



**COLLETON COUNTY COUNCIL
BUDGET WORK SESSION MINUTES
April 15, 2025, at 1:00pm**

Chairman Scott Biering called the meeting to order with Council Members Steve Murdaugh, Phillip Taylor, Bubba Trippe, and Johnny Frank in attendance.

Others Included: Meagan Utsey, Jon Carpenter

Councilman Phillip Taylor gave the invocation and led the Pledge of Allegiance.

Councilman Trippe made a motion to amend the agenda to add an Executive Session item that is Personnel. The motion was seconded by Councilman Frank. The motion was carried unanimously.

Finance Director Jon Carpenter presented to Council the FY2026 Budget Presentation. The following is what was covered.

General Fund

- Total General Fund revenue is budgeted at \$37,189,039 which represents an increase of \$1.1 million or 3% from forecasted FY 2025.
- General Fund revenues can be grouped into property taxes, state revenues, fees/fines and other.
- Property taxes is the largest revenue group at \$27,389,696 or 73.7% of total revenue. It includes real, vehicle, watercraft, fee-in-lieu, part of the local option tax credit (75%) and delinquent.
- State revenues are budgeted at \$6,122,311 or 16.5% of total revenue. It includes salary support, inventory taxes, state accommodations, local government fund, part of the local option taxes (25%) and homestead.
- Fees and fines are budgeted at \$3,325,532 or 8.9% of total revenue. It includes intergovernmental revenues, planning and development fees, probate judge fees, magistrate court fees, clerk of court fees, franchise fees, museum sales and rentals and recording documents stamps.
- Other revenues are budgeted at \$351,500 or 0.9% of total revenue. It includes investment income, insurance proceeds, credit card fees and other refunds/reimbursements.

Property Taxes/Available Millage

- Property taxes are budgeted at a total of \$27,389,696– representing an increase of 2.3% from current year forecasted amounts and 73.7% of total general fund revenues.
- Includes real property taxes, vehicle taxes, watercraft taxes, fee in lieu, local option sales tax credit (75%) and delinquent tax collections/penalties/costs

- Millage increases for each year are capped at the total of the percent of CPI (2.95%) and population growth (0.56%) – for FY26 the total is 3.51%. In addition to current year increase, you can use a three year lookback if the allowable millage increases were not used. For FY 2026, our available millage, including the three year lookback, is 28.11 mills (5.8 mills is current year).
- Current value of one mill is \$223,704, so total available revenue is \$6,288,319 (current year plus 3 year lookback).
- Millage cap only applies to county operating, it does not apply to debt service, fire operating and fire debt service.
- Last county operating millage increase was in fiscal year 2024 for 3 mills – millage was to support airport (0.5 mills) and facility repairs (2.5 mills).
- Each 1.0 millage increase would equate to a \$10 tax increase on a \$250,000 owner occupied home or a \$3.38 tax increase on a \$45,000 vehicle.
- It is recommended that Council consider on an annual or bi-annual basis the use of millage to meet county operating, capital or reserve needs.

FILOT Agreements

- Project Fanatic
- Pomega

State Revenues

- State revenues are budgeted at \$6,122,311 which is 16.5% of our total general fund revenue budget. This represents a 3.6% from the forecasted amounts for FY 2025.
- State revenues include:
 - Inventory Taxes
 - Manufacturing Taxes
 - Homestead
 - Motor Carrier
 - Salary Support (Elected Offices)
 - Coroner Child Fatality
 - DPS – SRO Funding
 - State Accommodations Tax
 - Local Government Fund
 - Rural Stabilization
 - Local Option Sales Tax (25%)
- For FY 2026, the following funding increases are currently budgeted:
 - Local Government Fund – \$91,491 additional funding – equals the statutory formula amount.
 - DPS – SRO Funding – currently funds the full time hours of six of twelve current SROs (remaining are split between the school district and county general fund). Additional funding has been requested to fund an SRO at new charter school and cover salary and benefit increases for existing six officers - \$160,891. Please note that this funding is not finalized and represents the amount that has been requested.

