



RICHLAND COUNTY COUNCIL

ADMINISTRATION AND FINANCE COMMITTEE

Greg Pearce	Torrey Rush	Joyce Dickerson (Chair)	Damon Jeter	Paul Livingston
District 6	District 7	District 2	District 3	District 4

**DECEMBER 17, 2013
6:00 PM**

2020 Hampton Street

CALL TO ORDER

APPROVAL OF MINUTES

1. Regular Session: November 26, 2013 [PAGES 3-6]

ADOPTION OF AGENDA

ITEMS FOR ACTION

2. Ending the Hospitality Tax Program [PAGES 7-17]
3. PPACA (Patient Protection and Affordable Care Act) Compliance [PAGES 18-25]

4. Approval of a Family Court Social Worker/Juvenile Mental Health Court Coordinator for the Solicitor's Office and a Senior Application Support Analyst for the Information Technology Department [PAGES 26-30]

5. Appraisal for Huger Street Properties [PAGES 31-35]

ADJOURNMENT



Special Accommodations and Interpreter Services

Citizens may be present during any of the County's meetings. If requested, the agenda and backup materials will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), as amended and the federal rules and regulations adopted in implementation thereof.

Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such modification, accommodation, aid or service by contacting the Clerk of Council's office either in person at 2020 Hampton Street, Columbia, SC, by telephone at (803) 576-2061, or TDD at 803-576-2045 no later than 24 hours prior to the scheduled meeting.

Richland County Council Request of Action

Subject

Regular Session: November 26, 2013 [**PAGES 3-6**]

Reviews

MINUTES OF



**RICHLAND COUNTY COUNCIL
ADMINISTRATION AND FINANCE COMMITTEE
TUESDAY, NOVEMBER 26, 2013
6:00 P.M.**

In accordance with the Freedom of Information Act, a copy of the agenda was sent to radio and TV stations, newspapers, persons requesting notification, and was posted on the bulletin board located in the lobby of the County Administration Building.

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MEMBERS PRESENT

- Chair: Joyce Dickerson
- Member: Damon Jeter
- Member: Paul Livingston
- Member: Greg Pearce
- Member: Torrey Rush

ALSO PRESENT: Kelvin Washington, Bill Malinowski, Norman Jackson, Seth Rose, Jim Manning, Tony McDonald, Roxanne Ancheta, Sparty Hammett, Warren Harley, Daniel Driggers, Brad Farrar, John Hixon, Justine Jones, Bill Peters, Rodolfo Callwood, Monique Walters, Michelle Onley

CALL TO ORDER

The meeting started at approximately 6:00 p.m.

APPROVAL OF MINUTES

October 26, 2013 (Regular Session) – Mr. Rush moved, seconded by Mr. Pearce, to approve the minutes as distributed. The vote in favor was unanimous.

ADOPTION OF AGENDA

Mr. Pearce moved, seconded by Mr. Pearce, to adopt the agenda as distributed. The vote in favor was unanimous.

ITEMS FOR ACTION

Ending the Hospitality Tax Program – Mr. Rush moved, seconded by Mr. Pearce, to defer this item until the December committee meeting. The vote in favor was unanimous.

Policy for Purchase of Property by Elected Officials – Mr. Livingston moved, seconded by Mr. Rush, to forward to Council with a recommendation to approve the request to develop a policy regarding the purchase of property by Elected and Appointed Officials. A discussion took place.

The vote in favor was unanimous.

SC Equality’s “Through the Looking Glass of Equality” Funding Request – Mr. Pearce moved, seconded by Mr. Rush, to forward to Council with a recommendation to deny the request for funding. The vote in favor was unanimous.

Bible Way Church of Atlas Road Funding Request – Mr. Pearce moved, seconded by Mr. Jeter, to forward to Council without a recommendation. The vote in favor was unanimous.

Famously Hot New Year Celebration – Mr. Pearce moved, seconded by Mr. Jeter, to forward to Council without a recommendation. The vote in favor was unanimous.

The Sustainers: Builders and Preservers of Civil Rights Sites in the US Funding Request – Mr. Pearce moved, seconded by Mr. Jeter, to forward to Council without a recommendation. The vote in favor was unanimous.

Benedict College Funding Request for High School Championship Events – Mr. Pearce moved, seconded by Mr. Jeter, to forward to Council without a recommendation. The vote in favor was unanimous.

Countywide Disparity Study – Mr. Jeter moved, seconded by Mr. Pearce, to forward to Council with a recommendation to approve the request to perform a disparity study and direct staff to create an RFP to obtain a vendor. A discussion took place.

The vote in favor was unanimous.

The County will hire an expert in the field of hydrology to develop a plan and be responsible for implementation of drainage and ditch program – Mr. Livingston moved, seconded by Mr. Pearce, to forward to Council with a recommendation to approve the request to hire an expert in the field of hydrology to develop a plan and be responsible for implementation of drainage and ditch program and direct staff to bring back funding options. A discussion took place.

The vote in favor was unanimous.

Fiscal Reports for Entities Requesting County Funds – Mr. Pearce moved, seconded by Mr. Jeter, to forward to Council without a recommendation. A discussion took place.

The vote in favor was unanimous.

Richland County Sheriff's Department NRA Foundation Grant/No Match – Mr. Rush moved, seconded by Mr. Pearce, to forward to Council with a recommendation to approve the request for funding to provide the “Eddie Eagle” mascot safety costume for RCSD. The vote in favor was unanimous.

Request for Council's Permission to Donate a Vehicle to Allen University – Mr. Pearce moved, seconded by Mr. Rush, to forward to Council with a recommendation to grant permission to donate a decommissioned/deadlined Sheriff's Department vehicle to Allen University. A discussion took place.

The vote in favor was unanimous.

ADJOURNMENT

The meeting adjourned at approximately 6:42 p.m.

Submitted by,

Joyce Dickerson, Chair

The minutes were transcribed by Michelle M. Onley

Richland County Council Request of Action

Subject

Ending the Hospitality Tax Program [PAGES 7-17]

Reviews

Richland County Council Request of Action

Subject: Ending the Hospitality Tax Program

A. Purpose

County Council is requested to stop the hospitality sales tax program and the collection of that sales tax.

B. Background / Discussion

On September 17, 2013, Council member Rush brought forth the following motion:

“To stop the hospitality sales tax program and the collection of that sales tax.”

The Hospitality Tax was established in 2003 and collections began in FY2004. The Ordinance is attached for reference. The 2% tax is imposed on the gross proceeds of sales of prepared meals and beverages and is used for the dedicated purpose of improving services and facilities for tourists. Each year, aside from County projects, between 40 and 50 nonprofit organizations benefit from these funds.

The chart below summarizes the collections and expenditures from FY2009 through FY2012. The FY2013 numbers are still being finalized by the Finance Department.

	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual
Hospitality Tax	5,145,850	2,679,607	2,859,990	5,615,194
Interest	73,112	8,652	10,299	6,077
<i>Total Revenue</i>	5,218,962	2,688,259	2,870,289	5,621,271
<i>Total Expenditures</i>	5,158,291	4,875,643	4,119,914	11,578,447
<i>Change in Fund Balance</i>	60,671	(2,187,384)	(1,249,625)	(5,957,176)

C. Legislative / Chronological History

- May 6, 2003 – County Council approved the Hospitality Tax.
- July 1, 2003 – The County began collections of Hospitality Tax.
- July 1, 2009 – June 30, 2011 – Tax was temporarily reduced to 1% as a result of Council charging the Mass Transit Fee to keep the CMRTA operational.
- July 1, 2011 – 2% tax rate was re-established.

