

MARLBORO COUNTY COUNCIL

WILLIAM P. WALLACE, SR. ADMINISTRATION OFFICE BUILDING

CONFERENCE ROOM

TUESDAY, MAY 29, 2018 **WORK SESSION MEETING**

4:00 PM

Present at the meeting: Dr. Carolyn Prince, Mr. Jason Steen, Mr. Willie Gladden, Ms. Corrie Plato, Mr. Charles P. Midgley, Jr., Mr. Steve Blackmon, Mr. Verd Odom and Mr. Anthony Woods; Mr. Ron Munnerlyn, County Administrator; Ms. Ainsley Moore, Finance Director, Mr. Doug Carabo, Public Services Director; Ms. Jackie Hough, Herald-Advocate, and Ms. Patricia Bundy, Clerk to Council.

Dr. Carolyn Prince, Chair, called the work session meeting to order and stated that the work session was called to discuss the budget for the upcoming fiscal year and recognized Mr. Ron Munnerlyn, County Administrator.

Budget History

Mr. Munnerlyn stated that there was no significant tax revenue growth and other sources were decreasing. He stated that the Legislature continues to underfund the Local Government Fund while issuing unfunded mandates. He stated that retirement contributions are increasing 1% again this year and he also stated that the Department of Social Services has decreased the amount that they typically provide for upkeep of buildings. He stated that DSS has been providing quarterly payments to the county but staff has noticed that the last payment was not received. The new Director of DSS has stated that they are pinching funds and would not be making the quarterly payment.

Mr. Munnerlyn stated that staff continues to use reserves as they have done over the past few years and that past budgets place a heavy burden on property owners.

Budget Process 2018

Mr. Munnerlyn stated that this year staff has focused on cost reduction and improved efficiency. He stated that staff has also updated line item descriptions and created new line items to better track expenses. He stated that the use of reserve funds have been reduced and that staff strives to continue to reduce the use of reserve funds.

Mr. Munnerlyn stated that staff was beginning to see savings from the efficiency efforts and were making purchases on items that would have a return on investment. He mentioned that some departments had equipment that they used to mow grass that would take days to complete a task but since a new tractor mower has been purchased, workers are spending a third or of half their time.

Mr. Munnerlyn stated that staff would continue the compensation plan to fairly compensate employees. He stated that staff would also continue to work to reduce the use of reserve funds and would need to address the EMS issues.

Starting Point FY2017-18 (Current Year) Approved Budget

Mr. Munnerlyn stated that the current year's budget was balanced at \$11,181,227 which required using \$400,000 from reserve funds. He stated that the budget for the current year eliminated two positions which saved \$201,000 and had miscellaneous cuts in the amount of \$131,000. He stated that the miscellaneous cuts were made from the buffers which every department has had for years. He stated that he has suggested that the departments work with an actual budget rather than having a "buffer" amount to fall back on. He stated that with the budget cuts mentioned, the total expenses were reduced to \$10,849,227 with the revenue remaining at \$10,781,227.

Mr. Munnerlyn stated that there were mandatory cost increases for the upcoming fiscal year. He stated that worker's compensation insurance would increase by \$40,000 this year due to claims that we have had in various departments. He stated that there would be an additional 1% retirement contribution required which would cost about \$50,000. He mentioned the School Resource Officers which would cost about \$130,000 (although this would be reimbursed by the School District, it is initially a cost that we will be required to pay out). He mentioned the ADP Payroll system which would cost about \$33,000 and stated that the Finance Director and her department currently spends hours working on correcting time sheets and running down time sheets during payroll which is something that the department heads should be responsible for handling. He stated that with this new system, the department heads will be required to input the necessary information for payroll and this system would also print the checks and W-2s which would take a huge burden off of the Finance Director and allow her to put her time to more important things. He stated that this would not eliminate anyone's position but would free up folks to pursue grants and have other duties assigned to them.

Mr. Munnerlyn stated that other mandatory costs increases are listed as Miscellaneous expenses in the amount of \$34,000 which include things like the IT contract which the County currently has. He stated that the new contract calls for an IT person to be available in the County at least 1-2 days every week to handle things that come up. He also mentioned the Delinquent Tax expenses which would increase by \$45,000 which would include the costs of a part-time person. He stated that the delinquent tax expenses would be recovered.

Mr. Munnerlyn stated that after the budget cuts and the mandatory cost increases, the expenses would now total \$11,181,227 and the revenues would total \$10,781,227.

Revenue Growth – Sources

Mr. Munnerlyn stated that we would see some increased revenue by recovering the costs of the School Resource Officers which are estimated to be \$130,000, as well as recovering the Delinquent Tax costs of \$45,000. He stated that the Fee in Lieu and miscellaneous fees would also increase by an estimated \$80,000 due to Harbor Freight and other industries expanding. He also mentioned that there had been a decrease in revenue due to how we are handling the reassessment of properties in the county. He stated that the reassessment by law is to be done every five years but this has not always been done. Mr. Munnerlyn stated that it would be done this year for sure. He stated that many taxes were being reduced though the appeals process by \$300,000 in tax revenue. He stated that the current Tax

Assessor would be retiring in July and this is one thing that really needs to be looked at to insure that the appeal process is handled correctly and the same across the board.

