

MINUTES

LAURENS COUNTY COUNCIL MAY 13, 2008 LAURENS COUNTY HISTORIC COURTHOUSE COUNTY COUNCIL CHAMBERS

ATTENDANCE: **COUNCIL MEMBERS PRESENT-** County Council Chairman Jim Coleman and Vice Chair Diane Anderson; Council Members Edward McDaniel, Ted Nash, David Tribble, Keith Tollison and Joe Wood.

COUNTY STAFF: Laurens County Administrator, Ernest Segars; Laurens County Public Works Director Scott Holland and Laurens County Clerk to Council Betty Walsh.

PRESS: Bristow Marchant, *The Clinton Chronicle* and Emil Finley, WLBG-Radio.

SCHEDULED MEETING AGENDA ITEMS - ① Approval of Agenda, May 13, 2008; ② Approval of Minutes from April 22, 2008 regular session; ③ Public Hearing – Ordinance #656 – Amending Flood Damage Prevention Ordinance #407; ④ Third Reading, Ordinance #656 – Amending Flood Damage Prevention Ordinance #407; ⑤ Elliott Davis, CPA – County Audit Review; ⑥ Plan Benefit Services, Incorporated – Option Past Employment Opportunities; ⑦ Chad Burrell, Director, Laurens County Emergency Medical Services – Out-of-County Transports; ⑧ Second Reading #662 – Procurement Ordinance; ⑨ Appointment – Laurens County Disabilities and Special Needs Board; ⑩ Resolution – May 18th – 24th “Emergency Medical Services Week”; (11) Proposal Consideration – Upper Savannah Regional Home Consortium; (12) Establishment of dates for Budget deliberations; (13) Legal Briefing – Economic Development / Legal Matters.

MEETING NOTIFICATION - The County Council Members and the Press were informed of the meeting in a timely manner.

CALL TO ORDER – Councilman Coleman called the May 13, 2008 meeting of Laurens County Council to order at 5:30 P.M. in the Council Chambers in the Courthouse located on the Public Square in Laurens. Chairman Coleman then invited all to stand for the delivering of the invocation by Vice Councilman Tollison and with everyone continuing standing for the Pledge of Allegiance.

APPROVAL – AGENDA – MAY 13, 2008 – VICE CHAIR ANDERSON made the MOTION to approve the Agenda with any additions; SECONDED by COUNCILMAN NASH. Administrator Segars added an executive session matter and Chairman Coleman added the nomination to the Laurens County Planning Commission; VOTE 7-0.

APPROVAL – MINUTES – APRIL 22, 2008 – COUNCILMAN NASH made the MOTION to approve the minutes from the April 22, 2008 meeting with COUNCILMAN WOOD SECONDING; VOTE 7-0.

PUBLIC HEARING – ORDINANCE #656 - “AN ORDINANCE TO AMEND CERTAIN SECTIONS OF THE LAURENS COUNTY FLOOD DAMAGE PREVENTION ORDINANCE #407” – Chairman Coleman opened the session at 5:35 for anyone to address the proposed Ordinance. Having no one wishing to address Council, Chairman Coleman closed the session at 5:36 P.M.

THIRD READING — ORDINANCE #656 - “AN ORDINANCE TO AMEND CERTAIN SECTIONS OF THE LAURENS COUNTY FLOOD DAMAGE PREVENTION ORDINANCE #407 - VICE CHAIR ANDERSON made the MOTION to approve Ordinance #656 upon third reading with COUNCILMAN WOOD SECONDING; VOTE 7-0.

5:45 P.M. - ELLIOTT DAVIS – FY ENDING JUNE 2007 AUDIT REVIEW - Ms. Laurie Smith and Mr. Dan Mullinax, representing the Elliott Davis CPA Group appeared before Council to provide an overview of the year end audit standings.

In brief, Ms. Smith reported, “In the Accounts report, we note that the financial statements do not include financial data for the County’s legally separate component units; as Council elected to not pull these in to the report. The change in combined net assets increased 3.9 million or 5.0% from fiscal years 2006 and 2007...total revenues increased by 12.8% to \$32.4 million with fifty seven percent (57%) of the revenue being property taxes.....over all costs for programs and services decreased three hundred sixty eight thousand dollars (\$368,000). The County has \$36.8 million in cash and investments; \$32.6 is actually the

school system and \$4.2 million being the County. The County needs to work towards getting the fund balance up. The County actually paid down debt this fiscal year. The County needs to have at least a three (3) month expenditure in unreserved funds. Considering long term debt limits, the County is set at 11.6 million dollars.”

Councilman Tribble questioned the status of other counties with their debit limits and where among other counties did Laurens County place. Ms. Smith replied that some had tapped their debt limits as per needs and that Laurens County was about middle of the road as compared to others. Laurens County has positive variances; \$18.2 in budgeted revenues and \$21.7 in collections. The County did a very good job this year in budgeting; spent less than the \$20.5 million budgeted and a general fund balance of \$2.9 million.

