

TRANSPORTATION & PUBLIC WORKS

The Commission feels a detailed Charleston Area Regional Transportation Authority (CARTA) budget should be submitted to Council for full review. Fleet operations would benefit from participation in the state Commercial Vendor Repair Program (CVRP), which would allow more flexibility in repair options. We recommend that the proposed new light vehicle shop be built to current needs until the performance of the CVRP program is evaluated. Transportation sales tax funds should be directed to the Public Works Department to finance local road and drainage projects needed in the county. Council should implement the new National Pollutant Discharge Elimination System (NPDES) regulations as proposed by Public Works. And the department should continue their innovative outlook in long-term paving projects, and create incentives to attract and retain workers in many labor-intensive jobs. The Solid Waste Department should continue to aggressively market the recycled materials they handle and get maximum output from the incinerator. These actions will help keep the landfill open as long as possible. Long-term planning is vitally important to successful solid waste management.

MISSION

This task force looked at several areas of County government and County involvement, all related to transportation or use and/or maintenance of vehicles or heavy equipment. Included in the review were:

- the Charleston Area Regional Transportation Authority (CARTA);
- Fleet Operations under the Internal Services Department;
- two of the County's largest departments with major use of trucks and heavy equipment.

Charleston Area Regional Transportation Authority (CARTA)

OVERVIEW

The CARTA system has been revitalized with a secure source of funding. The Transportation Sales Tax was approved by voters in November, and implemented effective May 1, 2005. Current Authority membership includes the City of Hanahan (Berkeley County), Charleston County, City of Charleston, City of North Charleston, Town of Mount Pleasant, Isle of Palms, Sullivan's Island, Town of Kiawah Island, and the Town of Seabrook Island.

RECOMMENDATION

Recommendation 1: Because the County has a fiduciary responsibility to ensure that the Transportation Sales Tax revenue is spent well, it is recommended that CARTA submit a budget for Council review with the amount of detail as required by Council.

Background: The funds from the Transportation Sales Tax will pass through the County to CARTA. In the past, although governments participating in the transportation region have had review and audit authority over the CARTA budget, a criticism has been that the information presented lacked detail. As a good portion of the budget will be public tax money, it is imperative that the public have full accountability.

As per State enabling legislation (SC Code Section 58-25-70), the CARTA budget must receive approval by a majority of the member governments. As quoted from Section 58-25-70, "... a majority, for the purposes of this section, includes the governing bodies of the member municipalities and counties representing more than one-half of the service area population." While none of the member governments has "line-item veto" power over CARTA's budget, any can withhold approval of the entire budget.

With the Transportation Sales Tax revenues, County Council each year will designate a portion of those revenues for CARTA use. Council would have the power to withhold a portion of that expenditure in the event it did not approve of a proposed expenditure. Further, Council can ask for any information it needs before it decides to appropriate sales tax money to CARTA. The Sales Tax budget and the intergovernmental agreement state that CARTA must provide the detail requested by the County.

Fleet Operations

OVERVIEW

Charleston County Fleet Operations is charged with acquiring, maintaining and disposing of fleet vehicles, heavy and light off-road vehicles, and power equipment. It supports approximately 625 sedans and light trucks, and maintains a 94 percent vehicle availability rate. In addition, it generates revenues through charges to external agencies for repairs, maintenance and fuel consumption. Fleet operates with 27 full-time employees and a fiscal year 2006 budget of \$5.95 million.

RECOMMENDATIONS

Recommendation 2: The MAP Commission recommends that Charleston County make all current fleet vehicles members of the state Commercial Vendor Repair Program. There is no charge and no commitment level required by the state. That will automatically give County employees access to 44 additional maintenance/repair facilities in the County.

Background: The State of South Carolina offers a maintenance and repair program known as the Commercial Vendor Repair Program. This is coordinated by the State Budget and Control Board, Division of General Services, State Fleet Management. See Appendix 12 for a description of the program. Commercial vendors who are part of the program meet state service and pricing criteria, and are certified as members. There currently are 44 repair facilities in the Charleston area that can work on fleet vehicles.

