



**JASPER COUNTY COUNCIL
COUNCIL CHAMBERS
BUDGET WORKSHOP
APRIL 20, 2011
3:00 P.M.**

MINUTES

OFFICIALS PRESENT: CHAIRMAN LEROY BLACKSHEAR, VICE CHAIRMAN SAMUEL GREGORY, COUNCILMAN L. MARTIN SAULS IV. COUNCILMAN THEODUS L. DRAYTON

OFFICIALS ABSENT: COUNCILMAN HENRY ETHERIDGE

STAFF PRESENT: ADMINISTRATOR-ANDREW FULGHUM, CLERK TO COUNCIL-JUDITH FRANK, DIRECTOR OF ADMINISTRATIVE SERVICES DIVISION - RONNIE MALPHRUS

IN ACCORDANCE WITH THE FREEDOM OF INFORMATION ACT THE ELECTRONIC AND PRINT MEDIA WERE NOTIFIED.

DURING PERIODS OF DISCUSSION AND/OR PRESENTATIONS MINUTES ARE TYPICALLY CONDENSED AND PARAPHRASED.

CALL TO ORDER- CHAIRMAN BLACKSHEAR CALLED THE BUDGET WORKSHOP TO ORDER AT 3:00 P.M.

PLEDGE OF ALLEGIANCE- CHAIRMAN BLACKSHEAR LED THE PLEDGE OF ALLEGIANCE.

INVOCATION- COUNCILMAN DRAYTON GAVE THE INVOCATION.

DISCUSSION - MR. FULGHUM AND MR. MALPHRUS DISCUSSED THE DEBT SERVICE AND MR. MALPHRUS COVERED THE BANS AND BONDS. MR. MALPHRUS PROVIDED TWO DEBT SERVICE TABLES FOR PERMANENT FINANCING. MR. MALPHRUS TOLD THE COUNCIL THAT THE BOND ATTORNEY RECOMMENDED HAVING THE COMBINATION OF BOTH TYPES OF BONDS. MR. MALPHRUS SAID THE COUNTY'S BONDING CAPACITY WILL DROP FROM \$9,800,000 TO \$8,500,000 DUE TO REASSESSMENT. MR. MALPHRUS SAID THE COUNTY CURRENTLY HAS NO GENERAL OBLIGATION DEBT, BUT IT WILL REDUCE THE DEBT SERVICE BY ABOUT \$2,000,000 IF THE COUNTY DOES A COMBINATION OF THE TWO. MR. MALPHRUS SAID