Ms. Smith went on to review the opinion letter (i.e. “yellow book letter”) by saying, “As to internal control compliance and other matters, our tests disclosed no instances of noncompliance or other matters that are required to be reported. However, we do feel that Laurens County does need to improve the reconciliation of records between the Treasure’s Office and the Administration and Finance Offices. Findings in the depreciation of capital assets were inaccurately calculated in depreciation the prior year resulting in an adjustment; vehicles and equipment were overstated in net book value. We therefore suggest that the county consider a second level of depreciation review and calculation. We also feel that there are not enough personnel to generate financial reports on a timely basis; such as all general ledger and financial statements should be generated in timely manner; general ledger and cash reconciliations are not reconciled timely; C-fund monies are kept in a separate bank account and not recorded by the County until received by the Committee; the general ledger is not reconciled timely with other systems.”

Councilman Tribble asked for an opinion as to the county becoming more financially professional; “We as a group need quality feed back”. Chairman Coleman replied that the problem with reporting being held up is largely due to working from two different computer software programs.

6:00 P.M. – PLAN BENEFIT SERVICES, INCORPORATED - Mr. Morgan Armstrong a representative of Plan Benefit Services, Incorporated appeared before Council to offer information as the new requirements for accounting for Optional Past Employment Benefits (OPEB). During the introductions of Mr. Armstrong, Administrator Segars stated that the new, Nationwide auditing regulations require that units of local governments take steps to fund medical insurance benefits for retired employees. These new accounting regulations should take effect on July 1, 2008 along with Laurens County having to develop a funding and accounting plan to deal with these regulations. The information provided was as follows: GASB 45 – Forcing Change – Nationwide, county commissioners and staff are evaluating and changing how they think about retiree benefits.

- New accounting rule enacted by the Governmental Accounting Standards Board
- Applies to all state and local government that allow retirees to be covered under the group’s medical plan and the organization pays for any part of the premium after the employee retires.
- The good news is that organizations are not required to fund the cost.
- The bad news is that unfunded amounts are added as a liability on the financial statements and may hurt the credit rating for the entity. Requires organizations to not only calculate and disclose the current cost for current retirees but also requires disclosure of projected costs for future retirees as well.
- Fully funding the cost though an Irrevocable Trust will eliminate the liability however, fully funding the liability will likely create financial challenges for the entity forcing reduction in services or employees and would drain the monies from the organization.
- Required to have an actuarial valuation; find an actuary that can communicate; considers options for reducing the liability; consider option for funding.
- The valuation should take approximately 12 – 18 months. Liabilities are based on the benefits in place as of the beginning of the fiscal year for compliance.
- The number for a required annual contribution for cities and counties in South Carolina – Entity 1 – 900 employees - \$2,900,000 – Entity B – 800 employees - \$8,600,000 – Entity C – 200 employees - \$1,100,000.

Councilman Tollison questioned if there were any variances such as the age of the workforce. Mr. Armstrong replied that there were variables that could be discussed with the actuary evaluating the entity.

Administrator Segars said, “We do have retirees that receive the full benefits such as medical, dental and life insurance.

Chairman Coleman stated, “Mr. Armstrong is here primarily to explain the process of the GASB program....Laurens County has approximately three hundred eighty eight employees; with the retirement at twenty eight years, I understand that we should have on hand a little over one million dollars with an annual contribution of 2.9 million dollars.”

Administrator Segars questioned if the Accounting Organizations set up these guidelines. Laurie Smith, of Elliott Davis CPA, said, “These requirements trickled down from the private sector to the public sectors and were adopted based on the private sector”.

Councilman McDaniel said, “There really are two parts to the GASB program. The mortgage industry is in qualms now....the approval process with consideration towards the amount of foreclosures happening...the people are just not qualifying. The County Council is faced with paying for it. I for one certainly have questions and don’t understand how all the variables play into this. This is not going to be a simple process for those restrained Councils....how are they going to work out of this and where is the middle grounds on this? There are a number of agencies that are not able to fulfill this mandated obligation.”

Ms. Smith replied, “If the County chooses not to fund this program, then, any future bonds would at a higher cost. A County is not required to fund this....some counties have funded half of it in one year or either looked at the benefit package.”

Chairman Coleman thanked all for their comments.

6:15 P.M. – OUT-OF-COUNTY TRANSPORTS - Mr. Chad Burrell, Director, Laurens County EMS brought forth issues concerning patient requests for out-of-county transports that his department encounters regularly. In the past, the EMS has tried to comply with these requests, when possible. However, a rapidly increasing call volume is making compliance with these requests more difficult. Extended out-of-county transports often result in the lack of EMS vehicles in the County.

Councilman McDaniel asked who makes the decisions towards out-of-county transports? Mr. Burrell replied that the medic at the scene calls and makes the request to the Supervisor who makes the decision; or, there are times when the Laurens County Health Care System Emergency Room Physician is called for assistance in determining the decision.

