospital, Economic Development Corporations, Southern Carolina Alliance. May 26, 2020 County Council Meeting; First Reading of Budget Ordinance by Title Only. May 28, 2020 Budget Work Session; Bring back updated budget with Council changes, discuss Capital Projects and Millage.

Council Member Hervochon asked what unclassified operating was and how the amount was derived. Mr. Williams, Finance Director, stated that it is property refunds and why it is coded to that account is not known at this moment. Council Member Hervochon recommended that it be coded as something more transparent.

Council Member Dawson addressed his concern about not having adequate public defenders and supports the increase being asked. Council Member Glover concurred. Ms. Jacob's stated that there are some issues to consider with the request one specifically being what other Counties will be contributing to the asking amount since the circuit is spread over multiple Counties.

Council Member also inquired about adding items to the budget would furloughs be something considered to offset the additions. Ms. Jacob's stated that there are other options to consider such as the convenience center cuts. Council Member Hervochon then asked Ms. Jacob's what departments would be affected if such additions were added and she stated that furloughs would be made across the board and avoid layoffs, it just depends on the amount but she has some flexibility with freezing positions. Council Member Hervochon then asked if there was a dollar amount Ms. Jacobs could put on the furloughs, how much money would that be. Ms. Jacobs stated that she would Council Member Hervochon a figure.

Council Member Glover addressed some personnel problems with the detention center in regards to salary and wanted to know if that is being addressed in the fiscal year 21 budget. Ms. Jacob's said that there have been some pay scheduling changes made and a consultant is evaluating. Mr. Foot stated that the shift schedules will eliminate with the time-off issue and hopes that the comp study will be affective in making the necessary changes.

CITIZEN COMMENT

No Comments

ADJOURNMENT

Meeting adjourned at 3:19 pm