

Mayor
ISAIAH SCIPIO
City Council
CAMERON RIVERS, Mayor Pro-Tem
JOHN MCMANUS
FLOYD ROGERS
RAY WILSON
ALLIE WINTER



Administrator
TIM O'BRIANT
City Clerk
DONNA F. OWEN

City of Pickens

www.cityofpickens.com

AGENDA

CITY COUNCIL SPECIAL CALLED WORK SESSION

Wednesday October 22, 10:30 a.m.

CITY HALL

219 PENDLETON STREET
PICKENS, SOUTH CAROLINA

1. WELCOME AND CALL TO ORDER:
2. INVOCATION AND PLEDGE OF ALLEGIANCE:
3. DISCUSSION AS IT RELATES TO SOUTH CAROLINA HOUSING TRUST PROGRAMS AND FUNDING AVAILABILITY – WORKFORCE HOUSING IN PICKENS:
4. FINANCIAL PLANNING MODEL FOR CURRENT AND FUTURE YEARS WITH EXAMPLE PROJECTS FOR INITIAL COUNCIL REVIEW: TIM O'BRIANT
5. UPDATE ON METER INSTALLATION PROCESS: TREY ADAMS AND KAYLA MCJUNKIN
6. DISCUSSION AS IT RELATES TO CITY FINANCIAL REPORTS: MANDY HESS
7. DISCUSSION AS IT RELATES TO POLICES FOR BOARDS AND COMMISSIONS FOR THE CITY OF PICKENS:
8. ADJOURNMENT:



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October 22, 2025

TO: Mayor and City Council
FROM: Tim O'Briant, Administrator
RE: City of Pickens Balance Sheet

Over the last 18 months, First Tryon Financial Advisors has worked closely with staff to create a flexible and in-depth capital planning model that incorporates all of the City's financials into a tool that can be used to test the practicality of projects. Many thanks to Jordan Keysor, VP of First Tryon, and Andy Smith, Managing director, for creating a tool the City will be able to use for financial planning for many years to come. Both gentlemen have broad experience in guiding communities large and small when it comes to responsible financial planning and project delivery.

The City's Capital Planning Model outlines key capital projects proposed over the next several fiscal years. The following table summarizes these projects, funding sources, and anticipated fiscal impacts on fund balance and debt service. Remember, the listed projects are community priorities, but Council has not reviewed them to date. The Council's priorities must be reflected in any plan that moves forward. Please review the list carefully and determine anything you feel is missing or less important than other priorities for our community.

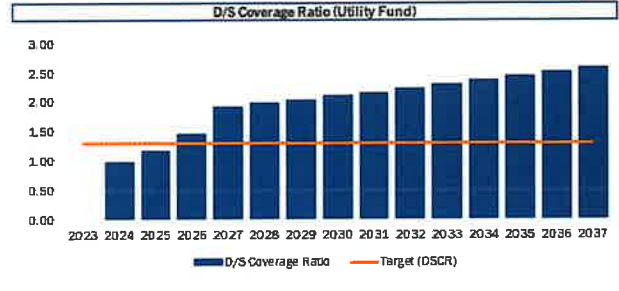
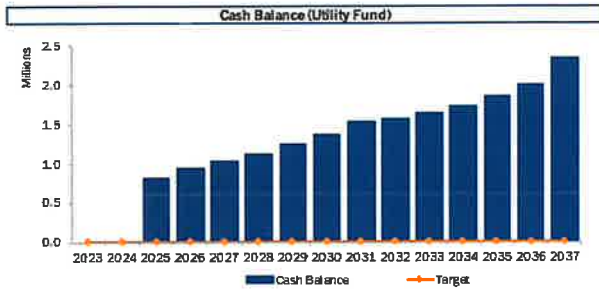
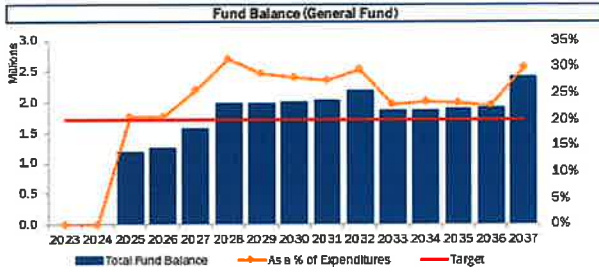
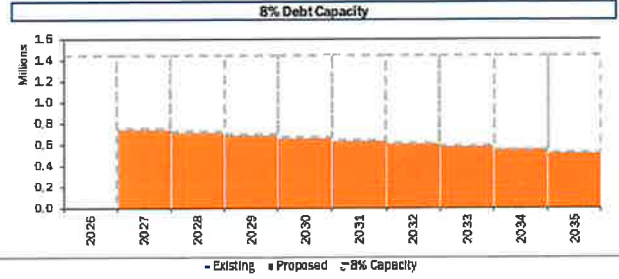
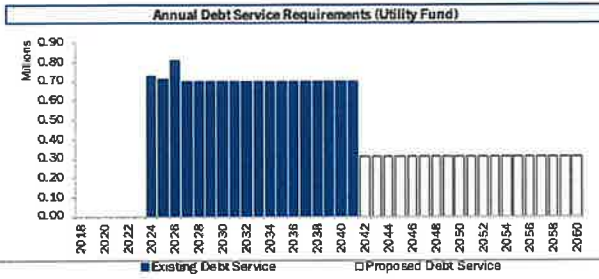
Fiscal Summary:

