

MEMBERS, OCONEE COUNTY COUNCIL

Mr. Steven R. Moore, District I Mr. Thomas S. Crumpton, Jr., District II
Rev. William S. “Bill” Rinehart, District III Mr. Marion E. Lyles, District IV
Mr. H. Frank Ables, Jr., District V

MINUTES, OCONEE COUNTY COUNCIL MEETING

The Oconee County Council met Tuesday, October 3, 2006 at 3:00 pm in Council Chambers, 415 South Pine Street, Walhalla, SC with all Council Members except Mr. Moore present. Mr. Norton, County Attorney, was also present.

Press:

Members of the press notified (via mail): Keowee Courier, Westminster News, Daily Journal, Anderson Independent, WGOG Radio, WYFF TV, WLOS TV, & WSNW Radio.

Members of the press present: Dave Williams – Anderson Independent, Brett McLaughlin – Daily Journal, Dick Mangrum - WGOG Radio & Ashton Hester – Keowee Courier.

Other Organizations Notified:

Also notified were the Oconee County Tax Payers Association, Citizens for Recreation Center and the Oconee County Democratic Party.

Call to Order:

Chairman Ables called the meeting to order.

Invocation:

Mr. Rinehart gave the invocation.

Pledge of Allegiance:

Mr. Lyles led the pledge of allegiance to the US Flag.

Minutes:

Mr. Crumpton made a motion, seconded by Mr. Lyles, approved 4 – 0 that minutes of the regular meeting held September 19, 2006 be adopted as printed.

Public Comment Session:

Mr. Devoe Blackston addressed Council regarding rescinding of reassessment.

Mr. Larry Linson addressed Council regarding delaying reassessment.

Mr. Ed Little addressed Council regarding delaying reassessment.

Mr. Albert Reiger addressed Council regarding the SC tax laws and urged Council not to rescind reassessment.

Mr. B. J. Littleton addressed Council regarding the public comment session and reassessment.

Public Hearing Regarding Resolution 2006-15:

Council held a public hearing to receive written and/or oral comments regarding Resolution 2006-15, "A RESOLUTION IN THE SUPPORT OF THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF ITS NOT EXCEEDING \$52,000,000 HOSPITAL REVENUE BONDS (OCONEE MEMORIAL HOSPITAL, INC. PROJECT), IN ONE OR MORE SERIES PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED"

To Ms. Susie Cornelius' inquiry, she was informed that the bonds did have an adjustable interest rate and that the attorney for the hospital was present.

Ms. Cornelius stated she was concerned with Oconee Memorial Hospital and their practical ability to manage a suitable hospital for the citizens of the County.

Ms. Cornelius objected to the County approving this Resolution because she thought the JEDA bond would obligate the County taxpayer to guarantee payment.

Ms. Cornelius was also under the impression that there was "extra" funding in the Resolution "in case they need it".

Ms. Cornelius further stated that DHEC, who issues the Certificate of Need, refused to take public comment.

Ms. Cornelius further objected to the increase in the room rate just adopted by the Hospital Board.

Ms. Cornelius also submitted a letter stating the following:

- (1) The public did not have notice prior to a contract being signed in 2005 which formed an agreement to transfer the public hospital building and acreage to a private corporation.
- (2) The Hospital Association did not vote to change their by-laws until after the transfer of the property in 2005 if they ever did vote to change the bylaws.
- (3) The public was never told during the process of transferring of the property that the County taxpayers would be supporting revenue bonds for the private project.
- (4) The state agency issuing the Certificate of Need for the proposed project refused to take public comments as a part of the certification process.
- (5) We have no proof that the federal government approved the rate increase passed by the Oconee Memorial Hospital.

To Mr. John Silor's inquiry regarding the use of the funds, Mr. Norton, County Attorney, stated the funds were Hospital revenue bonds, not County revenue bonds, they would not go against the County's bonding capacity and the County would not be guaranteeing payment of these bonds.

Mr. Albert Reiger stated he was not sure if this was a time critical issue.