The program allows County employees driving County-owned vehicles access to these 44 facilities, and to all facilities that are members throughout the state. When maintenance or repair is needed, the operator contacts the State Fleet office and lets them know what is needed. The office sends a purchase order to the facility at which the service will be performed to authorize the work. The state takes care of the billing and payment with the facility.

The cost is 16 percent over the invoice, not to exceed \$80.00. For example, a Charleston County employee could take a County car to Jiffy Lube for an oil change. The charge to the County would be the cost of the oil change from Jiffy Lube plus 16 percent (or \$30.50, assuming Jiffy Lube charged the State \$25.00 for the service). A major repair done by a CVRP facility for \$1,000 would cost the County \$1,080.

Recommendation 3: The Commission recommends that Charleston County ask the state to approve the current maintenance facility as a member of the CVRP network of repair/maintenance facilities.

Background: Any repair/maintenance facility can be added to the list as long as they meet the requirements of the State Fleet Maintenance Program. This inclusion would require the county facility to become competitive if not already.

Recommendation 4: The Commission additionally recommends that the planned \$3 million light-vehicle maintenance facility be outfitted to current requirements.

Background: In its five-year Capital Improvement Plan, County Council has approved \$3.45 million to relocate the current Automotive and Radio Shops to allow for the planned development of the property on which they sit for Law Enforcement Center and Evidence Warehouse. The new Fleet Automotive Shop will be built in proximity to an existing heavy-equipment/truck repair facility. The new construction will incorporate all regulations related to air and water pollution-control, and thus will be an important upgrade to the current facility.

It is recommended the County use data and experience developed from the proposed participation in a vehicle leasing program (see Procurement Task Force recommendation P9) and from participation of all vehicles in the CVRP program, as well as activity rates experienced by the Automotive Repair Shop as a CVRP-certified facility, to determine the equipment and service needs and requirements for any utilization expansion.

Recommendation 5: The Commission recommends that, based on activity-based costing and Fleet Operations' experience as a CVRP facility, the County consider opportunities to outsource some Fleet maintenance functions.

Background: If, as a certified CVRP facility, the Automotive Repair Shop experiences an increased work load from outside vehicles, it is recommended that Fleet Operations identify essential activities, and those repairs and/or maintenance jobs it does best. It should base its operations on those identified activities, and outsource all other repairs and maintenance, thus maximizing its efficiency and cost-effectiveness.

Public Works Department

OVERVIEW

This department is one of the largest in the County, with 186 full-time employees and an FY 2006 budget appropriation of \$12.2 million (excluding \$13 million of Transportation Sales Tax money for roads and related projects). Public Works is responsible for roads and bridges, maintenance and improvement of the drainage ditch and canal network, paving and routine blading of earth roads, resurfacing of existing roads on an established schedule, and mosquito control.

The Public Works department also provides civil engineering services for design and coordination of construction and repair projects throughout the County. Mosquito Control activities are accomplished utilizing a coordinated and aggressive combination of contracted fixed-wing aircraft, County-owned helicopters, spray trucks and manual spraying activities.

The Public Works Department also acts as the project management agent for the Charleston County Transportation Committee (with an annual budget of about \$4 million) and coordinates the requirements of the National Pollutant Discharge Elimination System (NPDES) Phase II Stormwater Regulations (currently unfunded).

The Department was reorganized with the start of the 2006 fiscal year to create a Transportation Administration division to coordinate the sales tax projects, work with the contract management consultant, and administer project funds.

RECOMMENDATIONS

Recommendation 6: The MAP Commission recommends that implementation of the NPDES Phase II Stormwater Regulations be coordinated with all local government entities required to comply with the requirements.