THEY WERE CONSIDERING DOING \$4,000,000 - \$5,000,000 IN GENERAL OBLIGATION BONDS. MR. MALPHRUS SAID THE TABLE PROVIDED SHOWED MORE THAN THE \$4,000,000 - \$5,000,000, BUT HE WOULD PROVIDE A NEW TABLE BASED ON THE ADMINISTRATOR'S RECOMMENDATIONS. MR. MALPHRUS SAID THE PERMANENT FINANCING BONDING WOULD HAVE TO BE DONE BY JULY, 1, 2011 AND HE WAS SCHEDULING THE 1ST READING OF THE ORDINANCE TO BE HELD AT THE MAY 2, 2011 MEETING. MR. MALPHRUS TOLD THE COUNCIL THAT NEVER IN THE 23 YEARS THAT HE WORKED FOR THE COUNTY HAS HE DONE A BOND, AND HE WAS WORKING WITH A BOND ATTORNEY ON THIS ONE. COUNCILMAN SAULS ASKED IF THIS WAS BEING DONE TO PAY FOR THE PRINCIPAL AND THE INTEREST. MR. MALPHRUS SAID THAT THE *SERIES A BONDS* ARE FOR THE GOVERNMENT BUILDING AND CAMPUS LAND. COUNCILMAN SAULS ASKED IF IT WAS FOR INTEREST AND DEBT SERVICE. MR. MALPHRUS SAID THAT IT WOULD BE THE PERMANENT FINANCING WITH AN ANNUAL PAYMENT. MR. MALPHRUS SAID A SECTION WAS INCLUDED THAT IF THE RATES WENT UP, IT WOULD ALLOW FOR A SHORT TERM ANTICIPATION NOTE. MR. MALPHRUS SAID THAT THE *SERIES B BOND* IS FOR THE COURT HOUSE. COUNCILMAN SAULS ASKED WHY THIS WAS NEVER DONE BEFORE AND MR. MALPHRUS SAID BECAUSE THE COUNTY NEVER HAD THIS KIND OF DEBT. VICE CHAIRMAN GREGORY ASKED IF THE PAYMENTS WOULD END IN 2044. MR. MALPHRUS SAID THE TERMS CAN BE DETERMINED BY COUNCIL. MR. FULGHUM TOLD THE COUNCIL THAT THE \$3,000,000 FOR THE LEASES WAS INCLUDED IN THE BONDS. VICE CHAIRMAN GREGORY ASKED IF THEY WERE DOING IT TWICE. MR. MALPHRUS SAID THE *SERIES A BONDS* MUST BE DONE BY JULY 1, 2011 AND THE *SERIES B BONDS* MUST BE DONE PRIOR TO FEB., 2012. MR. FULGHUM SAID THEY WOULD ONLY DRAW DOWN WHAT WAS NEEDED. MR. MALPHRUS SAID A TOTAL OF \$18,000,000 - \$19,000,000 IS WHAT THE COUNTY WILL NEED TO FINANCE. COUNCILMAN SAULS ASKED ABOUT SECURING LONG TERM FINANCING FOR THE HEALTH DEPARTMENT BUILDING. MR. MALPHRUS SAID THEY HAVE DISCUSSED USING THE FUNDS REMAINING FROM THE COURT HOUSE PROJECT FOR THE HEALTH DEPARTMENT. VICE CHAIRMAN GREGORY SAID THEY ALSO DISCUSSED USING SOME OF THOSE FUNDS FOR THE DSS BUILDING. VICE CHAIRMAN GREGORY SAID THE STAFF WAS TO LOOK AT THE DSS BUILDING AND BRING THE COUNCIL A RECOMMENDATION. MR. FULGHUM SAID THEY WERE READY TO DO THAT. MR. MALPHRUS SAID THEY WANTED TO EASE INTO THE DEBT SERVICE AND CURRENTLY THERE ARE THREE MILLS AND 3 MORE MILLS WILL BE ADDED THIS YEAR AND IT WILL INCREASE TO 13 MILLS BY 2013. MR. MALPHRUS SAID THAT 14 MILLS WOULD BE THE HIGHEST SCENERIO. CHAIRMAN BLACKSHEAR ASKED WHAT WOULD BE IN IMPACT ON THE CITIZENS. MR. MALPHRUS SAID THE 3 MILLS ON A \$150,000 HOME WOULD BE ABOUT \$18 AND THE 14 MILLS WOULD COST AN ADDITIONAL \$84. COUNCILMAN DRAYTON ASKED HOW DO YOU COMBINE THE TWO AND MR. MALPHRUS SAID THE BONDS ARE NOT COMBINED, THE FINANCING MECHANISM WILL BE COMBINED TO GET A BETTER RATE. COUNCILMAN DRAYTON SAID THE COUNTY WILL OWE \$18,000,000 AND THEY WILL END UP PAYING \$42,000,000. MR. FULGHUM COMPARED THE