Local Option Sales Tax

- In July 1991, Colleton County voters enacted a local option sales tax (1%).

- Local option sales tax is on all retail sales and reduces a persons property tax burden.
- State law requires a minimum of 71% of the tax collected be used to provide a property tax credit and the remaining 29% can be used for general fund purposes.
- Colleton uses 75% of the tax collected in property tax relief (green shaded area) and 25% for general fund purposes (blue shaded area).
- FY25 total collections are forecasted at \$5,117,788 and FY26 total collections are budgeted at \$5,322,498 (growth rate of 4%).

Fees/Fee Increases

- Fees/Fines total about \$3.326 million and 8.9% of the budget.
- Fees/Fines budgeted by major area are as follows:
 - Charleston County – MCIP - \$1.1m
 - Register of Deeds Recording Fees - \$475k
 - Franchise Fees - \$32.8k Comcast & \$98k PRTC
 - Coroner - \$4k – body transports
 - Probate Court - \$130k – marriage license/mental health hearings/estate court fees
 - Animal Control (adoptions/reclaim)-\$51.5k
 - Magistrate Court - \$250k
 - Clerk of Court - \$142k
 - Career Training Center - \$34.2k - \$5,550 LCOG (qtrly) & \$1k Palmetto Training (monthly)
 - Museum - \$103k – Rental \$62.5k & \$40.5 sales
 - Farmers Market- \$2k – booth rental space
 - Civic Center - \$29k - \$20k rental & \$9k tickets
 - CCSD - \$180k – funding for three of 12 SROs
 - City of Walterboro – funding support for consolidated 911 Dispatch - \$166K
 - Current Fee Structure (adopted 7/2021)
 - \$0-\$2,000=\$45
 - \$2,001-50,000=\$45+\$5 per \$1,000 to \$50,000
 - \$50,001-\$100,000=\$280+\$4.50 per \$1,000 to \$100,000
 - \$100,001-\$500,000=\$505+\$3.25 per \$1,000 to \$500,000
 - \$500,001-\$1,000,000=\$1,805+\$2.50 per \$1,000 to \$1,000,000
 - \$1,000,001+ = \$2.23 per \$1,000
 - Proposal 1 (included in budget)
 - \$0-\$2,000=\$69.00
 - \$2,001-40,000=\$69+\$9 per \$1,000 to \$40,000
 - \$40,001-100,000=\$410.99+\$7 per \$1,000 to \$100,000
 - \$100,001-500,000=\$830.98+\$5 per \$1,000 to \$500,000
 - \$500,000-\$1,000,000=\$2,830.97+\$3 per \$1,000 to \$1,000,000
 - \$1,000,000-\$5,000,000=\$4,330.97+
 - \$2 per \$1,000 to \$5,000,000
 - \$5,000,001+=\$12,330.97+\$1 per \$1,000
 - Additional annual revenue=\$126,165 (24.8%)
 - Proposal2 (Jasper County & ICC recommended)
 - \$0-2,000=\$69.00
 - \$2,001-40,000=\$69+\$11 per \$1,000 to \$40,000