D. Financial Impact

Ending collections of Hospitality Tax will result in the loss of Hospitality Tax revenue which was \$5,621,271 in FY12.

E. Alternatives

1. Approve the motion to stop the hospitality sales tax program and the collection of that sales tax.
2. Do not approve the motion to stop the hospitality sales tax program and the collection of that sales tax.

F. Recommendation

To stop the hospitality sales tax program and the collection of that sales tax.

Recommended by: Torrey Rush

Department: County Council

Date: 9/17/13

G. Reviews

Finance

Reviewed by: Daniel Driggers

Date: 10/11/13

Recommend Council approval

Recommend Council denial

Comments regarding recommendation:

As stated in the recommendation, this is a policy decision for Council. Some items to consider:

- We have not been asked to develop a funding strategy for the exit of h-tax however if approved by Council this could be developed.
- Funding decisions would need to be made on Agencies currently receiving funding from the h-tax fund. It may be beneficial to request legal to provide guidance on if the County has any liability related to continuation of funding. The three “ordinance” agencies were funded at a lower level through the general fund prior to the h-tax implementation.
- The County does have approximately \$14m outstanding on a bond that is paid through the h-tax funds. This includes three major projects; Township Renovation, purchase of old Farmer’s Market land (still county-owned), purchase of old Recreational Sports Complex land (still county-owned). Annual payments approximately \$1.5m. Part of the bond agreement requires the County to ensure funding is appropriated to cover this commitment. If approved the County would need to work with the bond attorney to ensure that commitment is met through any transition. Other county funds may be an option but the structure would need to be worked out.

Grants

Reviewed by: Sara Salley

Date: 10/11/13

Recommend Council approval

Recommend Council denial

Comments regarding recommendation:

This is a policy decision for Council.

Legal

Reviewed by: Elizabeth McLean

Date: 10/11/13

Recommend Council approval

Recommend Council denial

Comments regarding recommendation: Legal’s response will be provided under separate cover.

Administration

Reviewed by: Roxanne Ancheta

Date: October 14, 2013

Recommend Council approval

Recommend Council denial

Comments regarding recommendation: This is a policy decision left to Council's discretion. However, the Finance Director brings up many valid points for consideration. The legal memo, provided under separate cover, also provides further information for Council's consideration.

CHAPTER 23: TAXATION

ARTICLE VI. LOCAL HOSPITALITY TAX (Ord. 025-03HR; 5-5-03)

Sec. 23-65. Definitions. (Ord. 025-03HR; 5-5-03)

Whenever used in this article, unless a contrary intention is clearly evidenced, the following terms shall be interpreted as herein defined: (Ord. 040-10HR; 7-6-10)

Local Hospitality Tax means a tax on the sales of prepared meals and beverages sold in establishments or sales of prepared meals and beverages sold in establishments licensed for on-premises consumption of alcoholic beverages, beer, or wine, within the incorporated municipalities and the unincorporated areas of the county. (Ord. 025-03HR; 5-5-03) (Ord. 040-10HR; 7-6-10)

Person means any individual, firm, partnership, LLP, LLC, cooperative, nonprofit membership, corporation, joint venture, professional association, estate, trust, business trust, receiver, syndicate, holding company, or other group or combination acting as a unit, in the singular or plural, and the agent or employee having charge or control of a business in the absence of the principals. (Ord. 040-10HR; 7-6-10)

Prepared Meals and Beverages means the products sold ready for consumption either on or off premises in businesses classified as eating and drinking places under the Standard Industrial Code Classification Manual and including lunch counters and restaurant stands; restaurants, lunch counters, and drinking places operated as a subordinate facility by other establishments; and bars and restaurants owned by and operated for members of civic, social, and fraternal associations. (Ord. 025-03HR; 5-5-03)

Richland County means the county and all of the unincorporated areas within the geographical boundaries of the county and all of the incorporated municipalities of the county. (Ord. 025-03HR; 5-5-03) (Ord. 040-10HR; 7-6-10)

Sec. 23-66. Local Hospitality Tax.

A local hospitality tax is hereby imposed on the sales of prepared meals and beverages sold in establishments within the incorporated municipalities and the unincorporated areas of the county. The local hospitality tax shall be in an amount equal to two percent (2%) of the gross proceeds of sales of prepared meals and beverages sold in establishments located within the unincorporated areas of the county and within the boundaries of the incorporated municipalities which have consented, by resolution adopted by their governing body, to the imposition of the local hospitality tax in the amount of two percent (2%). The local hospitality tax shall be in an amount equal to one percent (1%) of the gross proceeds of sales of prepared food and beverages sold in establishments located within the boundaries of the incorporated municipalities within the county which do not give their consent to the imposition of the local hospitality tax. Provided, however, the county shall not impose a local hospitality tax on those municipalities that have adopted a two percent (2%) local hospitality tax prior to July 1, 2003. Effective July 1, 2009 through June 30, 2011, the county shall temporarily reduce the local hospitality tax to one percent (1%) of the gross proceeds of sales of

prepared meals and beverages sold in establishments located within the unincorporated areas of the county. This temporary suspension shall not affect the hospitality tax rates within the boundaries of any incorporated municipality. (Ord. 025-03HR; 5-5-03) (Ord. 016-09HR; 3-17-09)

Sec. 23-67. Payment of Local Hospitality Tax.

(a) Payment of the Local Hospitality Tax established herein shall be the liability of the consumer of the services. The tax shall be paid at the time of delivery of the services to which the tax applies, and shall be collected by the provider of the services. The County shall promulgate a form of return that shall be utilized by the provider of services to calculate the amount of Local Hospitality Tax collected and due. This form shall contain a sworn declaration as to the correctness thereof by the provider of the services. (Ord. 025-03HR; 5-5-03)

(b) The tax provided for in this Article must be remitted to the County on a monthly basis when the estimated amount of average tax is more than fifty dollars (\$50.00) a month, on a quarterly basis when the estimated amount of average tax is twenty-five dollars (\$25.00) to fifty dollars (\$50.00) a month, and on an annual basis when the estimated amount of average tax is less than twenty-five dollars (\$25.00) a month. (Ord. 025-03HR; 5-5-03)

(c) The provider of services shall remit the local hospitality tax voucher form, a copy of the State of South Carolina sales tax computation form and/or other approved revenue documentation, and the hospitality taxes when due, to the County on the 20th of the month, or on the next business day if the 20th is not a business day. (Ord. 025-03HR; 5-5-03) (Ord. 010-08HR; 3-4-08)

Sec. 23-68. Local Hospitality Tax Special Revenue Fund.

An interest-bearing, segregated and restricted account to be known as the “Richland County Local Hospitality Tax Revenue Fund” is hereby established. All revenues received from the Local Hospitality Tax shall be deposited into this Fund. The principal and any accrued interest in this Fund shall be expended only as permitted by this ordinance. (Ord. 025-03HR; 5-5-03)

Sec. 23-69. Distribution of Funds.