LOAN TO A MORTGAGE. VICE CHAIRMAN GREGORY SUGGESTED STARTING HIGHER TO GET IT PAID DOWN FASTER. MR. MALPHRUS SAID THAT THE MILLS WOULD HAVE TO INCREASE FROM 3 MILLS TO 15 MILLS. CHAIRMAN BLACKSHEAR SAID THAT THE CITIZENS WILL BE VERY UPSET WITH THAT BIG OF AN INCREASE. VICE CHAIRMAN GREGORY SAID THE CITIZENS ARE GOING TO BE UPSET KNOWING THAT IT WILL CONTINUE TO GO UP EACH YEAR. MR. MALPHRUS SAID IT CAN BE DONE EITHER WAY. VICE CHAIRMAN GREGORY SAID THE CITIZENS DO NOT KNOW THAT THIS MONEY WAS SPENT TO BUILD AND RENOVATE. MR. MALPHRUS SAID IF TIMES WERE STILL GOOD, THEY MAY HAVE DONE IT THAT WAY. COUNCILMAN DRAYTON SAID IF YOU PAY MORE AT THE BEGINNING, THE PRINCIPAL COMES DOWN AND YOU PAY LESS INTEREST. MR. FULGHUM SAID IT IS UP TO THE COUNCIL TO DECIDE IF THEY WANT TO SPEND THE BALANCE ON REPAIRING THE HEALTH DEPARTMENT AND THE DSS BUILDING. MR. FULGHUM SAID HE DID NOT THINK THEY WOULD NEED ENGINEERING SERVICES FOR THE DSS BUILDING. MR. MALPHRUS SAID HE DID NOT RECOMMEND USING ALL OF THE COUNTY'S BONDING CAPACITY. VICE CHAIRMAN GREGORY SAID HE DID NOT WANT TO BE PART OF PUTTING THE COUNTY IN MORE DEBT. VICE CHAIRMAN GREGORY SAID THIS DEBT WAS ALREADY ON THE BOOKS WHEN HE TOOK OFFICE. MR. FULGHUM SAID THE COUNTY WAS IN GOOD CONDITION COMPARED TO OTHERS ACROSS THE COUNTRY. MR. FULGHUM SAID HE WOULD PROVIDE THE COUNCIL WITH INFORMATION AS TO WHERE THE COUNTY'S DEBT SHOULD BE. MR. MALPHRUS SAID THEY WAITED TO INSURE THAT THEY GOT A GOOD INTEREST RATE. MR. MALPHRUS SAID HE EXPECTED THE RATE TO BE BETWEEN 4% AND 5%.

MR. MALPHRUS SAID THE COUNCIL HAD THE BUDGET THAT THE ADMINISTRATION RECOMMENDS AND HE INVITED COMMENTS. COUNCILMAN DRAYTON ASKED IF ALL THE AGENCIES HAVE MADE THEIR REQUESTS. THE CLERK TOLD THE COUNCIL THAT THE SCHOOL DISTRICT WOULD MAKE THEIR PRESENTATION ON MAY 4, 2011. COUNCILMAN DRAYTON ASKED ABOUT THE JAIL. MR. FULGHUM SAID THAT THE DEPARTMENTS MAKE THEIR REQUESTS TO HIM AND MR. MALPHRUS SAID A DEPARTMENT HEAD ONLY COMES BEFORE COUNCIL, IF THE COUNCIL REQUESTS THEM TO COME.

VICE CHAIRMAN GREGORY SAID HE DID NOT THINK THAT TCL AND USCB SHOULD BE CUT. VICE CHAIRMAN GREGORY SAID EDUCATION IS IMPORTANT TO THE STUDENTS. MR. FULGHUM EXPLAINED THAT THE FUNDS GIVEN TO THE SCHOOLS COMES FROM THE COUNTY'S OPERATIONS FUNDS AND HE DISCUSSED ALTERNATE WAYS TO HELP TCL AND USCB. MR. FULGHUM SAID THAT INCENTIVES CAN BE OFFERED THAT CAN HELP. VICE CHAIRMAN GREGORY SAID IT IS NOT GOOD TO CUT THE SUPPORT TO THE SCHOOLS. VICE CHAIRMAN GREGORY ALSO DISCUSSED MONEY THAT WAS OWED TO THE SCHOOL DISTRICT. MR. MALPHRUS SAID THERE WAS NO MONEY THAT WAS NOT GIVEN. MR. MALPHRUS SAID THE SHORTAGE WAS CHECKED TO MAKE SURE EVERYTHING WAS BEING DONE CORRECTLY. MR. MALPHRUS SAID THAT THE COUNTY HAS NOT COLLECTED ANY MONEY THAT DID NOT GO TO THE SCHOOLS. MR. MALPHRUS SAID THE MONEY

WAS SHORT BECAUSE THE COUNTY DID NOT GET IT DUE TO TAX COLLECTIONS. MR. MALPHRUS SAID THE COUNTY DOES NOT OWE THE SCHOOL DISTRICT ONE DIME. MR. MALPHRUS SAID THE COUNTY AND THE SCHOOLS ARE SHORT BECAUSE THE MONEY WAS NOT COLLECTED.