The combination of pay-as-you-go funding and limited borrowing provides a balanced approach to capital investment. Projects funded through fund balance will temporarily reduce reserves but maintain compliance with the City's financial policy thresholds. Debt-funded projects—particularly the Recreation Facilities and Wastewater Plant improvements—introduce moderate new annual debt service obligations but keep the City well below the statutory 8% debt capacity. Overall, the capital program supports essential infrastructure renewal and community development while preserving fiscal stability.

See list, next page:

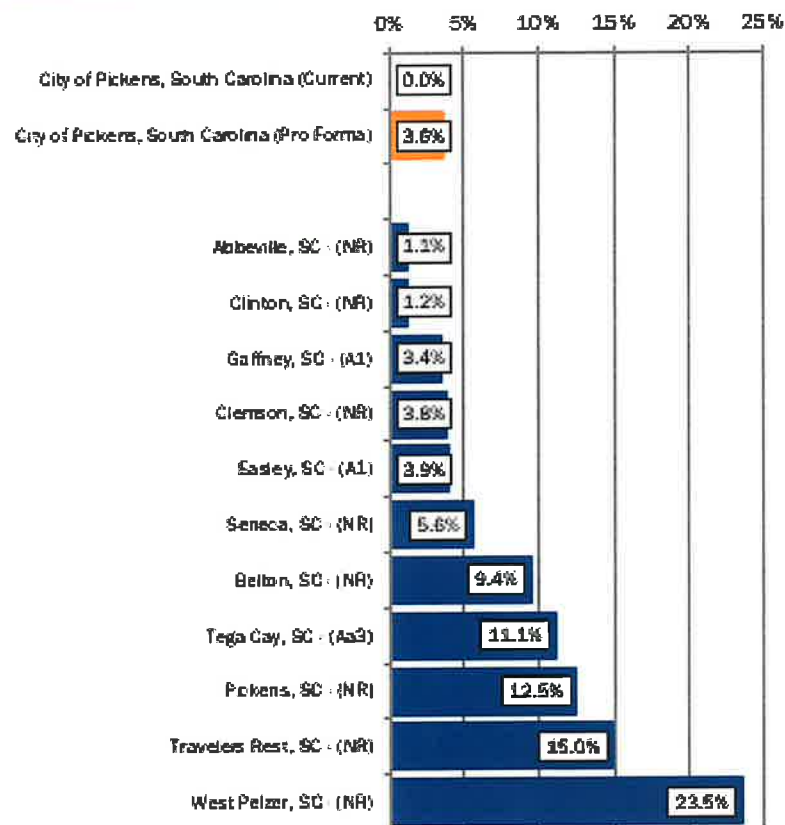
Project	Amount	Timing (FY)	Fund / Revenue Source	Funding Type	Debt Term / Rate	Fiscal Impact
Recreation HVAC, Teen Canteen, Amphitheater Restroom and Enclosure, Splash Pad	\$2,225,000	2027	Hospitality Tax Fund	Revenue Bond	20 yrs @ 4.5%	Adds new debt service; no effect on General Fund balance
2 Garbage Trucks & Fire Truck Replacement	\$750,000	2027	General Fund	8% G.O. Bond	20 yrs @ 4.5%	Increases debt service within 8% limit; minor annual payment impact
Road Resurfacing Program (multiple phases)	\$3,000,000 total	2029–2036	General Fund	Fund Balance	N/A	Reduces General Fund reserves; no new debt
SCADA System Completion	\$175,000	2027	Utility Fund	Fund Balance	N/A	Drawdown of Utility Fund balance
Water/Sewer Infrastructure Upgrades (annual program)	\$150,000 per year	2032–2036	Utility Fund	Fund Balance	N/A	Gradual reduction of reserves; supports ongoing reliability
City Hall Improvements	\$850,000	2033	General Fund	Fund Balance	N/A	Moderate reduction of reserves
Wastewater Treatment Plant Upgrades	\$4,000,000	2041	Utility Fund	Revenue Bond	20 yrs @ 4.5%	New long-term debt; increases Utility Fund debt service
Bruce Field Improvements	\$350,000	2032	General Fund	Fund Balance	N/A	Reduces General Fund balance