Dr. Carolyn Prince, Chair, asked who made the decision on tax appeals. Mr. Munnerlyn responded that the Tax Assessor makes the decision in the end. Mr. Munnerlyn stated that the new Tax Assessor would need to be sure that it is done in a fair way and that everyone is treated the same regardless of who they are or who they know.

Mr. Munnerlyn stated that with the all of the revenue growth considered, the expenses would now total \$11,181,227 and the revenues would total \$10,909,320.

Budget Requests – FY 2018-19

Mr. Munnerlyn stated that requests have been suggested to include \$125,000 towards the compensation plan which would consist of 1% costs of living and 1% merit. He stated that he thought that folks should be awarded on performance by evaluation. He also suggested \$25,000 being used to match the 401(k) program which was a really great benefit to county employees.

Chair Prince agreed that the merit raises should be based on performance and not the number of years the employees has worked with the County.

Mr. Munnerlyn agreed that evaluations should be done when raises are given.

Mr. Munnerlyn stated that after the budget requests listed above, the expenses would total \$11,331,227 and the revenues would total \$10,909,320 which would mean that we would need to use \$421,907 from the reserve funds.

Reduce Reserve Usage – Revenue Sources

Mr. Munnerlyn stated that for FY2017-18 a total of \$400,000 was used from reserve funds, for FY2018-19 as presented, a total of \$421,907 would be used from reserve funds and that staff's goal for FY2018-19 would be to only use \$200,000 from reserve funds.

Mr. Munnerlyn stated that if Council decided to use the CPI millage adjustment, the revenue would be increased by \$114,000. He stated that Council could also collect the unfunded state mandate for the retirement increase of \$50,000 which would result in Revenues of \$10,909,320 and only require use of \$257,907 from reserve funds.

Other Funds

Fire Services

Mr. Munnerlyn stated that the fire service millage for FY2017-18 brings in \$850,000 in revenue and that is holding steady with expenses. He stated that there is currently \$300,000 in reserves for this year. He stated that the goal was to maintain a reserve of \$200,000. He stated that three new stations were built this year and there is still a reserve of \$300,000.00.

Mr. Jason Steen stated that everyone's ISO rating in the county went from a 10 to a 5 which was a really good ISO rating.

Mr. Munnerlyn stated that Clio has certain needs and he suggested doing something for all departments. He stated that providing each department a one-time capital fund payment of \$10,000 would total \$50,000 and would in no way hurt the reserve. He stated that Clio needed some paving at their new station and Wallace was also looking to build a new station and could use the additional funds. He stated that this matter was listed on the agenda for the called meeting and would need to be voted upon.

Mr. Munnerlyn suggested leaving the Fire Service millage the same for FY2018-2019.

Emergency Medical Services (EMS)

Mr. Munnerlyn stated that currently collect \$775,000 in revenue and the expenses are the same. He stated that the EMS Task Force would report a need for additional funding regardless of the contractor. He stated that the hospital closing has hurt the county more than anyone realized and that Marlboro Rescue had a side business to help bring in more revenue to off-set some of the costs.

Mr. Munnerlyn stated that a funding formula to be considered for EMS was as follows:

- (3) Advance Life Support Ambulances 24/7 x \$500,000 each
- (1) ALS ambulance 10/5 x \$250,000
- Less 30% recovery of cost through billings
- Total cost = \$1,100,000
- \$420,000 more than previous year
- 7 mil increase

Mr. Munnerlyn stated that there were some issues with Act 388 which would prohibit us from raising taxes and that this was a really tough decision. He stated that a separate tax millage is set aside for EMS and this would not be in any danger of it affecting the millage for the general fund. Mr. Munnerlyn stated that this was the biggest issue that staff has.

Mr. Munnerlyn stated that the EMS Task Force recommended a few ideas for EMS Contractors. The recommendations included (1) only 911 call patient response and transport; (2) NO non-emergent transports with contracted equipment & personnel; and (3) locate "bases" where call history indicates.

Mr. Munnerlyn stated that a 7 mil increase for EMS would result in \$1,100,000.

Mr. Munnerlyn stated that the information provided completed his initial budget presentation and asked if there were any questions or comments on anything mentioned.

Mr. Willie Gladden asked if there were many departments that were understaffed. Mr. Munnerlyn stated that he did not feel that there were any departments understaffed now. He stated that the Maintenance Department has a new person on staff that has worked out well with all of the building that need to be maintained. He also mentioned that the Delinquent Tax need a part-time person which is being considered for the upcoming year's budget.

Chair Prince stated that Council needed to go into executive session to discuss personnel and contractual issues.

Motion made at 4:45 p.m. by Mr. Anthony Woods, seconded by Mr. Charles P. Midgley, Jr., to enter into executive session to discuss personnel and contractual matters. Vote in favor. Unanimous. Motion carried.

Motion made at 5:50 p.m. by Mr. Charles P. Midgley, Jr., seconded by Mr. Anthony Woods, to leave executive session and return to open session. Vote in favor. Unanimous. Motion carried.

Chair Prince advised that no votes had been taken and no decision were made during the executive session.

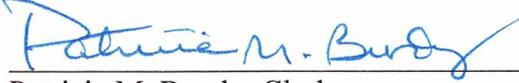
Work Session meeting adjourned at 5:50 p.m.

(SEAL)



Dr. Carolyn A. Prince, Chair

ATTEST:



Patricia M. Bundy, Clerk

Date Adopted: June 19, 2018