

As bankroll diminishes, will county have enough?

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WALHALLA — Oconee County is spending its bankroll.

Projects funded years ago are finally being undertaken. Others are being prepped and planned. Some new ones — most notably the purchase of the 400-acre Echo Hills development — have been added.

And, while spending the taxpayers' hard-earned cash rather than bankrolling it may seem like a good thing, there is a downside.

No one is feeling that side of the equation more than County Administrator Scott Moulder.



When Moulder rolls out his proposed 2011-12 budget to Oconee County Council in early April, he will do so with some trepidation.

Why?

Some of the county's vast reserves have been spent — \$2.5 million for a firehouse, another \$2.5 to purchase Echo Hills, \$1.5 million for a spec building and another \$1.8 million for reassessment — and still there is a lot on the county's table.

Moulder's task will be to meet the job development priority of County Council without taking what was once a flush county into the red. It may not be easy.

Because the county's property reassessment and the state budget are unfinished, Moulder must make assumptions. He knows full well what that could mean.

"I'm anticipating revenues of \$38.6 million," he said, "with \$1.3 million less in property taxes and \$600,000 less in state aid."

If Moulder is on the mark, next year's revenue will be nearly \$2 million less than is projected this year and than was actually collected in 2009-10. It also means Moulder is faced with doing more, with less.

The council has said job creation is its top priority. Moulder said the county has the necessary assets. The problem is they are underdeveloped.

"We've invested enough in land and buildings," he said. "The question is: How can we restructure and change to achieve the goal of more jobs?"

Moulder knows that means getting infrastructure, primarily sewer and water, to both Echo Hills and the Golden Corner Commerce Park. Will that challenge break the county's bank?

"If we tried to pay cash for Echo Hills and Golden Corner Commerce Park, it could," Moulder admits, quickly adding, "But we won't be broke."

"We will have to reallocate cash in the capital projects account," he contin-

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ued, referring to \$10 million in unencumbered project funds.

Transfers out of that fund likely hold the answer to how the administrator may be able to create jobs, while keeping day-to-day county operations properly funded. Using those monies won't be anything new.

Moulder's analysis of the county's spending history has revealed that, over the past seven years, the county has averaged \$7 million in transfers from other funds into county operations. Much of that has taken place because the county has funded projects it has never undertaken.

Over many of those same years, the county has shown millions of dollars in revenues over expenses — over \$44 million since 2006 — a trend that has created an over-taxation versus under-spending debate. In reality, this shuffling

of money from one account to another has also created dividends for the county — over \$5.6 million in earned interest since 2006.

The spending the county has engaged in the past year has claimed some of the \$45 million in fund reserves Oconee County had on the books on June 30, 2010.

Moulder said \$15 million of that was in capital projects, \$10 million of which is available. Another \$28 million is in the general fund, but the administrator said he can only tap \$13.4 million, enough to run county operations for four months. The other \$15 is "restricted" or "designated" for uses that Moulder claims the county should be covering in order to "do business the right way." That includes setting aside funds for future employee health claims and money to cap the county's landfills when the time comes.

That being the case, Moulder contends that, outside of the capital projects money, the county has little excess cash to work with.

The bottom line for the administrator is pretty straightforward. He is charged with:

- creating and funding a countywide fire plan;
 - finding operating money and bond payment funds for a new county jail;
 - funding infrastructure on purchased land to create jobs;
 - dealing with an aging and empty old courthouse;
 - converting another unused county building (the Brown Building) to some useful purpose;
 - meeting a host of county library building needs; and
 - etc., etc., etc.
- "We have a lot of projects," Moulder said. "Funding them is going to be challenge."

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