(a) (1) The County shall distribute the Local Hospitality Tax collected and placed in the “Richland County Local Hospitality Tax Revenue Fund” to each of the following agencies and purposes ("Agency") in the following amounts during fiscal year 2003-2004: (Ord. 025-03HR; 5-5-03)

Columbia Museum of Art	\$650,000
Historic Columbia	250,000
EdVenture Museum	100,000
County Promotions	200,000

(2) The amounts distributed to the Columbia Museum of Art, Historic Columbia, and EdVenture Museum shall be paid quarterly beginning October 1, 2003. The amount distributed to organizations receiving County Promotions shall be paid to the organization as a one-time expenditure beginning in fiscal year 2008-2009. (Ord. 025-03HR; 5-5-03) (Ord. 001-08HR; 1-8-08) (Ord. 069-08HR; 12-2-08)

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(3) As a condition of receiving its allocation, the Columbia Museum of Art, Historic Columbia, and EdVenture Museum must annually submit to the County an affirmative marketing plan outlining how the agency will use its hospitality tax allocation for tourism promotion in the upcoming fiscal year. The plan shall include a detailed project budget which outlines the agency's proposed use of hospitality tax funds. The marketing plan shall also outline how the agency will promote access to programs and services for all citizens of Richland County, including documentation of "free" or discounted services that will be offered to Richland County residents. In addition, each Agency shall demonstrate a good faith effort to expand programs and events into the unincorporated areas of Richland County. The annual marketing plan shall be due to the County Administrator no later than March 1 of each year. If an Agency fails to comply with these requirements, its portion of the Local Hospitality Tax shall be retained in the Richland County Local Hospitality Tax Revenue Fund and distributed as provided in subsection (f) below. (Ord. 025-03HR; 5-5-03) (Ord. 069-08HR; 12-2-08) (Ord. 059-10HR; 9-21-10)

(4) For the amounts distributed under the County Promotions program, funds will be distributed with a goal of seventy-five percent (75%) dedicated to organizations and projects that generate tourism in the unincorporated areas of Richland County and in municipal areas where Hospitality Tax revenues are collected by the county. These shall include: (Ord. 069-08HR; 12-2-08) (Ord. 077-09HR; 12-15-09)

- a. Organizations that are physically located in the areas where the county collects Hospitality tax Revenues, provided the organization also sponsors projects or events within those areas;
- b. Organizations that are not physically located in the areas where the county collects Hospitality Tax Revenues; however, the organization sponsors projects or events within those areas; and
- c. Regional marketing organizations whose primary mission is to bring tourists to the region, including the areas where the county collects Hospitality Tax revenues.

(5) In the event Local Hospitality Tax revenues are not adequate to fund the Agencies listed above in the prescribed amounts, each Agency will receive a proportionate share of the actual revenues received, with each Agency's share to be determined by the percentage of the total revenue it would have received had the revenues allowed for full funding as provided in subsection (a)(1) above. (Ord. 025-03HR; 5-5-03) (Ord. 069-08HR; 12-2-08)

(b) In each of fiscal years 2004-2005 and 2005-2006, the Local Hospitality Tax shall be distributed to each Agency named above in the same amounts and on the same terms and conditions, together with a three percent (3%) increase in each of fiscal year 2004-2005 and 2005-2006. (Ord. 025-03HR; 5-5-03)

(c) In fiscal year 2006-2007, the amount of Local Hospitality Tax to be distributed annually to each Agency named above shall be established in the County's FY 2006-2007 Budget Ordinance. (Ord. 025-03HR; 5-5-03) (Ord. 081-06HR; 9-12-06)

(d) In fiscal years 2007-2008 and 2008-09, the amount of Local Hospitality Tax to be distributed annually to each Agency named above shall be increased based on the revenue growth rate as determined by trend analysis of the past three years, but in any event not more than 3%. (Ord. 069-08HR; 12-2-08)

(e) Beginning in fiscal year 2009-2010 and continuing thereafter, the amount of Local Hospitality Tax to be distributed annually to each Agency named above shall be increased based on the projected revenue growth rate from the previous year, but in any event not more than 3%. If projected revenues shall decrease from the previous year, the amount distributed to each Agency named above shall be decreased proportionately. In each of fiscal years 2009-2010 and 2010-2011, during which time the local hospitality tax shall be temporarily reduced in the unincorporated areas of the county, the projected growth rates referenced in this subsection shall be based on the projected revenues as if the temporary reduction was not in effect. (Ord. 081-06HR; 9-12-06) (Ord. 069-08HR; 12-2-08) (Ord. 016-09HR; 3-17-09)

(f) All Local Hospitality Tax revenue not distributed pursuant to subsections (a) through (e) above shall be retained in the Richland County Local Hospitality Tax Revenue Fund and distributed as directed by County Council for projects related to tourism development, including, but not limited to, the planning, development, construction, promotion, marketing, operations, and financing (including debt service) of the State Farmer's Market (in lower Richland County), Township Auditorium, a new recreation complex (in northern Richland County), recreation capital improvements, Riverbanks Zoo, and other expenditures as provided in Article 7, Chapter 1, Title 6, Code of Laws of South Carolina 1976 as amended. (Ord. 025-03HR; 5-5-03) (Ord. 081-06HR; 9-12-06) (Ord. 069-08HR; 12-2-08)

Sec. 23-70. Re-distribution of the County's General Fund.

A portion of the general fund revenue that was historically appropriated for the agencies and purposes identified in Section 23-69, subsections (a) and (d), shall in fiscal year 2004 be appropriated in an amount equivalent to one-quarter mill to each of the following entities, subject to approval of the general fund budget: 1) the Richland County Conservation Commission, and 2) the Neighborhood Redevelopment Commission. Thereafter, beginning in fiscal year 2005, an amount equivalent to one-half mill shall be appropriated to each of these two agencies, subject to approval of the general fund budget. Each such entity shall be established and accounted for as a Special Revenue Fund. There shall be no additions to the Statutory and Contractual Agencies funded through the County's General Fund Budget, except as required by state or federal law. (Ord. 025-03HR; 5-5-03)

Sec. 23-71. Oversight and Accountability.

The following organizations: the Columbia Museum of Art, Historic Columbia, and EdVenture Museum must submit a mid-year report by January 31 and a final report by July 31 of each year to the Richland County Administrator, which includes a detailed accounting of all hospitality tax fund expenditures and the impact on tourism for the preceding fiscal year, including

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copies of invoices and proof of payment. The county shall not release hospitality tax funds to any agency unless that agency has submitted an acceptable final report for the previous fiscal year. If an Agency fails to comply with these requirements by the July 31 deadline, its portion of the Local Hospitality Tax shall be retained in the Richland County Local Hospitality Tax Revenue Fund and may be distributed as provided in Section 23-69 (f). (Ord. 001-08HR; 1-8-08) (Ord. 069-08HR; 12-2-08) (Ord. 016-09HR; 3-17-09) (Ord. 059-10; 9-21-10)

Any organization receiving County Promotions funding must comply with all requirements of this article, as well as any application guidelines and annual reporting requirements as established by council, to include a detailed reporting of all grant expenditures. (Ord. 025-03HR; 5-5-03) (Ord. 001-08HR; 1-8-08) (Ord. 069-08HR; 12-2-08) (Ord. 059-10HR; 9-21-10)

Sec. 23-72. Inspections, Audits and Administration. (Ord. 025-03HR; 5-5-03)

(a) For the purpose of enforcing the provisions of this article, the County Administrator or other authorized agent of the county is empowered to enter upon the premises of any person subject to this article and to make inspections, examine, and audit books and records. (Ord. 040-10HR; 7-6-10)

(b) It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon twenty-four (24) hours' written notice. In the event that an audit reveals that the remitter has filed false information, the costs of the audit shall be added to the correct amount of tax determined to be due. (Ord. 040-10HR; 7-6-10)

(c) The county administrator or other authorized agent of the county may make systematic inspections of all service providers that are governed by this article. Records of inspections shall not be deemed public records. (Ord. 040-10HR; 7-6-10)

Sec. 23-73. Assessments of hospitality tax. (Ord. 010-08HR; 3-4-08)

(a) When a person fails to pay or accurately pay their hospitality taxes or to furnish the information required by this Article or by the Business Service Center, a license official of the Business Service Center shall proceed to examine such records of the business or any other available records as may be appropriate and to conduct such investigations and statistical surveys as the license official may deem appropriate to assess a hospitality tax and penalties, as provided herein. (Ord. 040-10HR; 7-6-10)