Fiscal impact through 2037



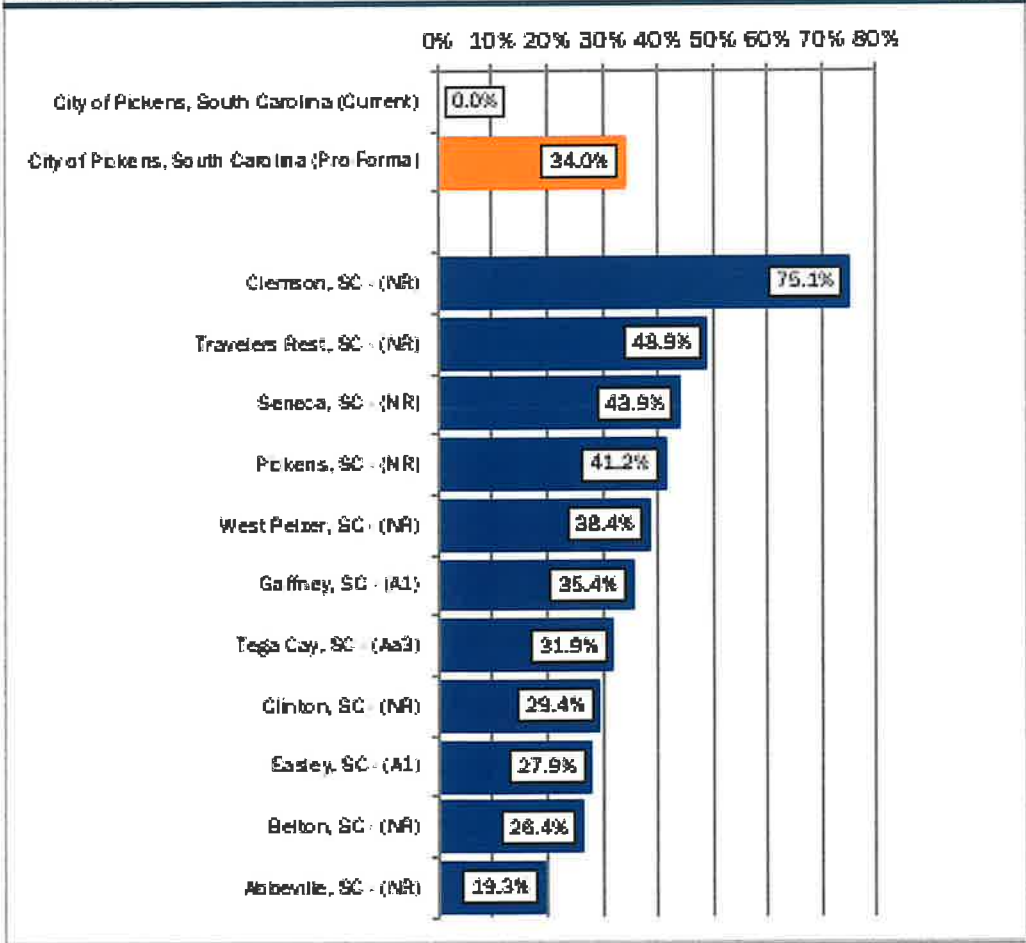
Peer city comparisons

D/S as % of Op. Ex.	
City of Pickens, South Carolina (Current)	n/a
City of Pickens, South Carolina (Pro-Forma)	3.6%
Abbeville, SC - (NR)	1.1%
Clinton, SC - (NR)	1.2%
Gaffney, SC - (A1)	3.4%
Clemson, SC - (NR)	3.8%
Easley, SC - (A1)	3.9%
Seneca, SC - (NR)	5.6%
Belton, SC - (NR)	9.4%
Tega Cay, SC - (Aa3)	11.1%
Pickens, SC - (NR)	12.5%
Travelers Rest, SC - (NR)	15.0%
West Pelzer, SC - (NR)	23.5%