- \$40,001-100,000=\$487+\$9 per \$1,000 to \$100,000
- \$100,001-500,000=\$1,027+\$7 per \$1,000 to \$500,000
- \$500,001-1,000,000=\$3,827+\$5 per \$1,000 to \$1,000,000
- \$1,000,001-5,000,000=\$7,327+\$3 per \$1,000 to \$5,000,000
- \$5,000,001+= \$18,327+\$1 per \$1,000
- Additional revenue generation=\$284,302(56%)
- Other Fees increases requested:
 - Electrical Service Fees-\$40/50-\$50/60
 - Residential Zoning Permit-\$40-\$60
 - Non-residential Zoning Permit-\$75-\$95
 - Demolition Permit-\$50-\$100(R)/\$200(C)
 - Gas Permit-\$50-\$75
 - Manf.Home-\$100-\$200
 - Trvl Trailer/Camper-\$100-\$200
 - Bldg/Electrical Investigation-\$50-\$75
 - Gas Pressure Test-\$50-\$75
 - Letter Fee-\$40-\$50
 - Flood Zone Review Fee-\$40-\$50
 - Construction Admin Appeals-\$150-\$200
 - Zoning Exceptions/Variances-\$200-\$250
 - Rezoning Amendments-\$200-\$250
 - Preliminary Plat -\$175-\$475
 - Final Plat-\$100-\$400
 - Letter/Legal Photocopy-\$0.25-\$0.35
 - Zoning Regulations-\$0-\$50
 - County Comprehensive Plan-\$70-\$80
- GIS Fees
 - Custom Mapping and Service
 - Increase Labor/GIS Analysis and Labor/Servicing from \$40 to \$60 per hour to accurately reflect current staff cost to provide this service.
- Register of Deeds
 - Copy Fees
 - Increase copy charge from \$0.50 to \$0.75 to accurately reflect supply and copier lease fees.

Debt Service

- We have 4 debt service funds:
 - General Obligation Debt
 - Fire Services Debt
 - Capital Projects Services Debt
 - Non-GO Debt (lease financings & Enterprise vehicle lease and CCIMC (railroad)revenue bonds)

- Debt Service payments are funded through collection of county debt service millage, fire debt service millage and capital projects sales tax.
- County and fire debt service millage collections are first used to satisfy general obligation and fire services bonds and then are used to fund lease financing, Enterprise vehicle leases and CCIMC revenue bonds.
- Millage rates for debt service are NOT capped in the same manner as county operating millage – based solely on amount of funds needed to satisfy annual debt service.
- Capital project sales tax collections can only be used to fund capital project sales tax bonds.
- Excess capital project sales tax collections are first applied to final year debt service and once funded, excess can be applied to existing projects to fund cost increases, fund new (allowable) projects approved by council or rolled into the next round of capital projects sales tax projects if sales tax is renewed by voters.

Debt Service – Outstanding Issuances

- GO Bonds Outstanding
- Fire Bonds Outstanding
- CPST Bond Outstanding
- Other Financings

Debt Service - Railroad Revenue Bonds

- Colleton County Intermodal Corporation was created for the purposes of promoting economic development of the County. It's only activity was the issuance of revenue bonds in 2017 in the amount of \$7.61 million to fund a loan to Palmetto RR for the acquisition of the Hampton and Branchville Railroad so that the railroad remained in service from an economic development standpoint.
- Bonds pay interest semi-annually in December and June and annual principal payments in June from 2018 through 2037 at 2.0%-4.9%. Debt service increases each year, with payment of \$583 thousand due in fiscal year 2025.
- Revenue bonds are not indebtedness of the county (does not count against 8% cap). The Deposit and Reimbursement agreement notes that project revenues (discussed below) will be used to pay the debt service. Since it is expected that project revenues will not be sufficient to make the debt service payment until enough economic development occurs along the rail line, the County will need to budget the annual debt service payment. Please note that is budgeting is at the sole discretion of Council.
- Palmetto RR pays Colleton County annually (120 days after Palmetto RR year end of 12/31) the following formula: 10% of all revenue received from rail line + 25% of net income (revenues less operating and capital costs). Annual revenue payments have been running from \$77,498.48 (2017) to \$177,704.21 (2024), though 2025 will report a loss with revenue expected at \$41,659.

Debt Service

- GO Debt – collections budgeted at \$2,533,356.74 (growth of 2.1%) – this includes \$65 thousand from Palmetto RR
- GO Debt Service - \$3,702,624 – shortage of \$1,169,267 – request to increase debt service millage of 5.25 mills
- Fire Debt – collections budgeted at \$3,075,477 (growth of 1.5%)
- Fire Debt Service - \$3,111,880 – shortage of \$36,403 can be absorbed by existing fund balance – no change in millage
- CPST – collections budgeted at \$7,383,450 (growth of 1.7%)
- CPST Debt Service - \$6,569,950 – excess collections of \$813,500