Background: The Public Works Department is currently preparing for the implementation of new storm water regulations mandated by the federal Environmental Protection Agency. These new rules will be costly to comply with and a County-wide stormwater fee may be necessary to fund the operation. County Council has been advised of these new regulations, but has put aside action on funding. Public Works is currently trying to reach an agreement through the court system to define the timetable for implementation. Lack of action by County Council to fund this program could result in hefty daily fines by federal agencies.

Since stormwater does not recognize jurisdictional boundaries, it can be more effectively monitored for pollutants with a united effort. Joint jurisdiction also would be more effective to the extent enforcement is required. (See similar recommendations for coordinated, multi-jurisdictional planning in the Organizational Structure of Government Task Force report; specifically recommendation O6.)

Recommendation 7: The implementation of the Transportation Sales Tax will provide funds for road and drainage projects throughout the County. The Commission recommends, within the oversight structure provided by County ordinance, that these funds augment road and drainage project funding available currently to Public Works so as to provide improved transportation and drainage systems to citizens of Charleston County.

Background: Crews have traditionally cleaned the County drainage network twice annually. An early retirement program which eliminated positions and budget reductions have necessitated this service cycle be reduced to once per year in most areas of the County. Drainage in this coastal County is a very real and necessary service. The citizens of Charleston County should not have to tolerate clogged drainage systems. This is especially critical during periods of heavy rainfall and/or hurricane activity.

Mosquito Control services are provided throughout the County. The state and federally owned spoil areas are also treated, but the US Army Corps of Engineers has been delinquent in paying for the spraying services, due to their own budget cuts. Public Works must continue to spray and treat these areas because of their large size and their influence on the mosquito population.

Recommendation 8: The Commission recommends that the Public Works Department continue to search and test new practices, technologies and materials to reduce workload and cost, and improve efficiency. Examples include paving or surfacing materials with longer life; and chemical weed control to eliminate hand-cutting.

Background: Public Works continues working to be as efficient as possible, within current budget limitations. The Maintenance and Construction divisions were recently combined into the Field Operations division. This has resulted in savings through elimination of duplicated supplies. A modern computerized inventory system has proved successful in managing materials that were disorganized and ordered piecemeal in the past.

Paving contracts throughout the County and on behalf of the County and various municipalities are routinely grouped together. This results in larger bids, with associated cost savings being realized by all involved entities.

Recommendation 9: The Commission recommends Charleston County maintain competitive salaries and utilize creative incentives to attract and retain workers for labor-intensive jobs such as those in the Public Works service areas.

Background: The majority of services provided by Public Works employees involve manual labor. The earlier references to elimination of longtime workers through an early retirement system and a changing job world have left a void in hiring new personnel. If employment in a fast food or entry-level retail business, in the comfort of an environmentally controlled atmosphere, paid the same as a ditch bank cleaner, why would a young person want a Public Works job? We must accept that the drainage system must be cleaned, and that salaries may have to be increased to attract people to clean them.

Incentives could include establishing criteria whereby workers could sell annual leave back to the County. This would improve work-load scheduling, and provide a monetary 'bonus' to the employee. (See related recommendations on merit pay and talent management in the Human Resources Task Force report.)

Recommendation 10: The Commission recommends that the Public Works Department utilize activity-based accounting (See recommendation from the Procurement Task Force.) to evaluate opportunities for privatizing some responsibilities.

Background: This recommendation is consistent with those throughout the MAP Commission report. As activity-based accounting is implemented to selected areas and functions, on-going analysis can identify those areas in which County performance is not competitive with services that can be provided by the private sector.

Solid Waste Department

OVERVIEW

The second department in the Public Works section of the County budget is the Solid Waste Department, which manages all solid waste within Charleston County. This department employs 126 people. It operates as an enterprise fund with an FY 2006 budget of \$34.5 million. There are four functional areas: collection of recyclable materials and operation of Convenience Centers in rural areas; landfill disposal; processing and marketing of recyclable materials; and contract management of the waste-to-energy (WTE) incineration facility. All of these functions are provided County-wide, and impact citizens daily.

