

MINUTES
August 29, 2017
SPECIAL COUNCIL MEETING
10:00 A.M.

Town of Edisto Beach
Town Hall
2414 Murray Street
Edisto Beach, SC 29438

Present: Jane S. Darby, Mayor, Susan Hornsby, Mayor Pro Tempore, Jerome Kizer, Crawford Moore, and Patti Smyer, Council Members; *Quorum of Council Present.*

Mayor Darby called the meeting to order.

New Business

A. First Reading of Ordinance No. 2017-25 to Adjust the “Rollback Millage” for the Fiscal Year 2017-18 – Mayor Darby asked Administrator Hill to explain the reason for the meeting. Administrator Hill stated that State Code requires the Town pass a balanced budget by July 1. During the budget adoption process, data regarding reassessment was not available from Colleton County. During a reassessment year, Colleton County evaluates all property values and establishes adjusted assessment values based on various factors including real estate market values for the past five years. Once the values are established State Code requires a calculation be done to equalize taxes. If assessed values increase, the millage adjusts down. If the assessed values decrease, the millage adjust up. This provide a method to prevent municipalities from realizing a windfall when property values increase and likewise a decrease in taxes when property values decrease.

To develop the 2017-2018 budget, the Town used the best available information. At the end of July, after the budget was passed, the reassessment information was provided to the Town and the reassessment values were less than anticipated.

In 2005, the millage was rolled back from 24 to 14 mills through reassessment. Again in 2010, the millage was rolled back from 18.81 to 16.81 through reassessment. Now that assessed values are lower, the millage needs to be adjusted up so that the Town can continue to provide the same level of services as in previous years.

K. Eve McKoy, CPA ran that calculation provided by the State of South Carolina, and determined that the millage needs to be increased from 20.71 mills to 23.44 mills. This will provide the same property tax revenue as budgeted. If Council decides not to increase the millage rate, it will result in an approximate \$200,000 budget deficit, resulting in not only fewer provided services, but loss of personnel.

Administrator Hill a reassessment is performed every five years and the next reassessment may result in a decrease in millage. Councilman Moore asked Administrator Hill to provide information on how much property owners would expect to pay with the proposed change in millage rate. Administrator Hill gave Council a handout showing these figures based on different property values at 4% (permanent residents) and 6% (non-resident property owners). For a home valued at \$500,000 at the 4% rate, property owners can expect a \$54.00 increase and an \$82.00 increase at 6% in their yearly taxes. However, according to the Assessor’s Office, with lower assessed values, homeowners should not see any change.


Councilman Moore moved to approve the first reading of Ordinance No. 2017-25 to Adjust the "Rollback Millage" for the Fiscal Year 2017-18, seconded by Mayor Pro Tem Hornsby. Councilwoman Smyer asked if Colleton County residents would also see a tax increase based on reassessment values. Administrator Hill stated she would find out, but has not been informed of a county tax increase.

Mayor Darby asked Councilman Kizer to check the agenda for the upcoming Colleton County Council meeting he is scheduled to attend to see if there is any discussion of a millage increase. Mayor Pro Tem Hornsby stated that a millage increase is not something Town Council has chosen to do, but an increase is necessary to keep providing services to the Town. Councilwoman Smyer reminded everyone that Administrator Hill had stated during the budget process that a change may be needed after reassessments were completed. Mayor Darby said that the reason for the special meeting was that the adjustment had to be made prior to the tax bills being sent out, and the second reading was scheduled for the September Council meeting. At the last reassessment, the information was provided after the tax notices were sent and the Town had to issue refund checks.

There being no further discussion, Mayor Darby called for the vote and the motion was passed unanimously. Councilman Moore moved to adjourn the meeting, seconded by Councilwoman Smyer and unanimously approved.

The media/public was informed of the date, time and location of the meeting on Friday, August 25, 2017.

APPROVED BY TOWN COUNCIL



Deborah Hargis, Municipal Clerk
September 14, 2017