

MINUTES
THURSDAY, APRIL 27, 2023
ADMINISTRATIVE COMMITTEE MEETING
2:00 P.M.
OLD JAIL BUILDING
109 BENSON STREET

Administrative Committee Meeting
Old Jail Building
109 Benson Street
Walterboro, SC 29488

Present: Chairman Scott Biering called the meeting to order with Council Members Steve Murdaugh and Phillip Taylor present.

Others Included: Kevin Griffin, Meagan Utsey, Kaela Brinson, and Jon Carpenter.

Councilman Bubba Trippe gave the invocation and led the Pledge of Allegiance.

Discussion

a. Capital Project Funding

Mr. Griffin: Stated, Jon, will you go through quickly and explain the available revenues?

Mr. Carpenter: Stated, what we are looking at is the CPST that expires Sunday. The current CPST was issued back in 2015. This CPST expires on April 30th. We have a number of projects going on from the original issue, plus two budget years ago council added a few others. By law any excess collections plus uses of the interest earned on it, council can designate those for projects that fall within the allowable CPST parameters. We have received collections from DOR through March 31st of this year. So, we still have one month of collections left, but we estimate right now with what we have committed almost 2.9 million dollars in excess collections. For example, from the trial, our collections that ended on March 31st were 38% higher than from the quarter before. Collections have been growing each year between 8-12%. So, as you can see the City of Walterboro still has money for finishing up their projects with that phase of the business loop. My understanding from the city is that they have about \$700,000 left that will be spent to complete that project. There is a small amount of money left for running the water out to the mega site, is that correct? Specifically, the engineering phase to that.

Mr. Griffin: Stated, that is right.

Mr. Carpenter: Stated, the customer services center has been completed, so that has been closed. We are in the process now with the renovation work at the Harrelson Building. The entrance, as well as what will be talked about this coming Tuesday in regard to the IT (Technology) room downstairs. There is some remaining money. We did a match with the money we got from the state

two years ago with the Green Pond Community Center. So, that is the money that is encumbered there. There is a small balance left. There is still money that was set aside two years ago to do the planning for the CPST that will start May 1st. There is a little bit of money there that they have not billed for. So, we had a budget to start this year of 6.5 million. We spent, or have encumbered, about 5.5 million. There is about 1 million remaining, but we do expect those funds to be spent as the projects wrap up. However, with our excess collections and the interest that we have earned, we have almost 2.9 million that is available for allocation for this coming year.

Councilman Murdaugh: Stated, are those required to be allocated to the projects that are upcoming?

Mr. Carpenter: Stated, no. Council has the choice to allocate those by adding money to an existing project...

Mr. Griffin: Stated, it must be projects that are eligible under the CPST law.

Chairman Biering: Stated, are there any suggestions that administration has?

Mr. Griffin: Stated, we are getting to that.

Councilman Taylor: Stated, I have a question as I look at the Green Pond Community Center, and I see that there is around \$46,000 left, is that the Green Pond Community Center that they just did the ribbon cutting on?

Mr. Griffin: Stated, correct.

Councilman Taylor: Stated, is dirt moved yet?

Mr. Griffin: Stated, the building has been ordered and they are waiting for it to come in.

Mr. Carpenter: Stated, there is some left over from the demolition of the old school and then we received money from the state. That is the money that we received from the state and the money we encumbered here. The building is encumbered as well.

Mr. Griffin: Stated, it is like everything else. Permitting was slow with DHEC. Once we got that, it was 60-90 days out, which should put us sometime into May.

Mr. Carpenter: Stated, that leaves money for any furnishings.

Mr. Griffin: Stated, looking at the available revenues, there are 5 projects that we have available on the board. First, are the ADA improvements for this building (Old Jail Building) and the park components that we have next door. We set aside 1 million for that. Second, is the Coroner's Building that we had budgeted for CPST, but it did not make it on the actual ballot. That was 1.7 to 1.8 million, but with the cost of construction that is pushing 2.3 million. On the bottom side, our server system that we put in 7-8 years ago is at its end of life. We must replace it. That is the system that will be both here in the new server room, as well as the back up that we have in Lodge