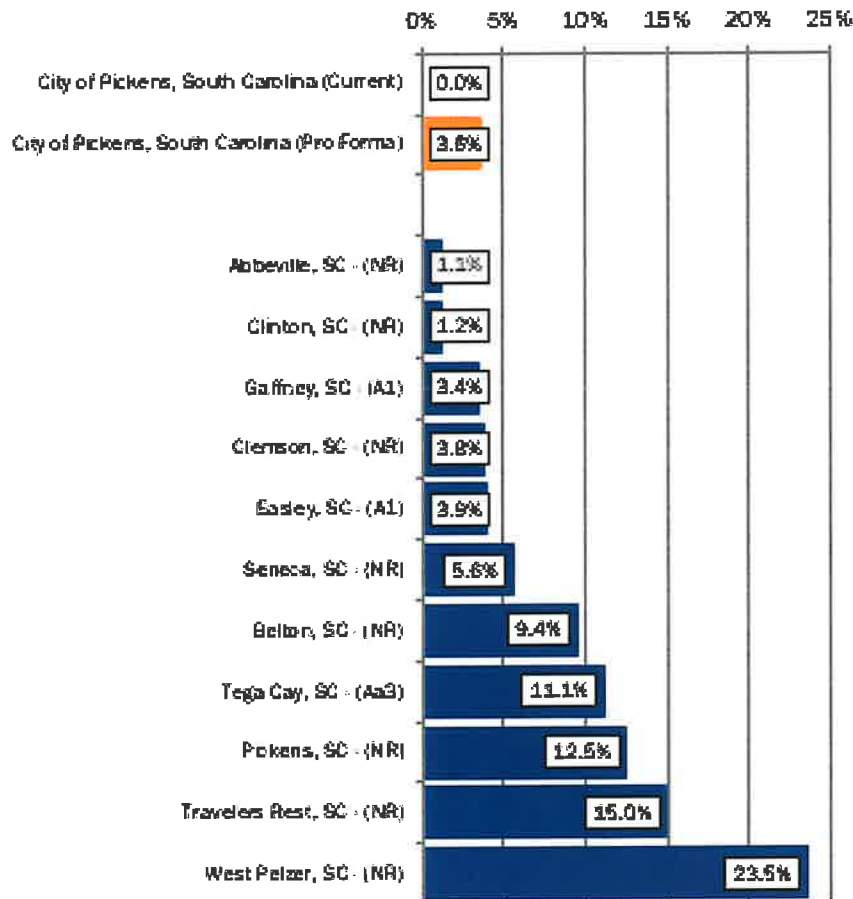
Unassigned FB as % of Revenue

City of Pickens, South Carolina (Current)	#DIV/0!
City of Pickens, South Carolina (Pro-Forma)	34.0%
Clemson, SC - (NR)	75.1%
Travelers Rest, SC - (NR)	48.9%
Seneca, SC - (NR)	43.9%
Pickens, SC - (NR)	41.2%
West Pelzer, SC - (NR)	38.4%
Gaffney, SC - (A1)	35.4%
Tega Cay, SC - (Aa3)	31.9%
Clinton, SC - (NR)	29.4%
Easley, SC - (A1)	27.9%
Belton, SC - (NR)	26.4%
Abbeville, SC - (NR)	19.3%



D/S as % of Op. Ex.

City of Pickens, South Carolina (Current)	n/a
City of Pickens, South Carolina (Pro-Forma)	3.6%
Abbeville, SC - (NR)	1.1%
Clinton, SC - (NR)	1.2%
Gaffney, SC - (A1)	3.4%
Clemson, SC - (NR)	3.8%
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October 22, 2025

Mayor and Council,

We are at the point where we can share some solid information on the challenges that have been faced with the meter transmitter change out process. As you know, these issues initially caused a flurry of very high bills for a number of our utility customers. Those bills were credited down to the minimum usage of 3000 gallons. Since that billing cycle, staff has worked to err on the side of the customer and bill for minimum usage unless and until reliable and defensible usage readings are available for individual accounts. As of the current billing cycle, we are coming out of the woods and know which accounts are seeing proper meter readings and how to spot those that need attention before bills are generated.

These issues have stunted utility fund revenues by 6.8% to date for a total difference of some \$300,000 year over year. An unknown portion of that will be recovered in future months as several large accounts using inactive old meters have been found to have been paying the minimum for some time. Moving forward, these accounts will produce substantial additional revenue.

Also, there is roughly \$300,000 in the meter upgrade budgeted expense line that has not been expended to date. Suspending further meter upgrades for the current fiscal year and restarting the funding in the next budget year will help to zero out any reduction in current revenue trends. The reduction in expense would roughly correspond to the 6.8% reduction in revenues.

Initially, the concern staff expressed was that the registers/transmitters being installed on the existing meter bases were improperly set to read on tenths of gallons instead on thousands of gallons which we have based our billing system upon. Put simply, that was not the problem. The transmitters do report in tenths, but there is a mathematical conversion that must be applied in the billing that was not. The failure to move the decimal place led to the several hundred (out of nearly 5,000) accounts impacted by the first phase

of installs showing 100 times their actual usage. The notice that went out through all city channels led to a “run on the bank” effect whereby the same staff that was working to diagnose the issue was being contacted by every customer over the minimum regardless of whether the error had impacted them or not. Remember that just before this occurred, one of the staffers who would have handled some of the increased load was dismissed for unrelated reasons.