(b) Assessments of hospitality taxes and/or penalties, which are based upon records provided by businesses, shall be conveyed in writing to businesses. If a business fails to provide records as required by this Article or by the Business Service Center, the tax assessment shall be served by certified mail. Within five (5) business days after a tax assessment is mailed or otherwise conveyed in writing, any person who desires to have the assessment adjusted must make application to the Business Service Center for reassessment. The license official shall establish a procedure for hearing an application for a reassessment, and for issuing a notice of final assessment. (Ord. 040-10HR; 7-6-10)

(c) A final assessment may be appealed to the County Council, provided that an application for reassessment was submitted within the allotted time period of five business days. However, if no application for reassessment is submitted within the allotted time period, the assessment shall become final. (Ord. 040-10HR; 7-6-10)

(d) Requests for waivers of penalties, as described in Sec. 23-74 (b), shall be submitted to the Business Service Center Director simultaneously with corroborating documentation relating to the validity of the appeal within five (5) business days of receipt of a tax assessment. The Director shall determine if the provided documentation confirms the circumstances permitting a waiver of penalties as described in the aforementioned section. A decision shall be provided in writing within five (5) business days of the receipt of the request. Businesses wishing to appeal the decision of the Business Service Center Director may appeal to the Richland County Council within five (5) business days of receipt of the Director's decision. (Ord. 040-10HR; 7-6-10)

Sec. 23-74. Violations and Penalties. (Ord. 025-03HR; 5-5-03) (Ord. 010-08HR; 3-4-08)

(a) It shall be a violation of this Article to:

- (1) fail to collect the Local Hospitality Tax as provided in this Article,
- (2) fail to remit to the County the Local Hospitality Tax collected, pursuant to this Article,
- (3) knowingly provide false information on the form of return submitted to the County, or
- (4) fail to provide books and records to the County Administrator or other authorized agent of the County for the purpose of an audit upon twenty-four (24) hours' notice.

(b) The penalty for violation of this Article shall be five percent (5%) per month, charged on the original amount of the Local Hospitality Tax due. Penalties shall not be waived, except if the following circumstances of reasonable cause are proven by the person. No more than six months of penalties shall be waived. (Ord. 025-03HR; 5-5-03) (Ord. 010-08HR; 3-4-08) (Ord. 040-10HR; 7-6-10)

- (1) An unexpected and unavoidable absence of the person from South Carolina, such as being called to active military duty. In the case of a corporation or other business entity, the absence must have been an individual having primary authority to pay the hospitality tax. (Ord. 040-10HR; 7-6-10)
- (2) A delay caused by death or serious, incapacitating illness of the person, the person's immediate family, or the person's accountant or other third party professional charged with determining the hospitality tax owed. In the case of a corporation or other business entity, the death or serious, incapacitating illness must have been an individual having primary authority to pay the hospitality tax. (Ord. 040-10HR; 7-6-10)

- (3) The hospitality tax was documented as paid on time, but inadvertently paid to another taxing entity. (Ord. 040-10HR; 7-6-10)
- (4) The delinquency was caused by the unavailability of necessary records directly relating to calculation of hospitality taxes, over which the person had no control, which made timely payment impossible. For example, the required records may have been destroyed by fire, flood, federally-declared natural disaster, or actions of war or terrorism. Unavailability of records caused by time or business pressures, employee turnover, or negligence are not reasonable cause for waiver of hospitality tax penalties. (Ord. 040-10HR; 7-6-10)
- (5) The delinquency was the result of clear error on the part of the Business Service Center or Treasurer's Office staff in processing or posting receipt of the person's payment(s). (Ord. 040-10HR; 7-6-10)
- (6) Delay or failure caused by good faith reliance on erroneous guidance provided by the Business Service Center or Treasurer's Office staff, so long as complete and accurate information was given to either of these offices, no change in the law occurred, and the person produces written documentation. (Ord. 040-10HR; 7-6-10)

(c) Any person violating the provision of this article shall be deemed guilty of a misdemeanor and upon conviction shall be subject to punishment under the general penalty provision of Section 1-8 of this Code of Ordinances: that is, shall be subject to a fine of up to \$500.00 or imprisonment for not more than thirty (30) days or both. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent fees, penalties, and costs provided herein. (Ord. 010-08HR; 3-4-08)

Richland County Council Request of Action

Subject

PPACA (Patient Protection and Affordable Care Act) Compliance [**PAGES 18-25**]

Reviews

Richland County Council Request of Action

Subject: PPACA (Patient Protection and Affordable Care Act) Compliance

A. Purpose

Staff is requesting 3 items of Council:

1. County Council revise policies relating to part-time and temporary County employees to clearly limit work hours and length of temporary jobs.
2. County Council provide the County Administrator the authority to designate determination periods for the PPACA.
3. County Council permit staff to develop a second health plan with lower benefits that would be used primarily for part-time employees.

The primary objective of this ROA is to ensure compliance with the PPACA and mitigate additional health care cost increases associated with compliance.

B. Background / Discussion

The three requests outlined in the Purpose section above are focused on helping Richland County Government achieve compliance with PPACA (Patient Protection and Affordable Care Act), enable more reliable benefit budget projections, make the compliance process more efficient, and mitigate the County's financial liability for health care reform.

The County Administrator has requested the Human Resources Department (HRD) to develop strategies to keep healthcare costs for the County flat for three years; therefore, the County must take steps to prevent Richland County Government from covering currently ineligible part-time, seasonal, and temporary employees.

Employers are navigating in a regulatory and political maze while trying to comply with the PPACA. Guidance and implementation dates relating to the PPACA remain very fluid; therefore, it is very probable Staff will have to make additional requests to Council later as the federal government issues additional clarification and guidance, and/or makes changes to implementation dates. The current PPACA timeline and Penalty Flowchart are attached as reference.

Under the Patient Protection and Affordable Care Act, often called Health Care Reform or "Obamacare," large employers (generally those with 50 or more full-time employees) must offer "affordable" health care coverage that has "sufficient value" to full-time employees or face taxes and/or penalties. The PPACA considers full-time employees as "employees who average 30 hours of work per week or 130 hours per month." Employees include full-time, part-time, variable hour, seasonal, and temporary on the employer's payroll. The PPACA currently requires employers to calculate the average number of hours of employees during a designated measurement period (decided by the employer) to determine the number of employees eligible for health insurance during the stability period.

Request #1: County Council revise policies relating to part-time and temporary County employees to clearly limit work hours and length of temporary jobs.

Listed below are current Richland County policies, and proposed revisions to those policies. The proposed, substantive revisions are highlighted in yellow for your convenience.

Current Richland County policy:

Regular, part-time employees are those who have satisfactorily completed new hire probationary period requirements and who work in a part-time budgeted position and work on average less than thirty (30) hours per week in a regular budgeted and funded position (however, may be called upon to work above their normally scheduled hours of work when workloads require). Regular, part-time employees are eligible for participation in SCRS and Pay for Performance process but are **not** eligible for other County benefits (i.e. health insurance, dental insurance, and accrued leave).

Proposed Richland County policy:

Regular, part-time employees are those who have satisfactorily completed new hire probationary period requirements and who work in a part-time capacity and are regularly scheduled to work no more than **twenty five (25)** hours per week. Regular, part-time employees are eligible for participation in SCRS and Pay for Performance process but are **not** eligible for other County benefits (i.e. health insurance, dental insurance, and accrued leave).

Part-time employees, both regular and probationary, may work no more than 25 hours per week except in emergencies when approved by the County Administrator or his designee. Part-time employees are eligible for participation in SCRS and Pay for Performance process but are **not** eligible for other County benefits (i.e. health insurance, dental insurance, and accrued leave).

