



MINUTES
BUDGET, FINANCE & ADMINISTRATION COMMITTEE MEETING
September 3, 2009
COUNTY COUNCIL CHAMBERS, WALHALLA, SC

COMMITTEE MEMBERS

Mr. Reg Dexter, Chairman, District V
Mr. Paul Corbell, District I
Mr. Wayne McCall, District II
Mr. Mario Suarez, District III
Mr. Joel Thrift, District IV

The Budget, Finance & Administration Committee on Tuesday, September 3, 2009 at 7:00 PM in Council Chambers with all Council Members present [except Mr. Suarez] along with Kendra Brown, Interim Administrator and Elizabeth G. Haise, Clerk to Council.

Oconee County Staff Present: Ms. Sally Lowery, CGFO

Press:

Pursuant to the Freedom of Information Act, notice of the meeting, date, time, place of meeting and agenda were posted on the bulletin board at the County Administrative Offices, 415 South Pine Street, Walhalla, SC, and the County Council website [www.oconee.com/ocouncil]. In addition it was made available to the newspapers, radio stations, television stations and concerned citizens.

Members of the press present: Carlos Galarza – Daily Journal & Ray Chandler – Anderson Independent.

Call to Order:

Chairman Dexter called the meeting to order at 7:01 p.m.

Approval of Minutes:

Mr. Thrift made a motion, seconded by Mr. Dexter, approved 3 – 0 [Mr. Corbell abstained] that the minutes from the June 11, 2009 Budget, Finance & Administration Committee meeting be adopted as printed.

General Fund Balance Discussion:

Review of Previous Capital Project Listing:

Review of Designated Funds for Capital Projects:

Ms. Brown reviewed with the committee as a group the three topics listed above. She stated that the county has an annual audit and that any funds discussed at this meeting have always been disclosed in those statements. She also clearly stated that no funds have either been "lost" or "found", only misused for the projects for which they were designated.

Ms. Brown reviewed some of the causes for these funds not being used to include but not limited to:

- [1] intentional saving for a large project to avoid incurring debt,
- [2] budgeted in a previous fiscal year but the project was not completed, and
- [3] part is the nature of budgeting as the finance department has been conservative on anticipated revenues and expenditures.

Ms. Brown stated that Council needs to decide the priorities for these and/or other capital projects. She reminded Council that some capital projects may cost in the millions, i.e., courthouse, joint EMS building in Westminster, jail and the expansion of the C&D landfill. Ms. Brown noted that the less Council has to borrow to complete these and other projects the less taxes might increase.

Ms. Brown noted that it is best practice to maintain on hand a minimum of 4-6 months of operating capital in case of emergency. For Oconee County this equals between 15-20 million dollars.

Ms. Brown reviewed with the Committee alternate funding for the fire trucks approved at the meeting the previous evening. She stated that passage of the ordinance on 3rd and final reading was necessary to allow Procurement to issue a purchase order for the trucks and lock in pricing. Ms. Brown stated that Council could decide to fund the trucks from fund balance and not go through with the capital lease.

Mr. McCall made a motion, seconded by Mr. Thrift, approved 4-0 to direct the administrator to draft an amending ordinance to purchase the two fire trucks approved on September 2, 2009 in Ordinance 2009-17 from fund balance.

Ms. Brown reviewed a portion of the audit report and described in some detail the designation of each line item. She reviewed the designated funds and how those funds can be spent. Ms. Brown also provided Council with the "Capital Project Fund" worksheet [filed with these minutes] and discussed in some detail the funding source for these funds, balances and which were encumbered for specific purposes. After her review Ms. Brown identified approximately \$6 million dollars of unencumbered funds that could be allocated to capital projects by County Council. Lengthy discussion followed.

Mr. McCall voiced concerns that the citizens are overburdened at present with unemployment in the county at 16%. He suggested looking at a way to potentially return some of the funds on hand to the citizens. Ms. Brown stated that she appreciated Mr. McCall's concerns but pointed out that any refund would be granted proportionally as the taxes were paid and may citizens would not see a refund as the majority of our tax base is both Duke Energy [approximately one third] and our lake front residents.

Mr. Dexter tasked the Interim Administrator with the following:

- [1] Schedule a meeting with the Oconee Joint Regional Sewer Authority (OJRSA) to identify their willingness to bond for infrastructure for the unincorporated areas of Oconee County.
- [2] Look into and report back to Council regarding the availability of recovery bonds and if Oconee County could possibly partner with the understanding that the County would have no obligation regarding these bonds as they must be issued by a governmental entity.
- [3] Identify potential incentives that the County could offer instead of TIL01 to include but not limited to:
[a] private / public partnership purchase of existing building with infrastructure in place, and [b] county offering shovel ready land free to industry to entice development.
- [4] Look into potentially regaining capacity at the old West Point Seven Plant

Mr. Corneil tasked the Interim Administrator with the following:

- [1] Compile & prioritize a list of capital projects in a similar format to the worksheet presented at meeting.

Public Comment:

Mr. Dexter opened the floor for public comment.

- Mr. Gary Littlefield addressed the Committee regarding his desire that during any budgetary review process that the School District also be closely reviewed.
- Ms. Susie Cornelius addressed the Committee regarding her request for clarification regarding the structure for any county public / private partnerships.
- Mr. John Murray addressed the Committee regarding his request for funding for the 6th radio tower sight equipment totaling \$85,000. Discussion followed. Mr. Murray stated that he felt that he could obtain \$40,000 from federal funding.

Mr. Thrift made a motion, seconded by Mr. McCall, approved 4-0 to direct the administrator to look at using some capital project funds for \$45,000 for the 6th radio tower sight equipment project.

- Mr. Tom Markovich addressed the Committee regarding his support for sewer in the unincorporated areas of the County to encourage growth.
- Mr. C. W. Richards addressed the Committee regarding his support for utilizing currently vacant buildings in the county for economic development.
- Mr. Gregorio Nowell prepared written comments which will be made a permanent part of this record.

Next Meeting:

Mr. Dexter stated that a future meeting has not yet been scheduled but will be advertised to the media and posted on the Council website by the Clerk to Council once set.

Adjourn:

Mr. Thrift made a motion, seconded by Mr. McCall, approved 4-0 to adjourn the meeting at 9:09 p.m.

Respectfully Submitted:

Elizabeth G. Hulse, Clerk to Council