Amidst this perfect storm scenario, the billing staff was working to issue credits, research accounts to verify readings and juggle the new meters and billing along with the separate and different system for the bulk of the meters still using the old equipment. Remember, that we are continuing to use the same brass meter bases. These are working very well and have 10 years of warranty protection remaining. We are replacing the registers/transmitters which sit atop the bases and collect the data and radio it to remote drive-by readers. The old system’s register/transmitters are at the end of their warranty life and their battery life. They are failing on a somewhat regular basis, requiring manual reading that complicates the workload created by the transition and the problems described.

Recently, we discovered an additional internal factor that frustrated efforts to diagnose and correct problems with both old and new systems. Our primary meter reading staffer was found to have falsified or guesstimated a significant number of account readings on what appears to be a regular basis. That meant that numbers read manually and assumed correct were entered into the system. When the new readings taken electronically were paired with the bogus numbers provided, it created chaos. The usage was either far too low or far too high. The assumption was that this was a problem with the equipment and/or software systems. Exhaustive hours were spent trying to fix a problem with those systems that didn’t, in fact, exist. The staffer involved has been terminated for falsifying readings and for his reaction and attitude when confronted with the evidence he had done so. He first denied it and then admitted he had done so.

Through all this, Kayla McJunkin, Megan Anders and Dana Epps have been real champions. They have worked with several vendors and internal staff to include Trey and additional meter readers applied to the issue from the utilities staff. They have dealt with many customers, many of them confused, impolite or upset about their bills. We owe them a debt of gratitude.

One issue that is squarely with the vendor in all of this is the fact that the training staff from all departments involved was supposed to receive on the transition process was poor to non-existent in the beginning. The vendor has since come in and provided a great deal of training and support since the emergency began. That said, the initial trainer the vendor sent in did very little and was subsequently terminated by the company.

Efforts to fully fix all issues continue. Recent audits by the vendor show that a percentage of the installed registers are incorrect in some instances. In some cases, the Electronic ID number of the installed register does not match what is entered in the billing system. This

means the meter reading computer does not seek or receive reading from such improperly tagged equipment. We are examining internal records to perfect the process and learn whether improper numbers came in on the install sheets turned in by field workers, if the numbers were mis-keyed in the office or what the case may be. We have changed the process now to place the ID sticker that comes with each device on the paperwork turned into the office so transcription errors should be reduced or eliminated. In some cases, registers shown as being replaced have not been according to the audit. These are being addressed this week, but it raises questions as to whether the register that was marked as installed at one address, but was not, is at another unknown address or just not installed anywhere.

Now that we know the source of much of the erroneous data and can track down the made-up readings with more confidence, staff believes we are in a good position going forward. The investigation of these facts and issues remains ongoing and I will update you as we learn more.



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October 22, 2025

TO: Mayor and City Council
FROM: Tim O'Briant, Administrator
RE: City of Pickens Balance Sheet

As we undertake a deep dive in the financial condition of the City today, it is important to review the balance sheet for the organization to recognize the overall strengths and weaknesses.

A balance sheet is a financial statement that provides a snapshot of an organization's financial position at a specific point in time. It lists what the City owns (assets), owes (liabilities), and the difference between the two (equity or net worth).

In many ways, a balance sheet is like an individual's personal net worth statement, which compares a person's total assets—like their home, car, and savings—to their debts such as credit cards, loans, or mortgages. The resulting difference represents personal wealth or equity.

While the balance sheet captures the City's financial position at one moment, cash flow and a day-to-day budget focus on ongoing financial activity. Cash flow tracks the movement of money in and out over time—showing whether income is sufficient to cover expenses in any given month—whereas a budget is a forward-looking plan for managing spending and saving to meet financial goals.

In short, the balance sheet measures *what you have*, cash flow shows *how money moves*, and a budget outlines *how you plan to use it*.

Today, we will discuss the balance sheet, and I will present a forward-looking Capital Improvement Plan (CIP) that is to be incorporated in the City's comprehensive plan. On the side of cash flow, Finance Director Mandy Hess will present a report regarding Council questions related to budget adherence for the current fiscal year.

Please see the summary of the balance sheet and the balance sheet statement itself below:

City of Pickens – Balance Sheet Summary

Fiscal Year 2025–2026

Period Ending: October 15, 2025

Overview

This balance sheet provides a snapshot of all assets, liabilities, and equity for the City of Pickens as of October 15, 2025. It reflects the City’s financial position across all funds, including the General Fund, Utility Fund, Hospitality Tax, Stormwater, and O&M Funds.

Category	Amount
Total Assets	\$24,928,054.87
Total Liabilities	\$12,908,862.43
Total Equity (Fund Balances)	\$12,019,192.44
Total Balance	\$24,928,054.87 (balanced)

Key Takeaways

1. The balance sheet is fully balanced with total assets equaling total liabilities plus equity.
2. The City maintains a moderate debt-to-asset ratio of approximately 52%, typical for a utility-heavy municipality.
3. Liquid assets total about \$2.9 million, providing reasonable short-term liquidity.