Current Richland County policy:

Temporary employees are those hired for a limited period of time or until completion of a particular project or projects (generally not longer than six months). Such employees may work part-time or full-time hours depending on the needs of the County. Temporary employees are generally not eligible for benefits.

Proposed Richland County policy:

Temporary employees are those hired for a limited period of time or until completion of a particular project or projects (generally not longer than six months). Such employees may work part-time or full-time hours depending on the needs of the County. **Temporary employees may not work longer than 3 months or 90 consecutive days.** Temporary employees are generally not eligible for benefits.

Request #2: County Council provide the County Administrator the authority to designate determination periods for the PPACA.

Designated periods under PPACA must be used by the employer to determine the status of an employee, conclude the period of time an employee must be offered health insurance coverage, govern the amount of time an employee may not be offered health insurance, or reach an

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accurate judgment on whether the employee is full time. The designated periods under the PPACA include the following:

Initial measurement period – A designated period of not less than three months or more than 12 months used in determining whether a newly hired variable or seasonal employee is full-time.

Initial administrative period – A period of up to 90 days for making a determination of whether a new variable hour or seasonal employee qualifies for full-time status for purposes of receiving health coverage during the initial stability period.

Initial stability period – A fluctuating period following the initial measurement and initial administrative periods during which a new employee either has coverage or does not, before being subject to the employer’s standard periods (below).

Standard measurement period – An annual designated period of not less than three months or more than 12 months used to determine whether an ongoing variable or seasonal employee is full-time.

Administrative period – A period of up to 90 days for making full-time determinations and offering/implementing full-time employee coverage.

Stability period – An annual designated period of not less than six months (and not less than the corresponding measurement period) during which the employer must offer affordable minimum essential health coverage to all full-time employees, or face financial penalties for not doing so.

Human Resources recommends Council provide the County Administrator the authority to decide the designation periods. The designation periods will be determined in conjunction with outside legal counsel subject matter experts.

Request #3: County Council permit staff to develop a second health plan with lower benefits that would be used primarily for part-time employees

Human Resources recommends Council authorize Staff to develop a second health plan with lower benefits. This plan will be used for part-time employees, who may become eligible under the PPACA regulations. Once the plan is developed, it will be shared with Council.

C. Legislative / Chronological History

None. This is a staff initiated request.

D. Financial Impact

Human Resources recently performed an internal review and identified approximately 100 part time employees who currently are not eligible for County health insurance but have worked an average of 30 hours or more over the past 12 months. Under the PPACA rules that take effect January 1, 2015, these part-time employees would be eligible for health insurance if they continued to work on average over 30 hours per week. In addition, there will be health claims as well as future cost increases associated. Therefore, if the County does not take the proposed

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actions, PPACA rules are enacted as currently written, and the part-time employees continue working more than 30 hours per week, the County will be financially responsible for offering health insurance coverage or paying the federal penalty or taxes because of the approximately 100 part-time employees.

Approval of the proposed policy changes will result in these approximately 100 part-time employees reducing their average weekly work hours to 25 or less. If the County does not implement the policy changes proposed, current projections indicate it will cost the County approximately an additional \$600,000 annually in health insurance benefits for these approximately 100 part-time employees.

Provided there is 100% compliance by all Departments related to proposed policy changes for part-time employees and temporary employees, there should be minimal financial impact associated with additional costs for health insurance benefits for part-time, seasonal, and temporary employees. This is contingent upon approval of the policy changes and *all* departments properly managing the work schedule of each part-time, temporary, seasonal employee in compliance with the proposed policies. There will be internal costs for Finance Department, IT Department, and Human Resources relating to training of Staff, developing processes, designing forms, setting up systems, drafting guidelines to manage the compliance process, and managing the overall process.

E. Alternatives

1. Approve the proposed recommendations on the three items above.
2. Do not approve the proposed recommendations on the three items above.
3. Approve some, but not all, of the proposed recommendations on the three items above.

F. Recommendation

Staff recommends Council approve Alternative 1 – all recommendations regarding the three items above.

Recommended by: T. Dwight Hanna Department: Human Resources Date: December 5, 2013

G. Reviews

Finance

Reviewed by: Daniel Driggers

Date: 12/6/13

Recommend Council approval

Recommend Council denial

Comments regarding recommendation:

This is a policy decision at Council discretion related to employment policy and does not have any immediate financial implication. The estimated impact included does assume that 100% of the population identified will remain non-compliant and require compensatory action by the County. Any incremental financial impact based on policy compliance would be addressed in during the normal annual budget cycle.

Legal

Reviewed by: Brad Farrar

Date: 12/6/13

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Recommend Council approval

Recommend Council denial

Comments regarding recommendation: Policy decision of Council that is likely to have implications across numerous disciplines, such as legal, medical, personnel, financial, budgetary, etc.. Compliance with federal law, including any timelines therein, must be maintained through monitoring throughout the implementation and execution process, and may entail the hiring of additional employees and/or the retention of specialized services by any number of departments with a role in this area, with at present unknown costs.

Administration

Reviewed by: Roxanne Ancheta

Date: December 6, 2013

Recommend Council approval

Recommend Council denial

Comments regarding recommendation: Approve the recommendations on the three items above, which have been reviewed and approved by outside legal counsel subject matter experts that have been retained, with permission and approval from the County Attorney's Office, to assist the County with PPACA. [The County Attorney's Office will obviously be an integral part of PPACA related items moving forward. This office, as well as the office of outside legal counsel, will work closely together to ensure Richland County will be PPACA compliant.] This approval includes the adoption of the proposed highlighted policy revisions; providing the County Administrator the authority to decide the designation periods in conjunction with the aforementioned outside legal counsel; and authorizing staff to develop a second health plan with lower benefits which will be used for part-time employees, who may become eligible under the PPACA regulations. Once this health plan is developed, it will be shared with Council.

Health Care Reform timeline

- Uniform summary of benefits and coverage (SBC) – first required for open enrollment periods beginning on/after September 23, 2012
- Form W-2 reporting of health coverage value begins
- *Self-funded plans must have external appeal contracts with 3 or more independent review organizations*
- ERPP funds exhausted
- Plans may begin to receive medical loss ratio (MLR) rebates

- Health Care FSA salary reduction contributions capped at \$2,500
- Retiree drug subsidy deduction ends
- *Additional preventive services for women must be covered at 100%*
- Comparative effectiveness research tax fees must be paid
- Medicare Hospital Insurance tax increased for high income filers
- Medicare tax applies to investment income of high income filers
- Excise tax on medical device manufacturers
- Employer notice of state insurance exchanges and premium credits
- 60-day advance notice of mid-year changes (Notice of Material Modification) required

- Annual dollar limits prohibited on essential health benefits
- Pre-existing condition exclusions prohibited for all enrollees
- Child coverage to 26 even if eligible for other coverage
- Waiting periods over 90 days prohibited
- *Coverage of routine patient costs in connection with clinical trials*
- *Out of pocket limits capped. Must include deductibles and copays.*
- *One year transition relief for carve-out benefits*
- *Plans may not discriminate against providers with respect to plan participation*
- Auto enrollment required (effective date delayed)
- Individual "shared responsibility" provisions effective
- State health insurance exchanges established
- Low income premium tax credit available for Exchange coverage
- HPPAA witness incentive limits increased to 30% (50% for tobacco cessation)
- Transitional reinsurance program begins

Health care reform timeline for employer group health plans

Selected provisions for calendar-year plans – note effective dates may vary for non-calendar year plans

40% excise tax on high-cost insurance (Cadillac tax) established



Employer "shared responsibility" provisions effective

Employer and insurer reporting in early 2016 for health insurance coverage provided in 2015