for emergency purposes. We have a redundant system, one in Lodge in a PRTC building if we lose this building, and one is here. That is what saved us when we had the cyber-attack, but we have to replace that whole system. The two things we don't have a number on right now are the Voter's Registration Building, which we should have in the next two weeks, and we don't have a number on the Detention Center renovations. That is in progress, determining what we need to do to upgrade there. We can change these around however you all would like to put a project on hold. The technology server upgrade we have to do, we do not have a choice in that. They're at the end of life and will be out of warranty and not supported anymore by Dell and Microsoft. We have to budget by law in the budget what we are going to do with this money to be able to spend it. The other thing we thought we could do, once we figure out where we are with the Detention Center and Voter's Registration building, is go out for a small GO bond. We have excess collections and debt service right now. That would not require us to put any millage on to do so. Then we can use that to cover the Voter's Registration Building and the Detention Center upgrades. If one comes faster than the other, then we can switch some money around. That is where we are with capital projects.

Chairman Biering: Stated, are the Detention Center upgrades a temporary solution to get us by until we can get a more permanent solution?

Councilman Murdaugh: Stated, the GO bond you mentioned would be for the coroners' building?

Mr. Griffin: Stated, I was thinking it would be for the Voter's Registration and the Detention Center upgrades. The market might like the coroners' building better than it likes those. A lot of times when you do a GO bond, they like brick-and-mortar capital.

Councilman Murdaugh: Stated, the coroners' building would go out near the Sheriff's Department, correct?

Mr. Griffin: Stated, that was the plan, to use the lot to the left.

Councilman Taylor: Stated, you are looking at about 4 million with what you have on the screen, and we have 2.8 million. So, the GO bond would pick up the slack on that?

Mr. Griffin: Stated, correct.

Councilman Murdaugh: Stated, I was thinking the coroners' building was in the new CPST.

Mr. Carpenter: Stated, it was one that was considered, but it was not chosen for the final list.

Mr. Griffin: Stated, it is a need. They are in an old building, and it is a pieced together situation. It would be good to have it beside the Sheriff's Office anyways. One other item is our ongoing capital, which is more of our heavy vehicles and equipment. The cost there has skyrocketed. We have been issuing a 3-year lease purchase on those. We have things that have been on order for two years and it is still not here. This ties into the airport conversation and we have talked about possibly putting on a certain amount of millage to have that is just dedicated to capital. I am talking about our ongoing capital which is the refreshing of heavy vehicles, ambulances, and those types

of things as we move along. I know there has been discussion about putting on milage that would be dedicated directly to the airport. The city is doing \$35,000 dollars, and my understanding was that we would do 75% and they would do 25%. That would put us at \$110,000-\$120,000. Is that what you all were kind of talking about?

Councilman Taylor: Stated, that is what we were talking about. It sounded like we were more 65% than 75%. I do not know where the extra 10% came from.

Councilman Murdaugh: Stated, I think we talked about it and----? went back and said he could convince his folks to do a 75/25 split. We should be putting in \$105,000.

Mr. Carpenter: Stated if the city puts in the \$35,000.

Mr. Griffin: Stated, that is about a half a mil. What we would like to propose is to do 3 mils and the other 2.5 mils dedicated to an ongoing capital program that stays outside the budget that we will refresh each year.

Councilman Murdaugh: Stated, on your tax notice, this would show up as a capital projects mileage.

Mr. Griffin: Stated, it would be an additional mileage listed as operating mileage.

Councilman Murdaugh: Stated, personally as a citizen I am less opposed if it just says operating, but I would rather see something reserved for capital. I don't know if you can do it that way or not.

Councilman Taylor: Stated, I know Bamberg does something were they segregate where the mileage is coming from.

Mr. Griffin: Stated, the other way you could do it is put it on a one-year step service and put it on a note.

Councilman Murdaugh: Stated, if you can't do it, you can't do it. That is the bottom line. If that is about a half a mileage...The airport needs a recurring source of revenue, because we could hire a full-time airport manager which would really help the airport. We are already hearing stuff we have never heard before at the couple of meetings we have had. Having somebody there every day makes a huge difference. At our last meeting, we had a budget meeting, he came with the suggestion that if the county couldn't do the mileage because we own property out there that we could develop another hanger out there, make a annual payment, and let that be our allocation to the airport. We would have more hangers to rent. We're inadvertently improving our own property. That was Bert's suggestion rather than coming to operating mileage. That still doesn't solve the problem when we have to have revenue.

Councilman Taylor: Stated, you are definitely not getting it from hanger rentals.