Fire Rescue Operating

- Fire Rescue operations are funded through a combination of property tax (separate millage) and collection of fees.
- Fire Rescue operations are not self-sufficient in part because fire operating millage is only assessed on the unincorporated areas of the county, even though emergency services are provided county-wide.
- For fiscal year 2024, county general funds provided \$7.742 million in support (roughly 21% of general fund budget).
- Fire Rescue operations has a total budget of \$7.359 million (excluding county operating support). This represents a 1.9% growth in revenue from the forecast FY2025.
- Property tax revenues are budgeted at \$4.626 million or 62.9% of budget. This represents a 2.3% increase from the forecast FY2025.
- State revenues (property tax relief) are budgeted at \$401,665, which is 5.5% of budget and are equal to forecast FY2025.
- Fees are budgeted at \$2.331 million or 31.6% of budget. Collections of emergency services bills represent \$2.250 million and is budgeted to increase by 2.6% over the current year forecasted amounts.
- Fire Rescue operating millage is 33.56 mills
- Millage was last raised during the FY22-23 fiscal year – millage increase was 4.0 mills.
- Value of mill is \$120,504 (54% of county operating mill since it only represents unincorporated parts of the county).
- City of Walterboro and the Town of Edisto Beach taxpayers do not pay any Fire Rescue operating millage even though these residents receive emergency services. Council could consider the addition of an emergency medical service fee (or a separate millage) to the tax bills of taxpayers in these municipalities (would not be added to unincorporated taxpayers).
- Rate/Revenue Impact (based on number of municipal taxpayers):
 - \$75 - \$447,225
 - \$100 - \$596,300
 - \$125 - \$745,375
 - \$150 - \$894,450

Local Option Taxes

- Local accommodations tax is levied against the gross proceeds derived from the rental or charges for rooms, lodgings or sleeping accommodations that are furnished within the county.

- The tax is levied at 3% within the unincorporated areas of the county, at 1.5% within the City of Walterboro (City of Walterboro levies 1.5% accommodations tax) and 1% within the Town of Edisto Beach (Town of Edisto Beach levies 2.0% accommodations tax). – Total tax rate 12% (includes 2% state accommodations, though no CPST is levied)
- Tax is budgeted to generate \$805 thousand for FY 2026 which represents 1.1% growth from the forecasted amounts for FY 2025.
- Tax compliance and collection are handled by the Treasurer's office. Tax proceeds are required to be used for tourism-related operating and capital expenses.
- Recreation revenues are derived from a combination of program fees, facility rentals & concession/merchandise sales.
- Program fees are budgeted at \$61.6 thousand and include basketball, baseball, softball and state tournament fees.
- Facility rental fees are budgeted at \$200 thousand and include gym, activity rooms and picnic shelters.
- Concession/merchandise sales are budgeted at \$140.35 thousand.
- Revenue from recreation totals \$401.95 thousand which is 1.5% lower than forecasted amounts for FY 2025 due to a decrease in number of state tournaments to be hosted.
- Dogwood Hills revenues are derived from a combination of green fees, cart fees, tournament fees, merchandise, food/beverages and restaurant rental. Total golf course revenues are budgeted at \$283,260 (excluding restaurant rental).
- Recommended rate changes (green/cart): weekday 18 holes increasing to \$30 (\$23.24), weekday 9 holes increasing to \$20 (\$13.32). Weekend 18 holes increasing to \$35 (\$27.75) and weekend 9 holes increasing to \$25 (\$19.00). This change will generate an additional \$28 thousand in annual revenue.
- Food/beverage revenues are budgeted to decrease by \$9,735 due to no longer selling beer (please remember our annual liquor liability policy was \$10,299). This decrease is being partially offset by increasing food and beverage prices which will generate additional revenue of \$3,252.
- Restaurant rental is budgeted at a total of \$47,378, which represents \$30,000 in base rent (\$2,500 monthly) and \$17,378 for utilities.