Assets Summary

Total Assets: \$24.93 million

Cash & Investments:

- Central Depository Wells Account – \$989,498.46
- TD Bank CD Account – \$257,327.17
- LGIP Account – \$833,423.56
- Hospitality Tax Account – \$781,845.00
- Other cash and special accounts – approximately \$5,000

Receivables include franchise fees, property taxes, and local government reimbursements totaling approximately \$387,000. Fixed assets (land, buildings, water and sewer systems, vehicles, and equipment) total over \$22 million before depreciation, with a net book value of about \$6 million after accumulated depreciation.

Liabilities Summary

Total Liabilities: \$12.91 million

Short-term obligations include accrued payables, salaries, benefits, and unearned revenue from ARP funds. Customer deposits total \$267,319. Long-term debt consists primarily of the 2021A and 2021B Revenue Refunding Bonds totaling \$10.1 million, along with net pension liabilities and deferred pension credits of about \$1.5 million combined.

Fund Balances / Equity

Total Equity: \$12.02 million

Highlights by fund:

- O&M Fund Balance: \$14.96 million
- Stormwater Fund Balance: \$525,530
- General Fund Balance: \$302,826.52
- Utility Fund Balance: -\$1.11 million
- Special Revenue & Hospitality Funds combined: -\$1.5 million

The strong O&M balance offsets negative balances in the Utility, and Special Revenue Funds, resulting in a consolidated positive equity position of just over \$12 million.

BALANCE SHEET

Period Ending: 10/15/2025

City Of Pickens

FY 2025-2026

Account	Balance (\$)
Type: Assets	
CENT DEPOSIT WELLS ACCT 4122273469	989,498.46
TD Bank CD Account	257,327.17
LGIP Account	833,423.56
CASH CHANGE DRAWER REC CENTER	100.00
CASH CHANGE DRAWER # 3	150.00
ACCOUNTS RECEIVABLE SCHOOL RES	112,000.00
ACCOUNTS RECEIVABLE - FRANCHISE FEE	31,735.22
DELINQUENT TAXES RECEIVABLE	13,067.84
PROPERTY TAXES RECEIVABLE	14,397.17
ACCOUNTS RECEIVABLE-SANITATION	-3,721.80
EARNED BUT UNBILLED-SANITATION	19,756.25
LOCAL GOVT FD RECEIVABLE	20,842.39
LOCAL OPT SALES TAX RECEIVABLE	72,775.28
A/R OTHER	43,218.04
DUE TO/FROM HOSP FUND (15)	-298,752.22
DUE TO/FROM GRANT FUND (16)	2,445,743.01
DUE TO/FROM UTILITY FUND (60)	-4,107,759.34
DUE TO/FROM SPECIAL POLICE FUNDS	16,047.72
DUE TO/FROM VICTIM WITNESS FUND (11)	28,722.70
DUE TO/FROM STORMWATER FUND (61)	-516,080.38
DUE TO/FROM GENERAL FUND (10)	-28,722.70
PD PEPI	2,134.55
PD Seized Account	1,270.00
POLICE DRUG FUND	3,599.50
POLICE CASH SEIZED	19,148.94
DRUG INFORMANT FUND	3,886.77
ALCOHOL INFORMANT	4,320.11
DUE TO/FROM GENERAL FUND (10)	-16,047.72
HOSPITALITY TAX WELLS # 4122273485	781,845.00
HOSP TAX RECEIVABLE	57,104.87
DUE TO/FROM GENERAL FUND (10)	298,752.22
DUE TO/FROM GENERAL FUND (10)	-1,035,554.60

