

**City of Pickens  
Regular Meeting  
July 14, 2025  
6:00 P.M.**

The Mayor and City Council convened at City Hall 219 Pendleton Street, Pickens S.C. for a Regular Meeting. Agendas were posted and sent to media on July 8, 2025.

Council Members in Attendance:

Mayor, Isaiah Scipio  
Mayor Pro-Tem Cameron Rivers  
Council Member, Floyd Rogers  
Council Member, John McManus  
Council Member, Ray Wilson  
Absent- Council Member Allie Winter

Staff:

Administrator Tim O'Briant  
Finance Director, Mandy Hess  
Fire Chief, Chris Elrod  
Recreation Director, Jonathon Morris

***(The minutes are a synopsis of the meeting, and they are not a verbatim discussion. Full viewing and recording of the meeting is available on the City of Pickens Web-page and Facebook. Also, the full agenda packet with all departmental reports are available in the City Clerk's office).***

**WELCOME AND CALL TO ORDER:**

Mayor Scipio called the meeting to order and welcomed those in attendance. Council Member Floyd Rogers gave the invocation followed by the Pledge of Allegiance.

**COMMENTS FROM MAYOR SCIPIO:**

Mayor Scipio thanked everyone and stated the Auditors are here to present the 2023 Audit Report.

**COMMENTS FROM CITIZENS:**

- 1) Louise Hope- Ms. Hope reminded Council that Turtles on the Town had begun in 2011. Ms. Hope stated there is no funding for the colored brochures that are placed at the Chamber and Visitor's center. Also, funding is needed for maintenance of the turtles. Ms. Hope stated she would like to see this project continue.
- 2) Doug Tate-Mr. Tate discussed the charm of Pickens and the importance of new shops and restaurants. Mr. Tate inquired about a recent decision to deny an Air B & B as well as a restaurant at the Colonial House. Mr. Tate stated he hopes Council will revisit this issue.
- 3) Alex Saitta-Chairman of County Council gave Council an update on matters that correlate with the City of Pickens.
  - The purchase of the building on Garvin Street will move approximately 30 employees out of the Courthouse. Also, the "Roy Knight" building has been purchased, and this will become additional parking. This should relieve some of the crowded parking around the Courthouse.

- The Senior Center received \$25,000 to replace the dining area floors and update some kitchen equipment.
  - Jaycee Park received \$50,000 to help renovate the park. After looking at improvements it was decided to order a \$60,000 piece of equipment that should be installed soon. Pickens County gave \$30,000 toward that purchase.
  - Bruce Field – The County hopes to provide funds to assist with Bruce field early next year.
  - EMS Stations are being built in Easley and Central.
  - 911 Call Station is being built behind the County Administration Building and should be finished early next year. Mr. Saitta updated Council about the 911 calls that will be dispatched from this state-of-the-art facility.
  - Council was updated regarding State Accommodations tax funds. The County allocated to the Chamber of Commerce \$12,400 for the Appalachian Folk Festival and allocated \$9,000 for the Azalea Festival.
- 4) Jonathan Baker- Mr. Baker stated he appreciated the Comments from Mr. Tate as it relates to future plans for the Colonial House. Mr. Baker gave his phone number and encouraged anyone to call him as it relates to plans for this area, he would also like to know more history as it relates to this property. 864-293-0514.

**ADMINISTRATOR’S REPORT:**

Administrator Tim O’Briant reported on the following items to the Mayor, Council and public.

- Employee Appreciation Lunch was successful and was held on 7/11/2025 at the Recreation Department.
- Engineering reviews and obtaining overall plans/inspections for the renovations of 120 Hagood Street Property (Teen Canteen) is ongoing.
- Council was updated about sewer maintenance at Bruce Field and informed that a mower caught on fire in the field house (no injuries reported) Council will be updated as insurance claims are submitted.

**APPROVAL OF MINUTES:**

>>Motion was made by John McManus to approve the following Minutes. Motion was seconded by Council Member Ray Wilson and unanimously passed.