Roads and Bridges

- Roads & Bridges revenue is budgeted at a total of \$1.462 million and includes the following items:
- Road maintenance fee (\$35) will generate \$1.32 million – fee increased last budget year from \$25 to \$35, increases are only effective on a tax (calendar) year basis.
- CTC contribution to cover engineer services provided by county engineer - \$100 thousand – no change from FY2025.
- City of Walterboro contribution to cover engineer services provided by county engineer - \$31.92 thousand – no change from FY 2025.
- Citizen culvert installs – \$5.5 thousand – no change from FY2025.
- In order to fully fund contract motor grader services the following funding plan is proposed:

- Funding needed is \$380,844, which equates to roughly 320 miles at \$1,200 per mile – would request that this service is rebid if dedicated funding is approved for FY2026.
- Take the salaries and benefits associated with three vacant motor grader positions and permanently move the funds to a contract services expense - \$195,904.
- Increase road maintenance fee from \$35 to \$45 (would be effective 1/1/26) – this increase would generate \$160,000 in six month period.
- This would provide \$356 thousand which would cover 297 miles in FY2026 (based on \$1,200 per mile) and would generate over \$500 thousand in FY2027.

Solid Waste

- Solid Waste revenues are budgeted at \$3.213 million representing 6% growth from the prior year.
- Disposal fees (\$85 per taxpayer – no change in rate, rate increased from \$75 in FY2025) are budgeted at \$1.718 million which is equal to forecasted FY2025 amounts.
- Landfill tipping and recycling revenues are budgeted at \$1.492 million representing a 19.2% increase from FY2025 forecasted amounts.
- This revenue growth is due to an requested increase in our tipping fees as follows (have remained unchanged for 4 years):
 - \$45 C&D per ton to \$55 C&D per ton
 - \$55 MSW per ton to \$65 MSW per ton
- Scrap tire fees are currently limited by state law at \$150 per ton. Legislation is pending (S171) that would allow this fee to increase up to \$400 per ton. If S171 becomes law, it is our recommendation that we increase our scrap tire fees to a minimum of \$200 per ton. Currently we are paying \$190+ per ton to haul scrap tires out of the landfill.
- Abandon housing dumping fee – currently when Code Enforcement approves an abandon building for demolition, property owners are allowed to bring the C&D debris to landfill and pay no tipping fees. Consideration of capping the number of tons allowed for free is requested since several instances of 50-150 tons of debris from abandon houses have been recorded over the last fiscal year.

Recreation

- Recreation revenues are derived from a combination of program fees, facility rentals & concession/merchandise sales.
- Program fees are budgeted at \$61.6 thousand and include basketball, baseball, softball and state tournament fees.
- Facility rental fees are budgeted at \$200 thousand and include gym, activity rooms and picnic shelters.
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- Restaurant rental is budgeted at a total of \$47,378, which represents \$30,000 in base rent (\$2,500 monthly) and \$17,378 for utilities.

School District

Colleton County High School Superintendent Jessica Williams presented the Colleton County School District Financial Information to Council. Ms. Williams explained the presentation that she will be presenting to Council is concerning the School District's financial information and the School District request for assistance as they continue to educate the future of the community.

Ms. Williams discussed the following.

Vision-Colleton County School District will be a world-class school system that ensures all students achieve at their highest levels.

Mission Statement-Colleton County School District will prepare every student to graduate with a 21st-century education to be globally competitive for their chosen college and/or career path.

Core Purpose-Teaching and Learning

According to the 135th Day report, student enrollment is currently at 4,436 students; with the district employing 882 personnel.

Based on House projections, the fiscal year 2025-2026 General Fund Budget is \$57,758,282; The beginning teacher salary is \$47,000 and is lower than Beaufort (\$51,066), Charleston (\$56,146), Berkeley (\$52,450), Dorchester 2(\$49,000).

- The district is required to pay teachers on the state minimum salary scale.
- Each cell on the teacher scale will be increased by \$1,500 which will increase from \$47,000 to \$48,500 for the 2025-2026 fiscal year.
- The state funds 75%, and the district funds 25%.
- The increase is indicated in both the House and the Senate budget projections.
- 88% of the \$57,462,474 goes to salaries and fringe benefits
- 11% pays for utilities, district insurance and other operational expenditures.