Ms. Donna Tribble & Mr. Mike Burns, Attorneys for Oconee Memorial Hospital informed those present of the following:

- (1) Oconee Memorial Hospital did not have the bonding rate in 2002 and received assistance from the County to construct an expansion to the Lila Doyle facility; however these funds were paid back to the County last year.
- (2) The bonds now being considered by the hospital are JEDA bonds which will not be the responsibility of the Oconee County taxpayer; they are insured by a nationally recognized bond insurer who has a security interest in the property.
- (3) The Resolution states up to and not exceeding \$52,000,000 as there is no guaranteed cost of the project at this time. Borrowing more funds that the project cost is illegal and there are not other projects being considered.
- (4) The Certificate of Need has been obtained from DHEC and Ms. Cornelius did not submit her objections in time for them to be considered.

Public Hearing RE: Resolution 2006-15 Continued:

- (5) The Hospital has submitted information to the County Administrator regarding the average cost per day to stay in Oconee Memorial Hospital and the comparison of other health care facilities. They will be glad to share this information with any of the Council Members who are interested.
- (6) Rosa Clark is owned by Oconee County and has no needs at the present time that Oconee Memorial Hospital can assist with.
- (7) Time is of the essence due to their being a time frame between receiving the Certificate of Need and breaking of ground for the project.
- (8) The purpose of the County conducting this public hearing and approving the Resolution is a requirement of state and federal law.

To Mr. George Cleveland's inquiry regarding the thirty-one jobs that are to be created upon completion of the project, Council responded that they were unaware of any state law requiring the Hospital or any other entity to hire only county residents.

Mr. Ben Turetsky urged Council to adopt the without delay.

To Ms. Linda Fairchild's inquiry regarding another health facility locating in this area Ms. Tribble stated competition is always welcome and that any health care facility would have to follow the same guidelines and procedures as Oconee Memorial Hospital.

Mr. Devoe Blackston commended the Hospital staff.

At the conclusion of the public hearing, Mr. Ables made a motion, seconded by Mr. Lyles, approved 4 – 0 that Resolution 2006-15, "A RESOLUTION IN SUPPORT OF THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF ITS NOT EXCEEDING \$52,000,000 HOSPITAL REVENUE BONDS (OCONEE MEMORIAL HOSPITAL, INC. PROJECT), IN ONE OR MORE SERIES PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED" be adopted on first and final reading.

ATAX Grant:

Mr. Crumpton made a motion, seconded by Mr. Lyles, approved 4 – 0 that the attached ATAX Grant in the amount of \$18,000 be awarded to the Walhalla Civic Auditorium for TV advertising.

Road Department:

Mr. Lyles made a motion, seconded by Mr. Crumpton, approved 4 – 0 that the Road Department be authorized to apply for the attached PalmettoPride 2006 Tree Grant Donation Program which requires no local match.

Information Technology:

Mr. Crumpton made a motion, seconded by Mr. Rinehart, approved 4 – 0 that the Information Technology Department be authorized to apply for the attached ESRI and Stratus Technologies ArtGIS Demonstration Project Grant Program in the amount of \$81,000 which requires no local match.

Emergency Management:

Mr. Crumpton made a motion, seconded by Mr. Lyles, approved 4 – 0 that Emergency Management be authorized to apply for the Fiscal Year 2005 Remaining EMPG grant funds in the amount of \$27,550.50 which requires no local match.

Ordinance 2006-24:

Mr. Rinehart made a motion, seconded by Mr. Crumpton, approved 4 – 0 that Ordinance 2006-24, “AN ORDINANCE RESCINDING ORDINANCE 2004-19, OCONEE COUNTY EXPOSURE CONTROL PLAN” be adopted on second reading.

Ordinance 2006-25:

Upon recommendation of the Budget, Finance & Procurement Committee, Council voted unanimously to adopt Ordinance 2006-25, “AN ORDINANCE EXTENDING THE TIME FOR FILING AN APPEAL ON THE 2005 REASSESSMENT OF PROPERTIES IN OCONEE COUNTY FOR AN ADDITIONAL THREE MONTHS” on first reading.

Ordinance 2006-26:

Mr. Crumpton made a motion, seconded by Mr. Rinehart, approved 4 – 0 that Ordinance 2006-26, “AN ORDINANCE REGULATING FALSE FIRE ALARMS TO WHICH OCONEE COUNTY RURAL FIRE DEPARTMENTS RESPOND, RESCINDING ORDINANCE 2006-09” be adopted on first reading.