States may open insurance exchanges to large employers

Part D "donut hole" filled

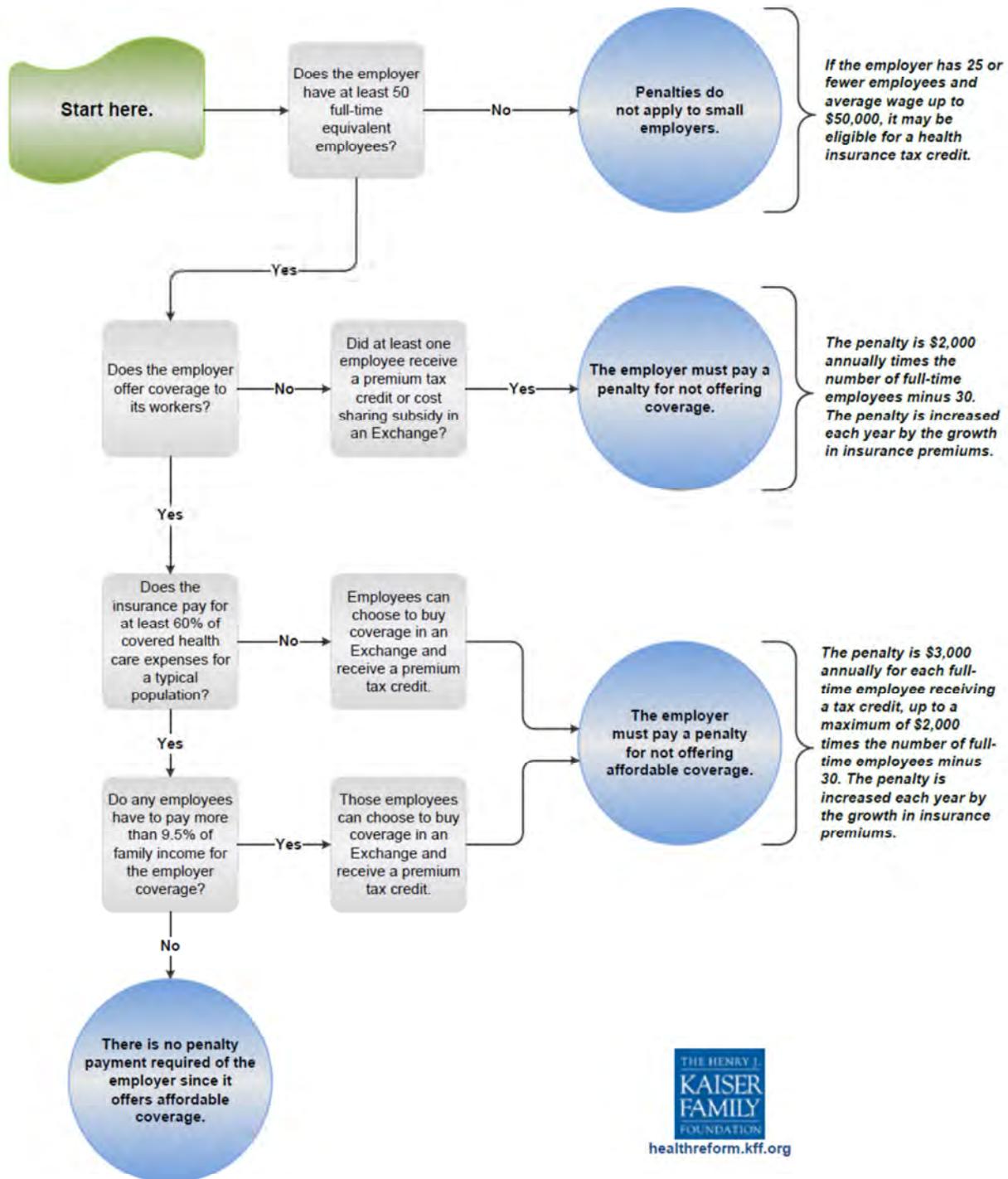
Provisions in *Blue/Italics* only apply to new plans or plans that have lost grandfathered status.

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Penalties for Employers Not Offering Affordable Coverage Under the Affordable Care Act Beginning in 2014



Richland County Council Request of Action

Subject

Approval of a Family Court Social Worker/Juvenile Mental Health Court Coordinator for the Solicitor's Office and a Senior Application Support Analyst for the Information Technology Department **[PAGES 26-30]**

Reviews

Richland County Council Request of Action

Subject: Approval of a Family Court Social Worker/Juvenile Mental Health Court Coordinator for the Solicitor's Office and a Senior Application Support Analyst for the Information Technology Department

A. Purpose

County Council is requested to approve a budget amendment to the Solicitor's Office budget in the amount of \$81,735 for the purpose of hiring a Family Court Social Worker/Juvenile Mental Health Court Coordinator and a budget amendment to the Information Technology Department's budget in the amount of \$79,953 for a Senior Business Application Analyst.

B. Background / Discussion

The first requested position will devote 50% of their time serving as a Family Court Social Worker and 50% of their time as a Juvenile Mental Health Court Coordinator. The Family Court Social Worker will assist the Juvenile Division of the Solicitor's Office pursuant to the Compulsory School Attendance Act. Specifically, the Family Court Social Worker will work with the Family Court, the schools, parents and children to address the increasing problem of school non-attendance and other status offenses. During calendar year 2012, the Juvenile Division of the Solicitor's Office disposed of one hundred ninety seven (197) non-attendance petitions. Year-To-Date, for calendar year 2013, there has been one hundred ninety eight (198) such dispositions. Currently, five percent (5%) of the contempt hearings, result in the family member (parent) being incarcerated for failure to require the child to attend school. The Family Court Social Worker will intervene to determine the root causes of absences and recommend corrective measures to the Solicitor's Office and the families. This intervention will assist the Juvenile Division by decreasing the number of non-attendance petitions filed in the Family Court. Family Court Petitions are the statements of charges filed against the juvenile (juvenile warrants).

This position will also serve as the Juvenile Mental Health Court Coordinator who will work with the newly created Juvenile Mental Health Court (JMHC) which is housed in the Richland County Probate Court. According to the 2011 Mental Health National Outcome Measures (NOMS) for South Carolina, 25,488 juveniles, aged 0-17, were served by South Carolina Department of Mental Health-DMH. In addition, ninety two percent (92%) met the Federal definition for a serious emotional disturbance (SED) and three percent (3%) had co-occurring mental health and alcohol and other disorders. A National Survey of U.S. Juvenile Mental Health Courts documented that sixty five to seventy percent (65% to 70%) of the youth in the juvenile justice system experience mental disorders and that their treatment needs are serious and complex. Additionally, the survey found that twenty eight percent (28%) of the youth in their study required significant and immediate mental health treatment: eighty percent (80%) met criteria for two or more disorders, and sixty one percent (61%) had a co-occurring substance use disorder. There are over 500 juvenile probation cases in Richland County and at least fifty percent (50%) of them have a diagnosed mental disorder. Studies show that about fifteen to forty five percent (15% to 45%) of girls and fourteen to forty three percent (15% to 43%) of boys go through a least one trauma. Of these children and teens who have had a trauma, three to fifteen percent (3% to 15%) of girls and one to six percent (1% to 6%) of boys develop Post Traumatic Stress Disorder. The JMHC Coordinator will handle the day to day activities of the Court to include case management, docketing, maintaining a JMHC database, coordinating and collaborating with both Mental Health and Alcohol and Drug Abuse Providers on

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treatment plans, communicating with families, community visits as well as disseminating information on the JMHC. The JMHC Coordinator will: 1) Ensure that needed treatment or other services are received and monitor participant's progress, 2) Act as Liaison between treatment community and courts, 3) Attend, coordinate and schedule all court hearings and present evidence or recommendations to the Court, participate in meetings and case conferences with treatment professionals and community service providers, 4) Assist with collection and review of mental health utilization data to determine effectiveness of programs and services, identify trends and make recommendations.