- The audited financial records from 2024 revealed a significant reduction of \$1,092,158 in state aid to classrooms due to student enrollment decline

Fiscal Authority

- General Assembly recognizes financial challenges to districts due to Act 388.
- Consumer Price Index is a formula that is developed by the State to calculate each district's inflation and growth which helps districts to offset financial loss.
- This chart recognizes those challenges by giving authority to either districts, county councils, county boards, or legislative delegations to raise millage subject to the cap of Act 388.
- In Colleton County, County Council may approve a millage increase subject to the cap under Act 388.
- State law allows for a 3 year look back.

2025-2026 Budget Includes

- The budget includes a 1500 increase for teacher salaries in each cell of the statewide minimum teacher salary scale. This would bring an beginning teacher salary from 47,000 to 48,500
- The new state salary scale collapses the teacher salary schedule into four categories (Give the 4 categories) and deletes the Bachelor's plus 18 category. Even though this category is deleted, the district must still provide funding for this category
- The new scale also includes a 2% increase for our bus drivers and a 2% increase for classified staff.

2025-2026 Budget Doesn't Include

- Ms. Williams advised that the School District is very aware of the financial situation and are being good stewards of public funds, cuts or adjustments have been made to the budget but the School District needs funding to help restore cuts or adjustments.
- The proposed budget eliminates 10 positions through attrition throughout the school year.
- The budget also does not include 42 current positions and 10 new positions that are needed throughout the district
- Cut the administrative raises of 2% and school board of trustees' salaries, along with reduced various supply accounts.

What the School District has done

- Ten positions eliminated through attrition throughout the year equals \$635,947.32
- Four of the ten positions are district office staff
- The Board has approved \$1,116,000 (includes fringe and benefits) from Fund Balance to offset the loss of certified staff
- Adjusted the budget to reflect additional loss of students due to the charter school and other options

Academic Improvement

- Increase in Graduation Rate
 - 2021-2022 = 72.8%
 - 2022-2023 = 75.9%
 - 2023-2024 = 78.2%
- No Unsatisfactory Schools
- Three Average Schools
- Removed from State Takeover
- Dual Enrollment increased by 12% from 2021-2022

Ms. Williams advised that based on the information that was provided to Council, the Colleton County School District respectfully request a millage increase on 9.77 mills to support the 2025-2026 budget. By approving the request the School District would be able to support 82.5% of the lost position, services and supplies.

Ms. Williams thanked Council for allowing the school district the opportunity to speak at the meeting today.

Executive Session

Councilman Trippe made a motion to move into Executive Session to discuss the following: Personnel. Councilman Frank seconded the motion, and the motion was carried unanimously.

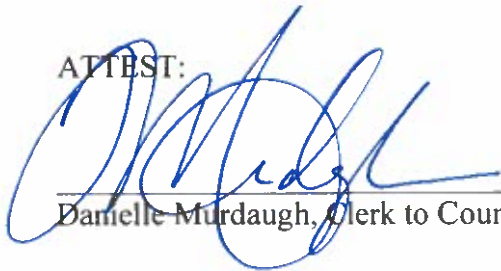
Councilman Trippe made a motion to exit Executive Session. The motion was seconded by Councilman Frank, and the motion was carried unanimously.

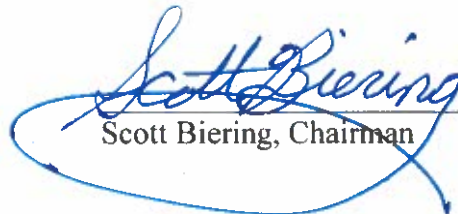
Adjournment

Councilman Taylor moved to adjourn the meeting. Councilman Frank seconded the motion, and the motion carried unanimously.

This 15th day of April 2025.

ATTEST:



Danielle Murdaugh, Clerk to Council

Scott Biering, Chairman