Council Committee Reports:

Mr. Rinehart affirmed that Ordinance 2006-25 was a result of the September 27th Budget, Finance & Procurement Committee Meeting and confirmed that Council budgeted for computer upgrades in the Assessor Office as well discussed a plan for payment of taxes.

Personnel & Administration Committee Recommendation:

Mr. Ables, Chair of the Personnel & Administration Committee, informed those present that the County had a request to purchase six (6) acres of the Fair Play Commerce Center.

Mr. Rinehart made a motion, seconded by Mr. Lyles, approved 4 – 0 that the County sell six (6) acres to Dr. Ken Becker for \$7,000 per acre.

Mr. Ables also informed those present that Mr. Hendricks is facing some medical procedures and will not continue indefinitely as County Administrator. The County will begin a search for a new administrator.

Administrator Report:

Animal Control:

In the Administrator's report Mr. Hendricks informed Council that the entering into an agreement with the Humane Society for the building on Highway 123 will require some \$575,000 to renovate with the County performing some of the labor and bidding out some of the work such as roof replacement and insulation, part of the interior, etc.

Mr. Lyles made a motion, seconded by Mr. Crumpton, approved 4 – 0 that the budget of \$575,000 be approved for the renovation of the building. This is with the understanding that some additional funds could be needed for a water line that will have to be installed under Highway 123.

Mr. Rinehart had to leave at this time.

Walhalla Rescue Squad:

Upon recommendation of Mr. Hendricks, Mr. Crumpton made a motion, seconded by Mr. Lyles, approved 3 – 0 that the County loan the Walhalla Rescue Squad \$173,000 for the completion of their building located on County property adjacent to the Law Enforcement Center. These funds will be paid back to the County over a fifteen (15) year period at an interest rate of three (3) percent with an annual lump sum payment of \$14,493 beginning January 1, 2008. The total payback to the County will be \$217,395.

Department of Social Services:

Mr. Hendricks recommended an upgrade of the five bays at a cost of approximately \$50,000 to be used by the Department of Social Services when the Walhalla Rescue Squad moves to their new location and approval in concept only of a design/build for a new Department of Social Services Building to be located on the Pine Street properties as delineated on the attached layout plan.

Mr. Lyles made a motion, seconded by Mr. Crumpton, approved 3 – 0 that this concept only be approved.

Reassessment:

Mr. Hendricks informed those present that on June 1, 2006 the Legislative Delegation Senate Bill S.1245 was passed automatically postponing reassessment unless the local governing body adopted an ordinance implementing the values during the current property tax year which Oconee County did in Ordinance 2006-19.

At the Budget, Finance & Procurement Committee Meeting September 27, 2006 the County Assessor made the following line of reasoning:

- (1) The primary purpose of the appeals process is to cure inequities which mean refinements will be taking place for several more months.
- (2) Before the appeal process began, ratio studies indicated the new values are considerable more equitable than the old values.
- (3) The constitutional amendment on the November ballot placing a 15% cap on values between reassessment programs five years unless the property sells or is improved. Failure to implement reassessment this year will result in December 31, 2000 values being used through 2010 and then most value increases would be limited to 15%. We would, in essence, be locking in values that are only 50% equitable, as required by South Carolina Department of guidelines which would by now be less than 70% of value.

Administrator's Report Continued:

- Inequitable values hurt taxpayers by making many pay more than their fair share and it also negatively affects the County's credit rating and bonding capacity.
- (4) Taxpayers who are unhappy with the resolution of their appeal with the Assessor's Office may file an appeal with the Oconee County Board of Assessment Appeals and their decision can be appealed to the South Carolina Administrative Law Judge Division.
 - (5) The South Carolina Department of Revenue has already reviewed and approved the reassessment program in Oconee County, however, they have now been asked to make a second review and identify any corrective action they deem necessary.
 - (6) One of the reasons values increased so dramatically was because the December 2000 valuation was based on 86% of actual value.