BALANCE SHEET

Period Ending: 10/15/2025

City Of Pickens

FY 2025-2026

Account	Balance (\$)
CASH ACCOUNT	20.01
DUE TO/FROM GENERAL FUND (10)	-1,410,188.41
WTR COUNTER DRAWER # 2	150.00
WTR COUNTER DRAWER # 1	150.00
ADDITIONAL CHANGE IN VAULT	200.00
PICKENS SAVINGS& LOAN CD WTR DEP	147,336.60
2021 Debt Service Fund	-2,596,903.46
2021B Debt Service Fund	-2,569,338.78
2021A&B Construction Fund	5,144,377.55
WATER DEPOSIT CUSTOMER REFUNDS	20,032.65
ACCOUNTS REC. MISC.	80.00
RETURNED CHECKS A/R	99,875.52
ACCOUNTS REC. SEWER	-12,146.13
ACCOUNTS REC. WATER	-77,850.64
A/R RECEIVABLE EARNED NOT BILLED	166,012.18
UNCOLLECTABLE ALLOWANCE	-16,762.95
PENALTY A/R	-45,138.12
DUE TO/FROM GENERAL FUND (10)	4,107,759.34
INVENTORY	67,874.72
LAND AND RIGHTS OF WAY	199,332.00
BUILDINGS	1,273,751.48
SEWER UTILITY SYSTEM	14,563,760.78
WATER UTILITY SYSTEM	20,982,262.37
SEWER EQUIPMENT	156,208.08
SEWER VEHICLES	129,365.32
WATER EQUIPMENT	855,611.64
WATER VEHICLES	375,303.17
UTILITY-DEFERRED PENSION CHARGES	142,846.00
ACCUM DEPREC - BUILDINGS	-491,626.50
ACCUM DEPREC - SEWER UTILITY SYSTEM	-6,320,309.14
ACCUM DEPREC - WATER UTILITY SYSTEM	-9,309,623.09
ACCUM DEPREC - SEWER EQUIPMENT	-76,816.61
ACCUM DEPREC - SEWER VEHICLES	-82,190.00

BALANCE SHEET
 Period Ending: 10/15/2025

City Of Pickens
 FY 2025-2026

Account	Balance (\$)
ACCUM DEPREC - WATER EQUIPMENT	-749,541.97
ACCUM DEPRECIATION WTR VEHICLES	-326,127.13
DUE TO/FROM GENERAL FUND (10)	516,080.38
Carolina First Fire 1% Acct.	14,050.62
FIRE 1% FUND BALANCE	-14,050.62
Type: Assets Total	\$24,928,054.87
Type: Liabilities & Equity	
Liabilities	
ACCOUNTS PAYABLE	50.00
ACCRUED ACCOUNTS PAYABLE FOR YR END	51,042.89
ACCTS PAYABLE - CAPITAL IMP	-504,329.45
ACCOUNTS PAYABLE	-8,259.64
INSURANCE EMPLOYEE	-6,453.12
RETIREMENT -EMPLOYEE	-1,623,643.42
SS/FICA/MEDICARE-EMPLOYER GF& UF	6,913.10
RETIRMENT EMPLOYEE	1,865,982.26
UNEARNED REVENUE ARP FUNDS	1,060,161.04
ACCRUED SALARIES	92,672.00
ACCRUED RETIREMENT/EMPLOYER	66,698.04
DEFERRED REV PROPERTY TAX 1991	10,974.53
DEFERRED COMPENSATION	-13,202.08
ACCOUNTS PAYABLE O & M	629.20
ACCRUED ACCOUNTS PAYABLE	50,437.65
ACCRUED O/M SALARIES	9,047.01
ACCRUED FICA	660.69
ACCRUED RETIREMENT	1,588.66
ACCRUED INTEREST PAYABLE	20,534.00
CUSTOMER WATER DEPOSITS	267,319.01
COMPENSATED ABSENCES	456.01
COMPENSATED ABSENCES - NON CURRENT	1,824.05
2021A Revenue Refunding Bond	2,569,000.00
2021B Revenue Refunding Bond	7,496,000.00
W&S NET PENSION LIABILITY	1,354,118.00

BALANCE SHEET

Period Ending: 10/15/2025

City Of Pickens

FY 2025-2026

Account	Balance (\$)
UTILITY-DEFERRED PENSION CREDITS	138,642.00
Liabilities Total	\$12,908,862.43
Equity	
GENERAL FUND BALANCE	-723,288.56
CURRENT FUND BALANCE	-3,642.66
POLICE SPECIAL FUNDS BALANCE	-3,000.00
HOSP TAX FUND BALANCE	-211,162.26
CURRENT FUND BALANCE	-9,479.02
UTILITY FUND BALANCE	-1,111,283.13
STORMWATER UTILITY FUND BALANCE	-9,449.69
FUND BALANCE	-302,826.52
VICTIMS ADVOCATE FUND 11 BALANCE	-25,080.04
FUND BALANCE-4 SPECIAL POLICE FUNDS	21,312.15
FUND BALANCE	1,348,864.35
SPECIAL REVENUE FUND BALANCE	-1,026,075.58
FUND BALANCE	-1,410,168.40
O & M FUND BALANCE	14,958,941.73
STORMWATER FUND BALANCE	525,530.07
Equity Total	\$12,019,192.44
Report Total	\$24,928,054.87



219 PENDLETON STREET
P. O. BOX 217
PICKENS, SC 29671
www.cityofpickens.com

City Policy on Temporary Freeze of Non-Essential Expenditures

1. Purpose

This policy establishes a temporary freeze on all non-essential government expenditures to ensure prudent fiscal management, maintain budgetary discipline, and preserve public funds during a period of cash flow constraint or strategic realignment.

2. Authority

This policy is issued under the authority of the City Administrator/Finance Director in accordance with applicable laws and financial regulations governing the stewardship of public resources.