RECOMMENDATIONS

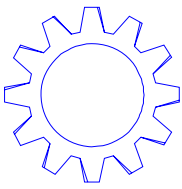
Recommendation 11: As a sound economic practice, and recognizing the rising cost of land and lack of availability, the Commission recommends the continued incineration of municipal solid waste (MSW) to reduce the dependence on landfilling, and to extend the life of the Bees Ferry Landfill.

Background: Several needs or deadlines will significantly impact solid waste management in the years ahead. Major waste disposal issues involve the ongoing Bees Ferry Landfill permitting and construction of new Subtitle D cells for MSW; location of additional land for construction and demolition debris disposal; and identifying, permitting and developing future MSW space. More immediately needed are decisions on the future of incineration in Charleston County. The contract with Montenay to operate the incinerator ends in 2010; the contract could be renegotiated, or the County could assume ownership and operation of the facility; or the process could be discontinued.

Revenue issues also impend. WTE energy revenues will decrease as the incinerator contract ends. While the residential user fees, which fund the solid waste program, have remained at \$89 for eight years, they may have to increase to cover higher costs for incineration and development of landfill space. And finally, adjacent development pressures and space limitations probably will require relocation of the County's recycling processing center now on Romney Street in Charleston.

Recommendation 12: The Commission recognizes and supports Council's attention to long-range planning for solid waste management, and urges continued attention to projecting needs, funding and implementation 20 years into the future

Background: Solid waste management is heavily regulated by state and, in some cases, federal requirements. Therefore, development of new facilities and programs requires long lead times. It can take years to obtain permits, and to design and construct facilities. The cost of operations is significant, and long-range planning also is necessary to identify sources of revenue for new facilities and programs. Basic operations are funded through user fees and sales, but construction often requires revenue bonds. All of these situations mandate a 20-year minimum look into the future to allow assessment of needs and adequate planning.



BUDGETING, FINANCE & ACCOUNTING

To continue a record of budgetary accountability, County Council must fully exercise its legislative role as the final approving authority in the budgetary process and as the policy maker for all of County Government while equally respecting the budgetary authority of other County elected officials. The Commission recommends close adherence to established budget policy, a restructured tax bill, and greater accountability for all offices expending public money. Continued development of a “citizens’ budget,” as was first prepared in 2005, is urged to promote public understanding of the budget totals and process.

MISSION

The Budget, Finance and Accounting Task Force’s mission was to evaluate the budget preparation process for Charleston County, and to review the working relationship between the finance departments of County government and all other units of County government. The Task Force was interested in knowing the budget approval process and, once the budget was approved, the method and scheduling of budget and financial reporting by the Administration to members of County Council. To begin to find this information the Chairman of the Task Force met initially with the Budget Director, and received a copy of the Fiscal Year 2006 Budget Calendar (green copy attached). The Task Force met with the Chief Financial Officer and Budget Director and reviewed and received a number of financial documents and reports relating to the financial scheduling in the budgeting process.

OVERVIEW

Charleston County is governed by nine County Council members. The day-to-day operation of the County is under the leadership of the County Administrator, who is appointed by Council. The present method of elections from single-member districts is a new process for this County. However, the message from Council to the Administrator and staff for the past 10 years has been the same: Bring us a budget which does not increase property tax. The staff has complied with this directive, and each year it has become increasingly more difficult to reach this goal.

It should be pointed out that the County is fortunate to have dedicated employees in the Budget, Finance and Accounting Departments who are very efficient in carrying out their assignments throughout the year. Special acknowledgement for outstanding efforts in developing and presenting the annual budget go to Budget Director Mack Gile, and the Management Team of County Administrator Roland Windham, Deputy Keith Bustraan, and Chief Financial Officer Corine Altenhein. The magnitude of the effort has increased greatly through the years when you realize that there have been cut backs in federal dollars and state shared revenue has been reduced to the counties. In addition to these cutbacks, there have been decreases in percentages of tax ratio on vehicles resulting in less funding.