- June 16, 2025, Special Called Meeting
- June 23, Regular Called Meeting

**FY-2022-2023 AUDIT PRESENTATION:**

Council received the Audit for Fiscal Year ending June 30,2023. Mr. David Phillips with Greene Finney Cauley, LLP presented the FY 2023 Financial Audit. (a full PowerPoint presentation will be in the minutes as Exhibit A. The entire Audit report is available in the Clerk’s office )

Prior to Mr. Phillips presenting the presentation, he reminded Council that staff and accountants have been successful in reconciling the majority of the \$157,000 that was brought to Council’s attention in May 2025. Mr. Phillips stated they were confident this was due to utility adjustments.

Mr. Phillips stated the 2022/2023 Audit is complete with an unmodified opinion of the financial statements. This means the Audit has a clean opinion and in good standing. Highlighted were the following:

- General Fund
- Fund Balance – importance to build up and maintain adequate fund balance
- General Fund Revenues and Expenditures
- Hospitality tax Fund
- Grants Fund
- Utility Fund
- Pension Liability
- Long Term Obligations

Mr. Phillips concluded by calling attention to Findings and Questioned Costs. Mr. Phillips stated the City is moving forward with consistency needed in staff. And the staff is working diligently to move forward with corrective actions.

Council inquired about how soon the next Audit could conclude. Unfortunately, Mr. Phillips stated he will not be able to complete the next Audit until 2026 due to current obligations.

**COMMENTS FROM COUNCIL:**

Mayor Scipio stated he has been in discussions with Council Member Ray Wilson and the need to see more effort into beautifying downtown Pickens. Mayor Scipio asked for thoughts regarding a Community Clean Up Day to pay attention to the weeds, mulch, and trash.

Council discussed programs where businesses adopt sections of Main Street to beautify. Tim O'Briant also discussed many Cities have programs for seasonal beautification. Mr. O'Briant also discussed focusing on the Azalea Festival with the various varieties of azaleas. Also, the new budget provides for Code Enforcement that will help with enhancing blighted areas.

Council Member Rogers inquired about the events at the amphitheater and discussed the need for restrooms in that area. Jonathon Morris with Parks and Receptions stated the events were going well. Council also discussed a fountain/splashpad in that area as well as donations for the events.

Council concluded their comments and thanked Ms. Hess and Mr. O'Briant for their diligence with the 2023 Audit.

**ADJOURNMENT:**

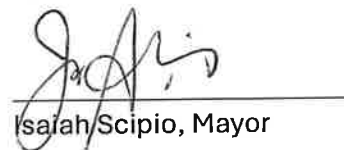
Hearing no further business, Mayor Scipio called for the motion to adjourn. Motion was made by Council Member Floyd Rogers, seconded by Council Member Ray Wilson, and unanimously approved to adjourn. Pickens City Council stood adjourned at 7:14 p.m.

Respectfully Submitted:



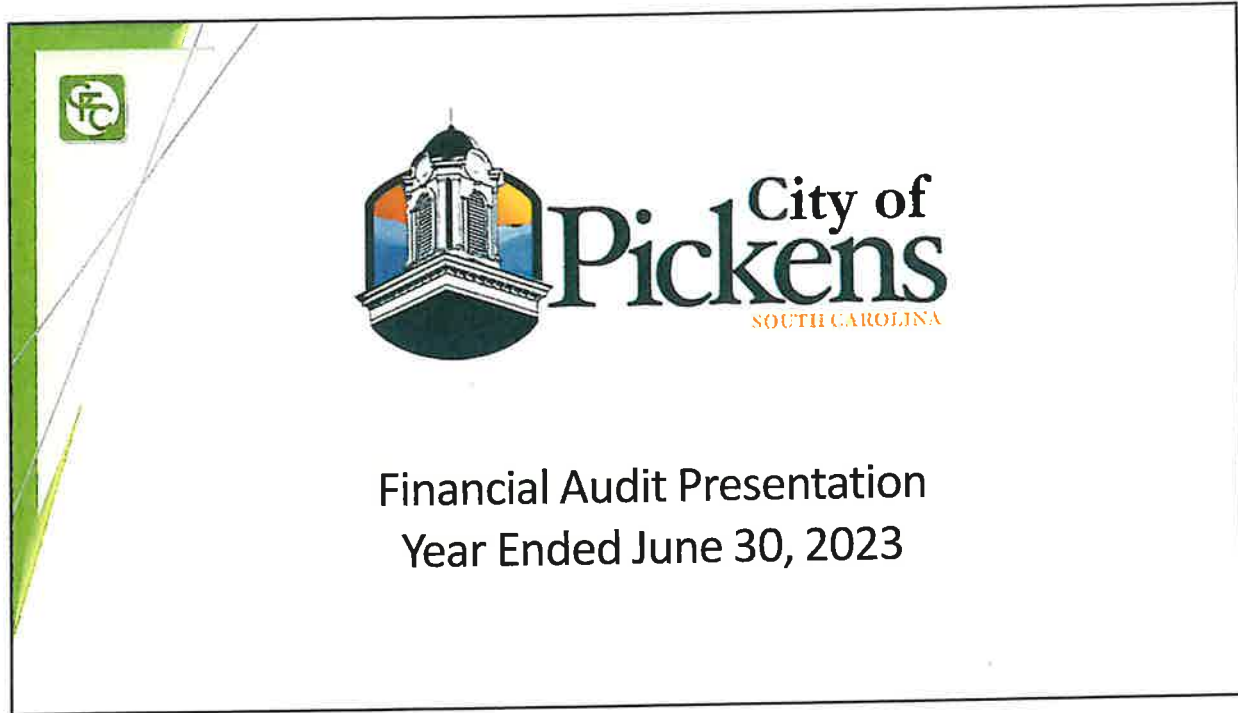
Donna F. Owen, City Clerk

Approved:



Isajah Scipio, Mayor

# Exhibit A



The image shows a title slide for the FY 2023 Financial Audit. In the top left corner, there is a small green square logo with a white 'FC' inside. The title 'CITY OF PICKENS, SC' and 'FY 2023 FINANCIAL AUDIT' is centered in a green, sans-serif font. Below the title, the word 'OPINION' is written in a bold, black, sans-serif font. Underneath 'OPINION', there is a list of bullet points, each starting with a right-pointing arrowhead. The list includes: 'The City's responsibility:', 'Maintain effective internal controls', 'There are limitations on internal controls.', 'Regular risk assessment is important, including assessing the risk of fraud.', 'Financial Statements', and 'Accuracy, completeness, and propriety of balances, amounts, and disclosures.' The slide has a green decorative border on the left side.



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### OPINION (CONTINUED)

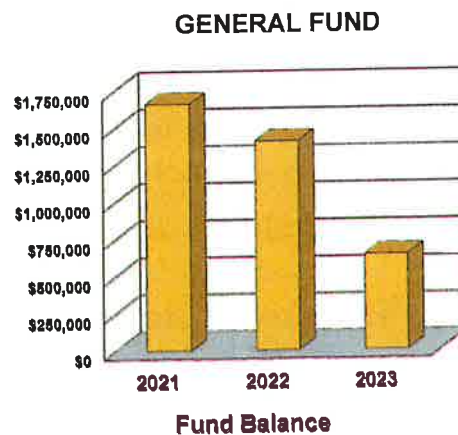
- Greene Finney Cauley, LLP responsibility:
  - Opinion – reasonable assurance that financial statements are materially correct
    - Does not address the financial condition of the Organization
  - Purpose of the audit is not to detect fraud. We cannot take responsibility for finding fraud, if it existed.
  - Issued unmodified opinion



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### • General Fund

- Total fund balance decreased \$767k
- Restricted Fund balance of \$216k for road maintenance, unspent bond proceeds, and other items.

