

DATE: 5/13/26 FILE NO.: DATE674

TO: Cherokee County Council

SUBJECT: Minutes of Budget Workshop, 5/12/26

There was a Budget Workshop Tuesday, 5/12/26, 5 PM in Council Chambers. Chairman Tim Spencer presided with Peter Wilkins leading in prayer. All council members were present along with Administrator Bishop, Asst. Admin. Bradley, Finance Director Kristie Howell, Attorney Joe Mathis and Master Clerk Doris Pearson. The news media was informed by agenda and it was posted in accordance with the SCFOIA. There was 1 news media along with 15+ visitors.

Councilman David Smith made the motion to adopt the agenda for the Budget Workshop as received and posted in accordance with the SCFOIA. Donnie Hardin seconded and council voted in favor.

Administrator Merv Bishop referred to the Fiscal Year Proposed Budget 2026/27. We handed this out to council 5/4/26 and at that time I stated you had 2 choices to make to balance the proposed budget. I meant to say you have 2 actions that you could consider to take to balance the proposed budget: **1)** increase of 3.5 mils in operating millage, while helpful, this measure alone is not sufficient to eliminate the deficit; and **2)** to implement a residential solid waste user fee for curbside collection in the amount of \$20/month which would support all solid waste operations, including collection, recycling, post-closure obligations, and landfill operations.

Administrator Bishop asked council if they approved of the 3% across the board raise for all county employees. Inflation has gone up 3.8% and it may go even higher. The county's operations are not immune to cost increases. We have the same increases, especially fuel. We feel our employees are our #1 asset and we need to acknowledge that and give them a 3% cost of living raise.

Admin. Bishop stated thus far, the 3.5 mil increase and the \$20/month user fee for Solid Waste will help balance the budget but this also helps us not to deficit spend. Yes, we did do a 12-mil tax increase last year but we still had to deficit spend about \$4.1 million.

Councilman Elliott Hughes asked about the \$4.1 million? I saw in the audit \$1.38 where did the rest go? Merv replied go to Page 28 – in the year 24/25 it shows that we were anticipating that we would deficit spend by \$2.5 million but the number beside it was suggested at \$4.1. This was last year's audit. We haven't received this year's audit yet and want until the end of June 2026. What happened to all that other money we had? When we balanced the budget last year, we made a 12 mil increase and then we offset by spending out of cash funds the \$4.1 million. The audit you are looking at is the year prior to that. We still have 2 months left in this year's budget.

Administrator Bishop stated we had **1)** our 911 Tariff Budget and it is balanced at \$722,126 and that money can only be spent for certain items set by criteria through our tariff money. Page 147; **2)** our budget for capital: total request was \$5.2 million and Admin. approval was \$4,670,522.80. Peter asked will we need to pull out of the general fund to balance the capital budget?

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Merv replied no. We get two checks per month from LOST (local option sales tax) 71% of that is for tax relief. That money comes in on a monthly basis and goes to that account and then once a year we transfer that from our general funds. Of that 71%, 29% goes toward capital. Page 25 – you will see a list of \$4,242,000 for LOST. Peter stated according to the financial reports that we just recently received, as of April 30, we have not been spending any of that money. Merv replied we don't do it monthly, we do it at the year-end and transfer those funds to offset. We get two checks, City of Gaffney gets two checks and the Town of Blacksburg gets two checks and 29% is used for capital.

Councilman Billy Blanton referred to Page 32 – county millage information. On a \$200,000 home for the 8.2 millage, will the taxes go up \$65 if we raise those mills? Merv replied yes. Bill replied if you add \$240/yr. for SWC fee how many mills would that be? Last, you raised 12 mils and another 30 this year + 3.5 milage so we are looking at over 40 mils in 2 yrs. Merv replied If we raise taxes, it would not affect everyone so we are proposing a residential fee for our trash pickup which includes 7 new trash trucks that would be leased for 5 yrs. We have a lot of issues with the wear & tear of our trash trucks so if we go with the lease, we can have a plan that will keep down that cost of the vehicles. The guys that work out of SWC Dept. want to become regular employees and not temps. Our goal is to hire these temps as full-time employees.