At the same time that many income sources have decreased, there have been increases in cost in the delivery of services, and additional expenses in daily operations for supplies, vehicles, utilities, and especially insurance and health care. While the results in the delivery of services have been positive, many times the public has failed to recognize and appreciate the efforts that have gone into making it all happen.

The budget approval process follows the schedule as outlined in the budget calendar (See Appendix 13.). Budgets are submitted to the Budget Department, and included in all budget requests are the amount for the previous year in a department's budget, the present budget, and the proposed budget. If there is an increase, the amount of the increase and the reason for the increase are stated. All line-item requests have to be justified with detailed cost information. Costs for new projects are segregated for separate consideration. The budgets move from the Budget Department to the Management Team where they are finalized for presentation to Council. A schedule is prepared for budget presentation to Council, a process that requires several Council Finance Committee meetings. All elected officials, special purpose districts, special tax districts, and boards that are appointed by Council (eg., the County Library Board, Voter Registration Board) are notified of the date and time their budget will be considered. They are requested to be present for this meeting and they are invited to speak in support of their budget request.

Budgets as presented can be amended by Council. Following Council approval at the Finance Committee level, the Budget Ordinance is presented to full Council for first reading, opened for a public hearing, then carried for second and third reading at subsequent Council meetings before final adoption and implementation on July 1.

RECOMMENDATIONS

County Council has endorsed the concept of developing financial policies for the County, as a means of fostering credibility and confidence in government, and to contribute to continuity in financial decisions. The policies are valuable tools, and should be utilized as a step to full fiscal accountability. As the financial panorama becomes more complex – more revenue sources, greater accountability demanded by the public, increased demands on limited resources – there also is greater need to inform and educate the public on budget and financial matters, in as clear and simple a manner as possible.

Recommendation 1: The MAP Commission supports three-year expenditure and revenue projections and five-year capital improvement planning as means to promote a better planning environment for the organization and for the budgeting process.

Background: The present Budget Policy states that the County will develop and review operating expenditures and revenue projections for the next three years (Paragraph E under the Budget Policy section of the Charleston County Financial Policies; see Appendix 14). This is not being done at the present time. The policy should be followed to facilitate forward-thinking budgeting. The Administration presents a five-year capital improvement plan (CIP) to Council annually (See Appendix 15.). This plan is an excellent financial management tool, providing advance warning of major outlays, a blueprint for infrastructure to ensure orderly development, and a timeline to assure efficient facility maintenance or replacement. It generally outlines new construction and property acquisition needs and large capital outlays, along with estimated costs and proposed funding sources. The plan is evaluated and updated on an annual basis.

Recommendation 2: The MAP Commission recommends that the Charleston County budget process be expanded to include review of proposals by the Procurement Department during the budget formation process, and prior to development of recommendations to Council by the Administrator. It is the Commission's belief that this could result in more accurate budgeting related to non-HR expenditures, which may in turn allow other requests to receive needed funding.

Background: The County has a comprehensive and thorough budget development process which begins in mid-October with budget workshops, and concludes with the adoption of the fiscal year budget in June. All departments, as well as elected and appointed offices, are given the opportunity to make their case in support of needs and requests. All budget requests include purchases which will be made through the Procurement Department. That department is not part of the budget development process, however, even though it may be able to provide data on cost trends, or recommend alternative sources, ownership/lease arrangements, long-term efficiencies or other options that may affect budget totals. The Commission feels this is a resource that needs to be tapped.

Recommendation 3: Concerning the consolidated property tax bills mailed by the County Auditor, the MAP Commission believes that the County Government levy should be further delineated to indicate the individual levies for each elected and appointed office. All millage/tax lines also should indicate which entity has budget approval authority. For example, the Park and Recreation budget is approved by County Council, while the School Board budget is approved by the School Board. Both these measures will establish full accountability to the taxpayers.