The second requested position is the Senior Application Support Analyst (IT Professional) within the Information Technology Department who will provide comprehensive and wide-ranging support to software and hardware applications used by the Richland County Solicitor's Office and other departments. The Analyst will proactively anticipate and coordinate necessary updates, upgrades, and training for the Solicitor's Office software and hardware applications. Time is of the essence for the employment of this much needed position. Currently, the Solicitor's Office is awaiting critical upgrades to its criminal case management system. The number of criminal arrest warrants is increasing at a rate of one hundred (100) additional warrants per week. Over the remainder of FY 2013-2014, the Office will increase its current caseload in excess of twenty-six hundred (2,600) warrants. The criminal justice system is rapidly moving and requires continuous technological assistance. This employee will ensure that the Solicitor's Office mission critical software applications are running smoothly and without problems. The Analyst will work as the project manager in the planning and implementation of new systems and major system upgrades; will be instrumental in the deployment of new software applications that improve operational efficiency, effectiveness, and excellence and conducts post-implementation reviews with management and end users. The Analyst will also identify and configure the appropriate software application security for each group of software users to prevent unauthorized access to restricted data.

The Solicitor's Office currently has sufficient one time funding for the Family Court Social Worker/Juvenile Mental Health Court Coordinator for the remainder of FY 2013-2014. As a result of an extended medical leave of an employee, the Office can fund this new position through June 30, 2014 with existing resources. Therefore, there would be zero fiscal impact in this area for FY 2013-2014. Beyond FY 2013-2104, Richland County would need to fund this position. In essence, we are requesting only the (FTE) full-time employee position.

C. Legislative/Chronological History

None

D. Financial Impact

This request is for two new positions for the remainder of FY 2013-2014:

<p>Family Court Social Worker/Juvenile Mental Health Court Coordinator 0% Base Salary (\$60,000) and Fringe Benefits</p>	<p>\$0</p>
<p>Senior Application Support Analyst 50% Base Salary (\$58,500) and Fringe Benefits</p>	<p>\$39,976</p>

Total	\$39,976
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This request is for two new positions for FY 2014-2015:

Family Court Social Worker/Juvenile Mental Health Court Coordinator Base Salary (\$60,000) and Fringe Benefits	\$81,735
Senior Application Support Analyst Base Salary (\$58,500) and Fringe Benefits	\$79,953
Total	\$161,688

E. Alternatives

1. Approval would provide funds for two new critical positions that will address backlog of juvenile status offense cases, assist juveniles with mental health issues and increase office productivity regarding information technology systems.
2. Non-approval would result in delaying the implementation of the new Juvenile Mental Health Court and a continued backlog of non-attendance and other status offense petitions in the Richland County Family Court. In addition, non-approval of the Senior Application Support Analyst will result in critical technology processes not being addressed in a timely fashion leading to a decrease in office productivity.

F. Recommendation

It is recommended that these two budget amendments be approved for the remainder of FY 2013-2014 and for fiscal years thereafter. These two positions are time sensitive and are necessary prior to FY 2014-2015. They are time sensitive due to the increased number of Family Court Petitions, the newly created Juvenile Mental Health Court and the backlog of IT projects within the Solicitor's Office.

Recommended by: Dan Johnson Department: Solicitor Date: 11-27-13

G. Reviews

Finance

Reviewed by: Daniel Driggers Date: 12/6/13
 Recommend Council approval Recommend Council denial
 Council Discretion (please explain if checked)
Comments regarding recommendation:

Recommendation is based on the request being outside of the budget cycle and not the merits of the request. Approval as requested will require a budget amendment and the identification of funding source for the current year of approximately \$40k and will require the annualized amount of \$162k to be absorbed with the FY15 budget. Since the request is for personnel which is recurring cost for the County we would encourage

approval include the identification of recurring revenue of \$162k or similar cost reduction to cover the increase.

Human Resources

Reviewed by: Dwight Hanna

Date:

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: Human Resources has neither been involved with development of this request nor has additional information about this request beyond the contents of this ROA.

Legal

Reviewed by: Brad Farrar

Date: 12/10/13

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: Policy decision of Council.

Administration

Reviewed by: Warren Harley

Date:

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation:

Administration's recommendation like Finance is based on request being outside of the budget cycle and not the merits of the request. It is also important to note that approval as requested will require a budget amendment and at this point the process to achieve the request would not be completed rather late in the current fiscal year. It would be our recommendation that council consider this request in the normal budget cycle which would give time to identify an available funding source for the \$162k that is needed to fund this request in the FY15 budget.

Richland County Council Request of Action

Subject

Appraisal for Huger Street Properties [**PAGES 31-35**]

Reviews

Richland County Council Request of Action

Subject: Appraisal for Huger Street Properties

A. Purpose

Council is requested to provide direction to staff with regards to Mr. Pearce's motion to have an appraisal completed for the Huger Street Central Court and Sheriff's Department properties.

B. Background / Discussion

At the November 19, 2013 Council Meeting, Mr. Pearce made the following motion:

Due to active interest from several commercial real estate firms in the Huger Street Central Court and Sheriff's Department properties, I move that the Administrator move forward to secure an appraisal of the property as a preliminary step in disposing of said property once the Decker Center project is completed in early 2015.

A map of the property, which is located at 1400 Huger Street, is attached.

An appraisal will cost approximately \$3,500 - \$5,000.

C. Legislative / Chronological History

Mr. Pearce made the motion at the November 19, 2013 Council Meeting.

D. Financial Impact

An appraisal will cost approximately \$3,500 - \$5,000.

E. Alternatives

1. Approve staff to proceed with an appraisal of the property.
2. Approve an appraisal of the property, but at a later (to be determined) date, as the appraisal may not be valid and/or current when it is needed.

F. Recommendation

Secure an appraisal for the subject property.

Recommended by: Councilman Greg Pearce Date: November 19, 2013 Council Meeting

G. Reviews

Finance

Reviewed by (Finance Director): Daniel Driggers Date: 12/13/13

Recommend Council approval Recommend Council denial

Comments regarding recommendation:

It is understood that an appraisal of the property was obtained as a part of the decision to approve the Decker Center which provides an estimated value as of that date therefore the benefit of an additional appraisal at this point would have a limited value for the

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County. Additionally no funding source is identified for the estimated \$3,500 - \$5,000 cost of the appraisal therefore it may be beneficial for the County to determine if the timing of a new appraisal will achieve a benefit to cover the cost.