Councilman David Smith ask how much will the fee bring in? Merv referred to Page 35 – Kristy replied \$5,711,280. The question is do we charge a fee for what their taxes are already paying for? How much of the tax money actually goes toward trash pickup? That can fluctuate. I have two trashcans at my house and maybe my neighbor has only one but we will all pay the same fee. \$240/yr. for trash pickup is a deal but how will we sell that to our citizens. We are the only county in the state that offers this service. This fee will continually increase, never go down. The county will face this every single year. I'm in favor of doing away with trash pickup. Whichever direction we go, it will cost the county. Merv replied you are right; we will never be out of trash business; maybe trash truck pick-up but never out of trash business. People in our county think their trash when picked up goes into our landfill but that is not so, it goes to Union Co. by transfer. Our record keeping in solid waste is not up to date so we will need to update it and see who has and doesn't have trash cans; and how many does a household have? I know that we have 23,797 resident homes but I don't know how many cans are at each home. Donnie Hardin stated this issue has come up every single year. We have to at least charge what it cost us. Tim ask is \$20 going to cover us or will you come back in Dec. and ask for \$30? David replied so tomorrow is \$20 when it should have been \$18 so it will be \$18 next year? Merv stated solid waste will cost us \$1,144,595 for 26/27 FYB. Elliott asks if the hauling company is charging us a tipping fee and other companies are dumping there and they are using our transfer station, then why aren't we charging them for using our transfer station? Tim Spencer asked how much does Republic make off of our transfer station? Merv asked if you want to get out of the transfer station lease, are we going to take it over ourselves; are we going to hire personnel to drive the trucks to Union? I've reached out to Spartan Waste and others and if that is the route council wants to go then we have to do an RFP.

Administrator Bishop stated that Administration wants to know from council, what can we do to balance the budget? Give us your suggestions and tell us what you want. We only have about 1½ months to come up with a balanced budget that all agree on.

Chairman Spencer asked what is the proposed FYB total? Merv referred to Page 23 - \$53,407,361.09. David replied the only thing that can happen now is the fee? Bill replied if we sell the transfer station for \$6½ million and don't raise taxes nor do a fee and that will give us one more year to come up with a plan. Elliott replied that would be a mistake to sell the transfer station. I will not support in selling the transfer station. I don't support with doing away with trash pickup. Bill asked him, "do you support the \$240/yr fee?" Elliott replied not really but if that is what we have to pay then we have to. That is why I keep asking why Republic is not being charged for what they make money off the county in using county property? Merv replied this keeps coming up but are we in or out? Give us some direction. David replied if we go out of it, we still don't know what that will look like. Merv that is why we need to come up with a plan to redo our solid waste management plan. Those are the things to get that information out to our taxpayers. Kristy replied we have 2 pages of 5 years discussion and binders full of information. We can show that to you whenever you want to see them.

Councilman Peter Wilkins asked if we don't do a milage increase and no trash fee; sell our transfer station and use that money to balance the budget, then we have no way to do convenient centers. We have to have some income there; we are just putting band aids on this from year to year. I can support the \$240/yr. trash fee. I'm not in favor of the 3% raise across the board for all employees; I feel that can be tightened up. It looks like we had an increase of \$922,000.00 in taxes and \$200,000.00 off of licenses. We got \$1.1 million in revenue that we got this year that we did not budget for. Merv replied we actually got extra money from our FILOT that Spartanburg County owed us from the 50/50 agreement and that would be extra money for this budget this year. We've had to do a lot of searching & finding money.