Background: The Charleston County Auditor prints and mails a consolidated tax bill listing millage and tax liability for each taxing entity in the County. The tax levy for Charleston County government is based on the total budget needs of the departments under the Administrator, as well as the approved budgets for elected and appointed offices. The taxpayer does not know how much of the County levy is attributable to offices operated independently of County Council (although requiring Council budget approval). For example, voters/taxpayers elect the County Sheriff, but do not know what they pay in property taxes to support his function; taxpayers use the County libraries, but don't know the cost to them in property taxes. There also is lack of clarity on which governmental entity has ultimate approval authority over budget totals. This recommendation is consistent with the Commission's belief that citizens should be fully informed about County government and its costs.

Recommendation 4: As a part of the budgetary process the Administrator should review the operations and programs of not only the general County government, but also of those departments operating under Countywide elected officials, and make recommendations for funding based upon that review.

Background: County Council has responsibility for approving the overall tax levy for the County without a mechanism for clearly performing an analysis of the relative amounts which need to be spent on the various services provided under the independently elected County officials. There is often an inherent tendency of public officials elected for only one purpose to place a greater weight on that service, and a correspondingly greater expenditure of funds on that service, at the expense of others.

While the Administrator may make general requests of the independently elected County Officials in their submission of budget requests, and Council has authority for final approval of those budgets, there does not seem to have been a full review of the relative funding of the various independently elected County officials' departmental expenditures. For example, the Administrator and Council implicitly balance the appropriate level of expenditures for departments within the general County government. However, there is no mechanism for considering whether the service level of and funds expended by the office of an independently elected County official is appropriate, considering the overall service and tax demands on the County and its citizens.

The relative levels of spending for various County functions should be prioritized and reviewed on an ongoing basis. To provide a mechanism for this review, County Council should specifically assign the Administrator the responsibility to report on the relative levels of expenditures, including those departments not within the general County government as a part of the budgetary process. However, the independently elected County officials' requests for budgetary approval should be presented in full during each step in the budgetary process, along with those of the Administrator, with County Council making the final decision as to levels of funding. In implementing this process, Council and the Administrator should work with the independently elected County officials to identify the proper level of functioning for their respective areas of responsibility consistent with overall demands on the County, and to obtain budgetary information in the format requested and required by the County for the budget process. This should include information regarding possible organization or structural changes, or changes in the level of activity in their departments, whether or not they are in agreement with those possible changes.

Recommendation 5: Authority and accountability of elected County officials for their own expenditures should be clearly fixed. Elected County officials (Auditor, Clerk of Court, Coroner, Probate Judge, Register of Mesne Conveyance, Sheriff, Solicitor, and Treasurer) should have clearly defined financial autonomy to make budgetary decisions and to move money within their overall approved budget. The independently elected County officials would then be free to operate within the approved amount as they see fit, subject to general County ordinances which may be applicable to all agencies. To improve accountability, the County tax bill should separately identify the millage and tax levy for each independently elected County official's office separately from general County government operations.

Background: Some independently elected County officials perceive that they do not have full authority to manage their own budgets while being directly responsible to the voters and taxpayers for their performance. While the County administration indicates that they do have authority to move money within the total approved expenditures of their own budgets, there seems to be some confusion over this matter. Further, the average voter cannot clearly identify the cost and efficiency with which the various offices are managed. Detailing the level of taxation for each elected position would improve accountability.

Recommendation 6: Charleston County has a responsibility to keep its citizens fully informed about the costs to provide services. The MAP Commission encourages continued development and publication of a Citizens' Budget document, in clear and understandable format, to educate the public about costs, revenue sources and services provided.

Background: For many years the County has provided copies of its approved budget to libraries for public review, and placed the budget on its website. But the full document is lengthy and complicated. For FY 2005, the Budget Office, for the first time, prepared a *Citizen's Guide to the Approved Budget* (See Appendix 1), which provided a County overview, explanation of services, discussion of the budget process, a budget summary, discussion of different types of funds, and some information on property taxes and upcoming fiscal challenges. The Commission applauds this effort, and encourages further refinement and broader distribution.