VICE CHAIRMAN GREGORY ASKED ABOUT SECURITY FOR THE GOVERNMENT BUILDING. MR. MALPHRUS RESPONDED THAT IT WOULD BE DONE LIKE IT IS BEING DONE AT THE COURTHOUSE, HOWEVER, THE GUARD DOES NOT CARRY A FIREARM AND THEY CANNOT ARREST ANYONE. MR. MALPHRUS SAID THE SALARY IS ABOUT \$30,000 AND IF THEY WERE TO HAVE A SHERIFF'S DEPUTY, MS. BOSTICK TOLD HIM IT WOULD COST ABOUT \$100,000. MR. FULGHUM SAID OTHER OPTIONS CAN BE PURSUED FOR THE GOVERNMENT BUILDING. COUNCILMAN SAULS SAID IT MAY BE TO THE COUNTY'S ADVANTAGE TO PAY A DEPUTY WHO WANTS TO MAKE SOME OVERTIME MONEY. CHAIRMAN BLACKSHEAR SAID THAT THEY WOULD BE DEALING WITH AN ELECTED OFFICIAL AND THE COUNCIL WOULD HAVE NO CONTROL.

COUNCILMAN DRAYTON ASKED WHY THE NATIONAL GUARD RECEIVED \$9,000 AND MR. MALPHRUS SAID THE COUNTY AGREED TO PAY \$9,000 PER YEAR FOR 10 YEARS WHEN THE NATIONAL GUARD GAVE THE ARMORY BUILDING TO THE COUNTY.

COUNCILMAN DRAYTON ASKED WHERE PARKS AND RECREATION PURCHASED THERE SHIRTS AND TROPHIES. MR. MALPHRUS SAID HE DID NOT KNOW. COUNCILMAN DRAYTON SAID HE WANTED THINGS PURCHASED IN JASPER COUNTY TO KEEP THE MONEY IN JASPER COUNTY. VICE CHAIRMAN GREGORY SAID THAT THE PARKS AND RECREATION DIRECTOR IS UNDER THE ADMINISTRATOR AND HE WON'T GO AGAINST WHAT THE ADMINISTRATOR RECOMMENDS.

VICE CHAIRMAN GREGORY ASKED IF THERE WAS ANY MONEY IN THE BUDGET FOR SPECIAL THINGS THE COUNCIL MAY WANT TO DO. MR. MALPHRUS SAID THAT \$5,000 WAS PUT IN A DISCRETIONARY FUNDS LINE IN THE COUNCIL'S BUDGET. CHAIRMAN BLACKSHEAR SAID THOSE FUNDS WERE FOR THE COUNCIL TO DECIDE HOW THEY WERE USED, NOT \$1,000 FOR EACH COUNCIL MEMBER TO USE.

MR. FULGHUM TOLD THE COUNCIL THEY NEEDED TO REVIEW THEIR BUDGET AND DECIDE IF THEY WANT TO ATTEND THE CONFERENCE ON HILTON HEAD OR DO SOMETHING ELSE.

MR. MALPHRUS SAID THEY NEEDED FEEDBACK FROM THE COUNCIL ON THE BUDGET. MR. BLACKSHEAR SAID THE BUDGET PRESENTED WAS ONLY A RECOMMENDED BUDGET AND THE COUNCIL WILL COME BACK AND MEET AND GO OVER THE BUDGET AND GIVE THE ADMINISTRATION THEIR CHANGES.

VICE CHAIRMAN GREGORY SUGGESTED THE COUNCIL MEET AND GO OVER THE BUDGET, VOTE ON THE CHANGES AND THEN GIVE THEM TO THE ADMINISTRATOR AND STAFF TO MAKE THOSE CHANGES.