Councilman McDaniel questioned why the call volume had increased and what was his opinion as to the percentage of non-out-of-county transports? Mr. Burrell replied that he believed it to be the increase in population and the increase of visitors to the area and that the percentage to be around sixty to seventy percent.

Councilman McDaniel stated that he felt a public education process needed to be implemented too.

Councilman Wood stated, “We have the policy in place, so where is the real problem with the requests for out-of-county transports? Mr. Burrell replied that the actual transport calls evolve around necessity verses desire of the family and patients and the need to not deplete the available county vehicles during the transport times”.

Referring to the Gray Court Station calls, Councilman Nash stated that they are diverted to the Hillcrest Hospital on numerous occasions and reminded Council of the written agreement between Laurens County and the Hillcrest Hospital; and stated why change something when it is already working. Mr. Burrell replied, “It is true that we have an agreement with the Hillcrest Hospital. Hillcrest has no cardiac care levels and we are told to take the patient on to the Greenville Hospitals.”

With no further dialog, Chairman Coleman thanked Mr. Burrell for updating Council and assigned the County Council Committee on Health and Emergency Services to research the matter in more detail.

RESOLUTION – MAY 18th – 24th – EMERGENCY SERVICES WEEK – COUNCILMAN TRIBBLE made the MOTION to approve the Resolution with VICE CHAIR ANDERSON SECONDING; VOTE 7-0.

Mr. Burrell informed Council of the various activities planned for that week and invited all to attend the various events.

PUBLIC COMMENTS – Chairman Coleman opened the floor for comments at 7:00 P.M. Having no one wishing to address Council, Chairman Coleman closed the session at 7:01 P.M.

APPOINTMENT – LAURENS COUNTY PLANNING COMMISSION – Chairman Coleman requested a motion for the appointment of Mr. Michael F. Smith as a member of the Planning Commission from County Council District #4. VICE CHAIR ANDERSON made the MOTION to approve the appointment of Mr. Smith to the Planning Commission; COUNCILMAN TRIBBLE SECONDING; VOTE 7-0.

As a matter of clarification, Mr. Smith is being appointed by Chairman Coleman as a representative from his Council District #4; but, actually resides in Council District #3.

APPOINTMENT – LAURENS COUNTY DISABILITY AND SPECIAL NEEDS BOARD - VICE CHAIR ANDERSON made the MOTION to approve the appointment of Ms. Brenda Ligon to the Disability and Special Needs Board; COUNCILMAN TRIBBLE SECONDING; VOTE 7-0. This appointment request came to Council by means of the presently seated Disability and Special Needs Board.

As a matter of clarification, Mr. Robbie Strickland and Mr. Kirk Garret have both recently resigned from the Board.

SECOND READING – ORDINANCE #662 – PROCUREMENT POLICY - COUNCILMAN TRIBBLE made the MOTION to approve the amending Procurement Policy Ordinance #662 upon second reading. COUNCILMAN TOLLISON SECONDING; VOTE 7-0.

PROPOSAL CONSIDERATION – UPPER SAVANNAH REGIONAL HOME CONSORTIUM – Administrator Segars briefed Council for consideration of a Proposal to form the Upper Savannah Regional Home Consortium. Administrator Segars said, "The Upper Savannah Council of Governments is presenting this proposal as a means to re-implement rehabilitation programs for the upgrade of substandard housing in the region. This is being considered due to the State Department of Commerce no longer funding housing rehabilitation programs through the Community Development Block Grant Program. The Region as a whole would consist of six (6) counties and twenty four (24) incorporated municipalities. Three (3) year agreements and a Resolution would need to be approved and signed. The funding for the program is based on population, with a twenty five percent (25%) match per entity Laurens County would have the obligation of close to eighty thousand dollars (\$80,000). Greenwood County has already approved the program."

COUNCILMAN TRIBBLE made the MOTION to approve the required Resolution; COUNCILMAN TOLLISON SECONDING; VOTE 7-0.

BUDGET MEETING SCHEDULE FY 2008 – There was a CONSENSUS OF COUNCIL to hold a budget work session on Monday, May 19, 2008 at 5:15 P.M. in the Conference Room of the Church Street Office Complex.

EXECUTIVE SESSION – Upon a MOTION from VICE CHAIR ANDERSON and a SECOND from COUNCILMAN TRIBBLE, the full Council (VOTE 7-0) moved into executive session at 7:15 P.M. to discuss an Economic Development matter and a legal matter.

There was a CONSENSUS of COUNCIL to reconvene in open session at 7:50 P.M.

Chairman Coleman reported that no action was taken during the executive session.

ADJOURNMENT – BY CONSENSUS the meeting was adjourned at 7:55 P.M.

Respectfully Submitted,



Betty C. Walsh
Laurens County Clerk to Council