Mr. Hendricks further informed Council that rescission of Ordinance 2006-19 would result in a delay of reassessment until the 2007 tax year; the valuations would revert to 2000 values and involve a delay based on considerable administrative computer related work that would be required. Also, all new buildings and new parcels added in 2005 would have to revert to 2000 values. This can be dealt with by:

- (1) Delaying the printing of all property tax notices for 2006 until all new parcels and new growth are valued. This would take approximately three months assuming the resources were made available to accomplish the tasks involved. With this option Oconee County would have to ask for another extension to mail out property tax notices and also request for the penalty dates to be adjusted. This option could result in the County being short of revenue and may require the County to take out a tax anticipation note.
- (2) Split billing is also an option that has been discussed with our Data Processing Company. This option would allow the County to calculate taxes based on the parcels that we do have prior year values on and would enable us to send notices on all personal property, utilities, manufacturing, businesses as well as the majority of the real estate parcels. This option would also allow revenue to be generated for the County and School and it may help avoid a tax anticipation note.

Administrator's Report Continued:

Mr. Hendricks further informed Council that it was his recommendation that implementation of the reassessment not be postponed unless recommended by the South Carolina Department of Revenue and a delay would be a minimum cost of \$398,720, however, extending the deadline for appeals will not be a significant cost.

Mr. Hendricks informed Council that the quarterly or monthly payment of taxes as discussed at the September 27th Budget, Finance & Procurement Committee meeting would have to be structured per Section 12-45-75 of the SC Code of Laws which contains the following:

- (1) The governing body of a County may by ordinance allow a taxpayer to elect to pay all ad valorem taxes on real property located in the County in quarterly or monthly installments. An installment election is not allowed for taxes paid through an escrow account.
- (2) The ordinance must specify the installment due dates and it may provide for installments due and payable before January 15th, but the final installment due date must be January 15th. The ordinance may provide for a service charge of not more than two dollars (\$2.00) on installment payments. For purpose of payment and collection, these charges are deemed property taxes. The ordinance may not provide penalties for late installments.
- (3) The governing body of a County may by ordinance provide a discount on all advalorem taxes on real property located in the County paid in advance of the January 15th due date. The ordinance may provide a range of discounts that vary according to the length of the prepayment period.

Implementation of the installment payment plan will require the following:

- (1) Cash flow will be affected depending on the number of taxpayers that elect to make installment payments. Currently our cash flow peaks in January with bond payments (County and School debt) following in March and April. This practice has allowed Oconee County to remain financially stable and the County has not had to apply for tax anticipation notes.

Administrator's Report Continued:

- (2) The ordinance will require three readings and a public hearing. It would then be the responsibility of the taxpayer to notify the Treasurer in writing that they elect to pay their taxes on the installment plan no later than January 15th of the tax year for which the installments are applicable and no earlier than December 1st of the preceding tax year.
- (3) Additional receipts, deposits, tracking and refunds will increase the workload of all Tax Offices and the Finance Office. Additional staff will be needed to monitor this program. Manual tracking will be required. Each tax notice is allocated approximately ten different ways when received and then again when refunded.
- (4) Currently our software programmer does not offer a program to process installment payments and a cost of implementation is not available at this time.
- (5) Installment payments will be calculated based on an estimated amount. This is due to the millage not being set until September. Therefore, all installment payments will most likely require a refund or additional payment.
- (6) Allocation of interest will be necessary for any over payment.
- (7) If just one percent (1%) of the taxpayers request the installment option that would equate to 700 taxpayers.

Mr. Hendricks advised that the staff would like to have time to further study this option with other Counties that implemented the installment payment plan.

To Council Members' inquiry, Mr. Norton, County Attorney, stated that the State Law provided no instructions regarding the discounts that might be given to taxpayers who paid in advance of the January 15th due date.

Oconee County Civic Center:

Mr. Lyles stated he would like to make sure the name of the proposed recreation complex includes "Civic Center".

Oktoberfest (Contingency):

Mr. Crumpton made a motion, seconded by Mr. Lyles, approved 2 – 1 (Mr. Ables voting against) that \$2,500 be taken from contingency and be presented to the Walhalla Oktoberfest Committee for advertising.

Homestead Exemption:

It was the consensus of Council for the County Attorney to write the Legislative Delegation a letter requesting that legislation be introduced to raise Homestead Exemption to \$75,000 or more.

Adjourn:

Adjourn: 4:35 pm

Respectfully Submitted:

Opal O. Green,
Clerk to Council