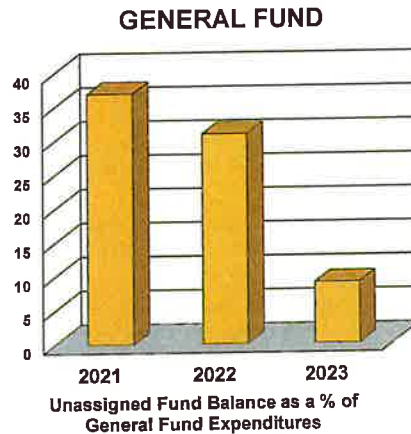




## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### • **General Fund**

- Unassigned fund balance is \$0.4 million, which is 9% of 2023 actual expenditures and 9% of 2024 budgeted expenditures.
- GFOA recommends a minimum of 16.7% (two months)
- Council's minimum fund balance policy requires unassigned fund balance to be 3-4 months (24%-32%) of General Fund operating expenditures.



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### • **Major Reasons To Maintain An Adequate Fund Balance:**

- Cash flow through second half of calendar year; property taxes and business licenses are cyclical.
- Significant emergencies and unanticipated expenditures.
- Flexibility for discretionary funding needs.
- Potential for better interest rates on debt issues (can save the City money).
- To cover potential shortfalls from the state (a) due to budget cuts or (b) as a result of the change in legislation
- Extremely important given the uncertain economic times (health pandemic).

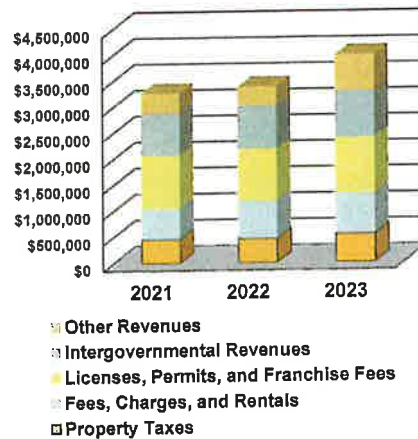


## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### General Fund Revenues:

- \$4.0M for 2023:
  - \$0.5 million from property taxes
  - \$0.8 million in fees, charges, and rentals
  - \$1.1 million in licenses, permits, and franchise fees
  - \$0.9 million in intergovernmental revenues
  - \$0.4 million in grants revenues
  - \$0.3 million for all other revenues
- \$0.6M increase from 2022
  - Primarily higher grants due to ARPA of \$0.3 million and property taxes of \$0.1 million.
- \$723k (22%) over budget
  - Higher property taxes of \$72k
  - Higher fees, charges, and rentals of \$131k
  - Higher intergovernmental revenues of \$86k
  - Higher grants of \$423k
  - Higher other revenues of \$33k
  - Lower fines and forfeitures of \$22k

### GENERAL FUND REVENUES

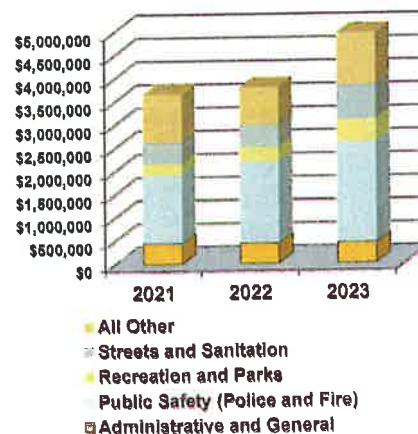


## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### General Fund Expenditures:

- \$5.0M for 2023:
  - \$0.4 million in administrative and general
  - \$2.2 million in public safety (\$1.7 million in police and \$0.5 million in fire)
  - \$0.5 million in recreation and parks
  - \$0.8 million in streets and sanitation
  - \$0.4 million in grounds maintenance
  - \$0.4 million in capital outlay
  - \$0.2 million in debt service
  - \$0.1 million in other expenditures
- \$1.2M increase from 2022
  - Primarily due to one-time capital outlay and grant expenditures of \$0.4 million, higher operating expenditures of \$0.3 million for police, \$0.2 million for recreation and parks, \$0.2 million for streets and sanitation, and \$0.1 million for grounds and maintenance.
- \$1.3M over budget
  - Increase in operating expenditures was mainly salaries/benefits to stay competitive and to increase staff levels.