MR. FULGHUM SAID THE COUNCIL SHOULD REVIEW THE BUDGET AND HE ENCOURAGED THEM NOT TO START PLAYING BUDGET PERSON. MR. FULGHUM SAID THE COUNCIL SHOULD TELL HIM WHAT THEY LIKE AND WHAT THEY DON'T LIKE AND HE WILL TELL THEM HOW TO DO IT.

VICE CHAIRMAN GREGORY SAID THE COUNCIL CAN MAKE AMENDMENTS TO THE BUDGET THAT THE ADMINISTRATOR PROVIDED. MR. FULGHUM TOLD VICE CHAIRMAN GREGORY THAT HE WOULD BE DOING ADMINISTRATIVE WORK AND THE COUNCIL CREATES POLICY. VICE CHAIRMAN GREGORY SAID THE COUNCIL NEEDS TO MAKE SURE THEY HAVE INPUT. MR. MALPHRUS SAID THE COUNCIL CAN DISCUSS THE ISSUES. MR. FULGHUM SAID THAT THE STAFF MAY KNOW OF EXPENSES THAT THE COUNCIL IS NOT AWARE OF. VICE CHAIRMAN GREGORY SAID THE COUNCIL NEEDED A WORKSHOP TO WORK TOGETHER ON THE BUDGET.

COUNCILMAN DRAYTON SAID HE THOUGHT EVERYONE WOULD MAKE THEIR OWN PRESENTATION. COUNCILMAN DRAYTON ASKED ABOUT PURCHASING. MR. MALPHRUS SAID HE HANDLED THE PURCHASING AND THERE ARE THINGS THAT HAVE TO GO OUT FOR BID.

VICE CHAIRMAN BLACKSHEAR ASKED IF THE COUNTY RECEIVED A FEE FROM HARDEEVILLE FOR COLLECTING THEIR TAXES. MR. MALPHRUS SAID THEY GET A SMALL FEE TO COVER SMITH DATA. CHAIRMAN BLACKSHEAR SAID HE FELT THE COUNTY SHOULD RECEIVE A FEE FOR THIS SERVICE. MR. MALPHRUS SAID THE COUNTY COLLECTS ALL THE VEHICLE TAXES FOR BOTH MUNICIPALITIES; HOWEVER THE COUNTY ONLY COLLECTS PROPERTY TAX FOR HARDEEVILLE. IT WAS THE CONSENSUS OF THE COUNCIL FOR MR. FULGHUM TO REINVITE RIDGELAND TO LET THE COUNTY COLLECT THEIR PROPERTY TAX AND TO COME UP WITH A FEE FOR THIS SERVICE. CHAIRMAN BLACKSHEAR ASKED MR. FULGHUM TO CHECK WITH THE ATTORNEY REGARDING THIS MATTER.

MR. FULGHUM SAID THAT MS. MCNEER NOTIFIED HIM OF A \$5,000 SHORTFALL THIS YEAR AND HE SUGGESTED THAT SHE CONTACT THE MUNICIPALITIES AND THAT HE WOULD NOTIFY THE COUNCIL OF THIS SHORTFALL.

THE CLERK REQUESTED THAT SIGNS BE POSTED REGARDING WEAPONS NOT BEING ALLOWED IN THE GOVERNMENT BUILDING. MR. FULGHUM SAID THAT MS. BOSTICK HAS THOSE SIGNS AND HE WOULD HAVE THE SAME TYPE OF SIGN INSTALLED IN THIS GOVERNMENT BUILDING.

ADJOURN: VICE CHAIRMAN GREGORY MOTIONED AND COUNCILMAN SAULS SECONDED THE MOTION TO ADJOURN THE BUDGET WORKSHOP. THE MOTION CARRIED WITH ALL MEMBERS PRESENT VOTING IN FAVOR.

THE WORKSHOP ENDED AT 4:25 P.M.

RESPECTFULLY SUBMITTED BY:

APPROVED BY:

JUDITH M. FRANK, ccc
CLERK TO COUNCIL

LEROY BLACKSHEAR
CHAIRMAN

