

**STATE OF SOUTH CAROLINA
BARNWELL COUNTY**

RESOLUTION R2017- 4-488-R

**A RESOLUTION TO EXPRESS CONCERN OVER THE FISCAL IMPACT OF H.3726
ON SMALLER COUNTIES OF THE STATE OF SOUTH CAROLINA**

WHEREAS, The State of South Carolina (the "State") is currently facing a dramatic shortfall in required funding for many of the State retirement funds, including the employee retirement fund and the police retirement fund, due to a combination of factors; and

WHEREAS, in order to address the shortfall, the South Carolina General Assembly has, among other things, proposed House Bill 3726 (H.3726), which would require substantial increases in both the employee and employer (governmental body) contributions to the respective retirement funds in order to bring them solvent at some point in the future; and

WHEREAS, while Barnwell County, South Carolina (the "County"), a body politic and corporate and a political subdivision of the State, acting by and through its governing body, the Barnwell County Council, is aware of the retirement fund shortfalls and the dire necessity facing the State to correct such shortfalls and fully fund the retirement funds, the County would still be faced with an almost insurmountable fiscal burden by the "fix" required by H.3726, IF it can even increase taxes as much as H.3726 requires (due to the impact of Act 388) and desires to bring to the attention of the Barnwell County legislative delegation, and the South Carolina General Assembly the actual hard numbers which such a "fix" would impose on the County, and the taxpayers of the County, and on all small South Carolina counties with small taxbases, and the conflict between such millage numbers and the hard limits of Act 388; and

WHEREAS, the County has had prepared for this resolution a graphic, spreadsheet illustration of the fiscal impact on the County, and its employees of H.3726, which is attached hereto as Attachment A, and hereby incorporated herein by reference as fully as if set forth verbatim herein. Attachment A clearly illustrates that, at full funding, H.3726 would require an 6.93 mil increase in the annual County budget, based only on current County salaries – a figure which almost certainly would continue to climb, and a figure which represents an enormous added burden on taxpayers who are already stressed to the breaking point. There also remains the clear hurdle imposed by Act 388, in imposing such millage, apart from the impact on the citizens of the state. It matters not whether tax increases are imposed on the taxpayer directly by the General Assembly or on the taxpayer indirectly by the General Assembly by ordering the counties to impose them – they are still increases which taxpayers have to pay, and which so many cannot afford to pay:

NOW THEREFORE IT IS HEREBY RESOLVED BY BARNWELL COUNTY COUNCIL, IN MEETING DULY ASSEMBLED THAT:

1. The preamble of this resolution is hereby adopted in its entirety, as findings of fact of Barnwell County Council.

2. The Barnwell County Council hereby respectfully invites the attention of the Barnwell County legislative delegation, and, through them, the South Carolina General Assembly, to Attachment A, hereto – a spreadsheet analysis of the immediate fiscal impact on the County and its employees of H.3726, as currently proposed, and the potential conflict between the requirements of H.3726 and Act 388, and requests a meeting of the legislative delegation with County Council and County staff to discuss the attached illustration, and the impact it so graphically illustrates, as part of a process to mutually explore the funding shortfalls of the state retirement plans and the methods available for addressing them.

3. Barnwell County Council desires to go on record as making it clear to the Barnwell County Legislative Delegation that the County is very aware of the dire circumstances facing the State retirement system and funds, fully appreciates the task of the South Carolina General Assembly in trying to put the State retirement plans on a solid, fully-funded fiscal footing, and is committed to working with the County delegation and the South Carolina General Assembly in doing so – but also wants the County legislative delegation and the General Assembly to fully appreciate that the County and its employees have been providing their respective contributions to the retirement funds all along, as required by the State Retirement System and State law, and neither the County nor its employees are responsible for the underfunding of the retirement plans of the State, an underfunding which accumulated over many, many years and cannot be fixed in a few years, without draconian impact on the poorer counties of the State, such as Barnwell County, and their employees, and a possible conflict with the millage caps imposed by Act 388.

4. The Barnwell County Administrator and the Chairman of Barnwell County Council are hereby requested and directed to have a copy of this Resolution and its Attachment A delivered to the Barnwell County delegation at their earliest convenience.

5. Should any portion of this Resolution be deemed unconstitutional or otherwise enforceable by any court of competent jurisdiction, such determination should not affect the remaining terms and provisions of this Resolution, all of which are hereby deemed separable.

6. All orders, resolutions and enactments of Barnwell County Council inconsistent herewith are to the extent of such inconsistency only, hereby repealed, revoked and rescinded.

7. This Resolution shall take effect and be in full force and effect after enactment by Barnwell County Council.

APPROVED AND ADOPTED this 11th day of April, 2017.

BARNWELL COUNTY, SOUTH CAROLINA

By: Charles Lowell Jowers Sr.
Charles Lowell Jowers Sr., Chairman
Barnwell County Council

ATTEST:

By: Kim A. Futrell
Kim A. Futrell, Clerk to Council
Barnwell County



ATTACHMENT A

BARNWELL COUNTY IMPACT OF H.3726

Base Earnings Per FY 17 Budget:	
Employees on Regular Retirement	\$3,740,485
Employees on Police Retirement	\$1,606,825
	\$5,347,310

FY	Regular	Amount	PORS	Amount	Total	Amount of Increase	Yearly Millage Increase	Cumulative Millage Increase
2017	11.56%	\$432,400.07	14.24%	\$228,811.88	\$661,211.95	n/a		
2018	13.56%	\$507,209.77	16.24%	\$260,948.38	\$768,158.15	\$106,946.20	1.98	1.98
2019	14.56%	\$544,614.62	17.24%	\$277,016.63	\$821,631.25	\$53,473.10	0.99	2.97
2020	15.56%	\$582,019.47	18.24%	\$293,084.88	\$875,104.35	\$53,473.10	0.99	3.96
2021	16.56%	\$619,424.32	19.24%	\$309,153.13	\$928,577.45	\$53,473.10	0.99	4.95
2022	17.56%	\$656,829.17	20.24%	\$325,221.38	\$982,050.55	\$53,473.10	0.99	5.94
2023	18.56%	\$694,234.02	21.24%	\$341,289.63	\$1,035,523.65	\$53,473.10	0.99	6.93
2024	18.56%	\$694,234.02	21.24%	\$341,289.63	\$1,035,523.65			