### GENERAL FUND EXPENDITURES





## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### Other Funds

- **Hospitality Tax Fund** had approximately \$0.8 million in fund balance at year end, all of which was restricted for debt service or tourism related expenditures.
  - Revenues of \$0.6 million and expenditures of \$0.5 million.
  - Expenditures out were primarily for salaries and employee benefits, tourism related events, and debt service payments.
  - Transfer out of \$24k for its overhead reimbursement to the General Fund.
- **Grants Fund** had approximately \$19k in fund balance at year end, all of which was restricted.



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### Utility Fund

- Had approximately \$16.1 million in net position at year end and an increase in net position of \$0.4 million:
  - Utility Fund operating revenues of \$3.5 million and operating expenses of \$4.0 million compared to 2022 operating revenues of \$3.5 million and operating expenses of \$3.4 million. Operating expenses increased primarily due to contractual services, partially offset by lower personnel services.
  - Nonoperating items of \$0.3 million in interest expense on bonds and \$0.2 million in interest income on investments.
  - Contributions consist of \$0.9 million in capital grants (primarily a CDBG grant and an RIA grant) and \$0.3 million in capital improvement fee. Transfer of \$0.2 million to the General Fund in lieu of payroll, property taxes and franchise fees



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### **Net Pension Liability:**

- Relates to the City's proportionate shares of the net pension liabilities and deferred outflows/inflows of resources related to the City's participation in the South Carolina Retirement System and the SC Police Officers Retirement System ("Plans").
- Total Net Pension Liability ("NPL") of \$4.4 million (\$3.8 million in the prior year) on the City's government-wide Statement of Net Position for 2023.
  - Increase in the NPL of \$0.6 million from the prior year, primarily due to a lower fair value of investments at the measurement date (June 30, 2022).
- PEBA approved continuing rate increases of 1% each year until a final employer rate of 18.56% and 21.24% for the SCRS and PORS, respectively, is achieved (will be achieved in FY 2024).
- No net impact on governmental funds but does impact the Utility Fund and the government-wide financial statements.
- Significant pension disclosures in Note IV.B.



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### **Other Items of Note – Capital Assets:**

- Total capital assets were \$28.6 million at June 30, 2023 – slight increase of \$0.2 million from June 30, 2022:
  - Total capital asset additions of \$1.9 million which consisted of:
    - Rosemond & Allgood water infrastructure improvement projects.
    - Several Vehicles and Equipment related items (most notably a 2007 ladder truck).
    - Other building improvements.
  - Depreciation expense of \$1.7 million.



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### **Other Items of Note – Long-term Obligations:**

- Total long-term obligations outstanding at June 30, 2023 were \$11.2 million – decrease of \$1.0 million from June 30, 2022:
  - Principal payments of \$1.0 million made during 2023.
- Debt services payments are estimated to be \$1.2 million for 2024 (\$0.4 million for governmental activities debt and \$0.8 million for business-type activities).



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

### **AUDITING/ACCOUNTING UPDATE:**

- Future Significant Changes in Auditing Principles:
  - None
- Future Significant Changes in Accounting Principles:
  - GASB Implementation Guide 2021-1, paragraph 5.1 – need to capitalize significant group purchases of capital assets. This will be applicable for the City for FY 2024.



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

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### **Management Letter**

- Required communications to management and those charged with governance – three comments
  - Formalize policies and procedures and bank accounts
  - Unassigned fund balance
  - Budget

### **Compliance**

- Three audit findings were noted for FY 2023
  - Accounting cutoff (year end close process) – material weakness
  - Noncompliance with laws and regulations – Rate covenant – Compliance finding
  - Reporting – Performance Reporting – Single audit compliance finding
- Single Audit was required for FY 2023 – ARPA program



## CITY OF PICKENS, SC FY 2023 FINANCIAL AUDIT

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### **Summary**

- Unmodified opinion on the Financial Statements from Greene Finney Cauley, LLP.
- City staff were good to work with.