Councilman Peter Wilkins asked if reassessment is next year? Merv replied yes and David asked, "was that figured in this budget?" Merv replied yes. Peter replied I'm not against giving a raise but we are on a tight budget. I do agree in bringing everyone up to making a least \$20/hr. Donnie stated he was in favor of the 3% raise.

Councilwoman Teresa Bonner asked why do we need a Risk Manager? Merv replied that person has two job titles, Risk Manager and EMS Deputy Director. A good risk manager will bring down our risk factor which will bring down cost. Teresa asked Kristy, "Why can't you take that position?" Kristy replied because I have too much already to do and would not be able to devote the time to it.

Administrator Merv Bishop stated EMS cost us \$4,280,127.90 and I really need \$2.1 million and that is what we are going to get from our billing source; subtract that from the cost and it will leave \$2,180,127.90 that EMS will cost us. Refer to Page 21. Elliott replied, "does that cover our 60 new employees, insurance rates?" Merv replied, we will have complete control. Elliott asked how will you

Invoice people for their service? Merv replied we will have a billing company. We hired the right person to do the job and we have people telling us thank you for the new ambulance service. It is not only providing a service to our taxpayer but also a safety issue.

Councilman Peter Wilkins asked Sheriff Mueller why do a lot of the sheriff cars don't have printers? Sheriff replied that was a state mandate and our cars are not equipped to make traffic stops. It would cost us around \$5,000 investment and we have more special needs. It was put in the state's budget last year but was taken out; and hopefully, they will give some of that money back and we are talking about bringing up the cars with handheld scanners, printers, etc.

Chairman Spencer asked Merv was the 3% raise the only raise you looked at? Merv replied we looked at others but with inflation being 3.8% we felt the 3% was adjust the employees for that inflation. Can we do a dollar across the board? Kristy replied they looked at a study that recommended not to do dollar raises but percentage. David replied we need to give at least a cost-of-living raise.

Administrator Merv Bishop asked council that we need guidance from you as to which way you want us to go to balance the budget. We are hoping to give you a balanced budget before we plan for 1st Reading on 5/18/26. Peter replied, "I have already given you my opinion." Where can we cut this budget? Merv replied we looked at some places we could cut and it adds up to about \$400,000. David Smith stated we need something on the SWC fee to compare with. Merv asked council how do they feel about the Rufus H. Foster Scholarship to SCC/CCC which is \$100,000/yr? Some of council replied they want it left in the budget. What about cutting out the contract with the Palladium Group which is \$180,000/yr? Merv replied, "let us get more information on that because they are working on a grant for us on repairing the sinkhole at the Detention Center."

Councilwoman Teresa Bonner asked why do we need a Risk Manager and why at that salary? Elliott replied you can cut that position out and save \$99,000/yr. There should be someone already here employed with the county to do a coordinating job. Donnie Hardin replied a Risk Manger would save us money.

Councilman Billy Blanton replied I have a list that I will send you that is my opinion on this budget. I need to know how much the trash fee vs the convenient center. I'm for bringing up employees in their salary to make \$20/hr. Merv asked, "do you want us to deficit spend?" Tim replied reassessment is next year and that will make taxes go up even more. What is our max to raise mils? Merv replied we can go up to 8.2 mils. He referred to Page 35 on the Solid Waste Fund and SW Collections @ 16.52 mils. This is residential only; it will not be on churches. I have letters on Pages 39 & 40 from the City of Gaffney and Town of Blacksburg where they agree with the solid waste collection fee.

Councilman David Smith stated council has been kicking this can for several years and it's time we took action on solid waste collection. I will never compromise trash vs EMS. I'll do away with trash and get our EMS right.

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Administrator Merv Bishop again asked council to either email, phone or meet with him regarding your suggestions on the FY 26/27 Budget.

As there was no other business to come before council at this time, Chairman Spencer adjourned the meeting at 7:15 PM.

APPROVED: 6/1/26

BY ITS CHAIR: Tim Spencer

Respectfully submitted,

Doris F. Pearson, Master Clerk to Council