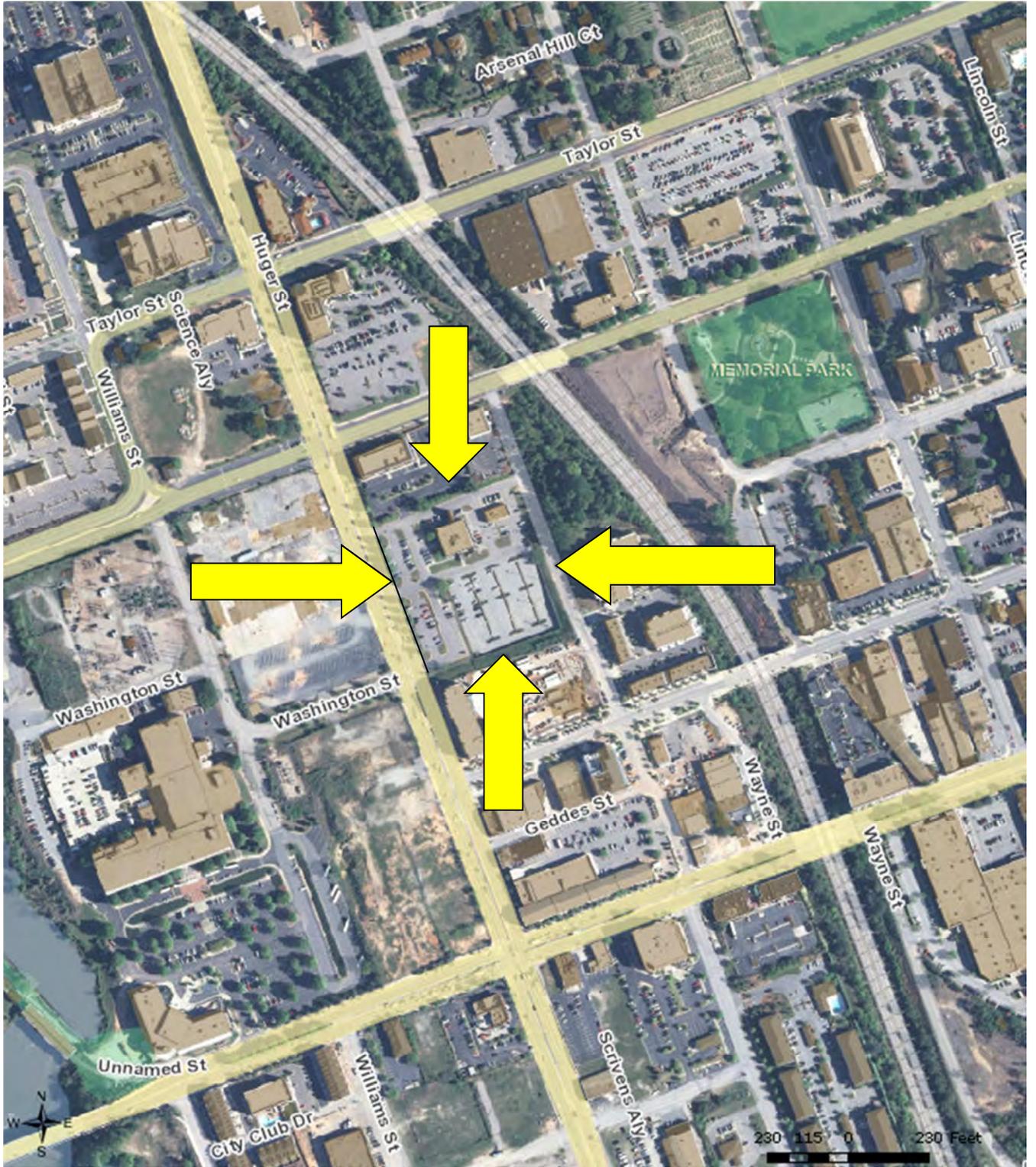
Based on the information provided and that the Decker Center is not planned for use until 2015, I would recommend alternative two as stated above to obtain an updated appraisal at a later date once Decker Center is completed to a point that the County is prepared for a more formal action to occupy the property

Legal

Reviewed by: Brad Farrar Date: 12/13/13
 Recommend Council approval Recommend Council denial
Comments regarding recommendation: Policy decision of Council.

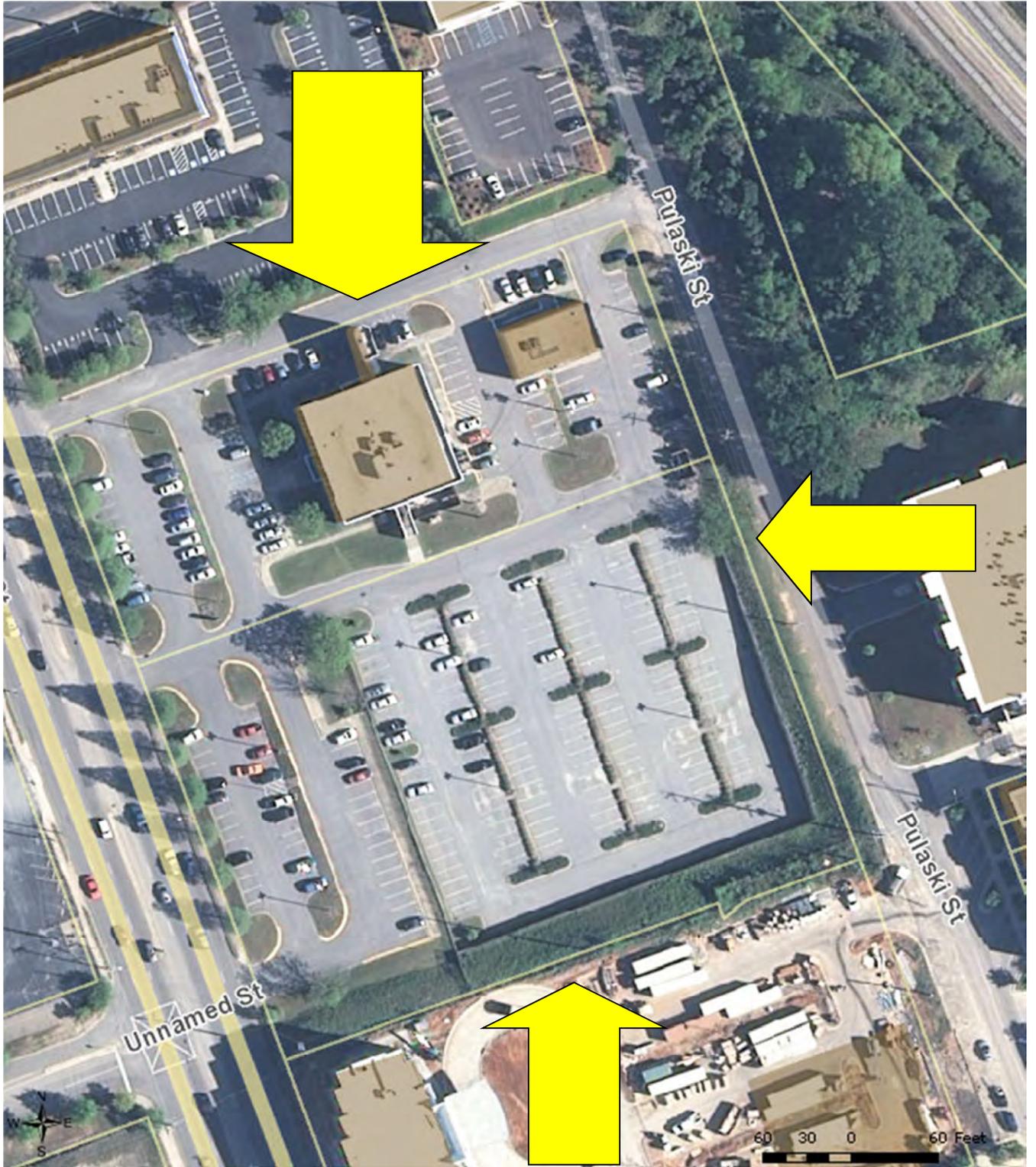
Administration

Reviewed by: Roxanne Ancheta Date: 12/13/13
X Recommend Council approval Recommend Council denial
Comments regarding recommendation: Recommend Alternative Two, approve an appraisal of the property, but at a later (to be determined) date, as the appraisal may not be valid and/or current when it is needed. Once the Decker Center is close to completion, this item will be revisited.



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Attachment number 1
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Item# 5

Attachment number 1
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