Councilman Murdaugh: Stated, hanger rentals are only \$300 a month. That is only \$3,000 a month for 10 units.

Mr. Carpenter: Stated, we have not done a county operating mileage increase since 2018. We did do an increase in fire mileage last year, but not county since 2018.

Mr. Griffin: Stated, I will talk to Becky and Jeff and see if we can get it put on there as a separate capital.

Councilman Murdaugh: Stated, when they did their calculation on what the CPST would generate, they were off by 6 million...am I reading that correctly?

Mr. Carpenter: Stated, yes.

Mr. Griffin: Stated, they have grown expediently over the last few years.

Mr. Carpenter: Stated, this is our collections you can see by year since we started. So, what we project now through April is...the bonds are issued at 29.7. We expect to collect 38.6. We just issued the new bonds at 40 million. Trying to be conservative, not knowing, for the next 7 years. At least expecting some growth over the next 7 years. You can see each year, in most years, except during the COVID year, it did not really grow, but every year after that has grown. Especially over the last two years.

Councilman Taylor: Stated, I am thinking with the excess stuff going on with I-95, South of us, it should put people off here.

Councilman Murdaugh: Stated, that money...when we issue the bond for the new capital projects, did they use the same model?

Mr. Carpenter: Stated, when I worked with Raymond James on this, we did not do quite this growth rate, because we didn't know if it would sustain.

Mr. Griffin: Stated, you really do not know what you are going to collect.

Councilman Murdaugh: Stated, we could possibly anticipate being over again.

Mr. Carpenter: Stated, if we continue, then yes, we should be. Allen mentioned today that we are in a different environment than when we issued these. We should be earning enough interest on the proceeds that we will be able to pay the interest off. All we would need is a collection of 40 million to pay the debt service.

Mr. Griffin: Stated, so in 3-4 years down the road we would have a significant amount....

Mr. Carpenter: Stated, we could have. Hopefully, we will be in the same position we're in now and can add projects.

Mr. Griffin: Stated, Allen shared with me that this will be the first bond you all have ever done that wiped itself clean of interest. The way it works out how we are investing the funds, there is no cost to borrow. That interest cost will come back to us for you all to allocate.

Councilman Taylor: Stated, I think it all looks good. We need to do the GO bond to take care of the other two projects.

Mr. Griffin: Stated, unless the construction costs come back down, we will probably need it.

Councilman Murdaugh: Stated, what is our available GO capacity?

Mr. Carpenter: Stated, it is a little over 9 million. We get the 8%, the CPST does not count against it. We only have the bond that we just refinanced for 22 million and one other bond for 15 million. One of these finished up in 2025, and the 22 million had 3 years as a refinance.

Chairman Biering: Stated, if we have to approach a new detention center in the future, does that available bond hurt our ability to borrow more money for a new detention center? Whether it be with the shared 4 county regional detention center or not?

Mr. Griffin: Stated, no, it does not because something of that size we are going to do some sort of specialty financing anyways. The four-county project would be the way to do it and we all contribute.

Councilman Murdaugh: The proposal for the capital projects mileage is 3 mils?

Mr. Griffin: Stated, and half a mil could go to the airport.

Councilman Murdaugh: Stated, if we did that, will we need any increase in operating mil?

Mr. Griffin: Stated, we are going to go into personnel in just a moment, but no.

Councilman Murdaugh: Stated, what about fire?

Mr. Carpenter: Stated, it depends on what you all want to do. There are requests out there.

Councilman Biering: Stated, I was told not to long ago if you raise taxes one bit, I will run you out of town. Like I told them, when you have an inflation era and things have risen so much you have to increase the budget in order to stay competitive. There is no way around it.

Mr. Griffin: Stated, some places raise it by CPI every year to keep up. We have not had to do that, but the cost of equipment has gone crazy.

Executive Session

Councilman Murdaugh moved to go into executive session to discuss the following: Personnel. Councilman Taylor seconded the motion. The motion carried unanimously.

Councilman Taylor moved to exit executive session. Councilman Murdaugh seconded the motion, which was carried unanimously.

Adjournment

Councilman Taylor moved to adjourn the meeting. Councilman Murdaugh seconded the motion, which carried unanimously.

This 6th day of June, 2023.



Phillip M. Taylor, Sr., Vice Chairman

ATTEST:



Kaela Brinson, Clerk to Council