3. Effective Date and Duration

This spending freeze is effective as of 10/22/2025 and shall remain in effect until modified, extended, or rescinded by formal directive.

4. Scope

This policy applies to all departments, agencies, offices, commissions, and entities that receive funding through the City of Pickens budget.

5. Definition of Non-Essential Expenditures

Non-essential expenditures are those not directly tied to:

- The delivery of mandated public services;
- Legal or contractual obligations;
- Emergency response or public safety;
- Regulatory compliance or risk mitigation;
- Continuity of core government operations.

Examples of non-essential expenditures include but are not limited to:

- Discretionary travel and conference attendance;
- Furniture or office decor upgrades;
- Hospitality, food, and entertainment not legally required;
- Promotional materials, branded merchandise, and event sponsorships;
- Non-critical technology or equipment upgrades;
- Hiring for non-essential, non-frontline positions.

6. Permitted Expenditures

The following categories of spending are not subject to the freeze:

- Salaries, wages, and benefits as per approved labor agreements;
- Utility payments, rent, and operational facility maintenance;
- Public safety, health, and emergency preparedness expenditures;
- Statutory, grant-funded, or federally mandated programs;
- Pre-approved capital improvement projects with designated funding;
- Maintenance of essential services (e.g., sanitation, water, transportation).

7. Exception Process

Any department seeking an exemption must submit a formal written request to the Finance Director detailing:

- The nature and amount of the expenditure;
- The justification for its urgency or criticality;
- Potential consequences if the expenditure is delayed or denied.

All exception requests shall be reviewed and approved by the Finance Director and/or City Administrator on a case-by-case basis.

8. Monitoring and Compliance

- The **Finance Department** will conduct monthly reviews of expenditure activity.
- Departments will be required to submit a report identifying cancelled, postponed, or adjusted expenditures.

- Any violation of this policy may result in administrative action, including revocation of spending authority or disciplinary measures, consistent with applicable HR policies and labor agreements.

9. Communication

This policy will be distributed to all department heads and agency directors and posted on the official intranet site. Briefings may be conducted to ensure clarity of expectations.

10. Policy Review

This policy shall be reviewed every month to determine whether fiscal conditions warrant continuation, revision, or rescission.

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October 17, 2025

The Honorable Rex Rice, Chair
Pickens County Legislative Delegation
c/o South Carolina Senate
Columbia, South Carolina 29201

Dear Senator Rice and Members of the Pickens County Legislative Delegation:

On behalf of the City of Pickens, I am writing to request your assistance in addressing the impact of Proviso 98.9, administered by the South Carolina State Treasurer's Office—particularly as it affects the timing of Local Option Sales Tax (LOST) reimbursements to municipalities.

As you know, the LOST credit is designed as a refundable credit against ad valorem property taxes, intended to provide direct relief to local taxpayers. However, Proviso 98.9 authorizes the State Treasurer to withhold state payments to any county or municipality that has not submitted its annual audited financial statements within thirteen months after the close of its fiscal year. While the intent of this proviso is to ensure accountability and compliance, its implementation has had unintended fiscal consequences for local governments actively working to regain compliance.

Because the City must apply the LOST property tax credit up front on tax bills while awaiting its share of state reimbursements, the withholding of funds under Proviso 98.9 has created a substantial timing mismatch that results in a temporary cash flow shortfall. The City of Pickens operates on a lean general fund budget and relies heavily on timely revenue distributions to meet payroll, debt service, and other essential expenses.

It is important to emphasize that the City of Pickens remains in a strong financial position. The City maintains healthy fund balances and sufficient reserves to meet its obligations. However, addressing the cash flow delay through the use of reserve funds carries an opportunity cost—specifically, the loss of interest income that would otherwise be earned through prudent investment of those reserves in the State's Local Government Investment Pool (LGIP). In this way, the unintended impact of the proviso not only strains short-term liquidity but also deprives the citizens of Pickens of the investment earnings that help offset costs and support local services.

The City has also undergone significant leadership changes over the past two years, including a new mayor in 2024, several new council members, and new administrative leadership, also as of 2024. The current administration has made accountability and financial compliance its top priority. The City is diligently working to bring all audits current, with the FY 2024 audit scheduled for January 2026 and the FY 2025 audit scheduled for March 2026. Our goal is to be fully compliant by spring 2026.

We respectfully request that the Legislative Delegation consider supporting an adjustment to Proviso 98.9—or otherwise facilitating a mechanism—that would permit the release of municipal LOST reimbursements when a city has demonstrated good-faith progress toward compliance. Even a partial or conditional release would help mitigate the cash flow strain and allow the City of Pickens to continue providing essential services without interruption while completing its audit work.

We appreciate your longstanding support of local governments and your commitment to ensuring that the intent of the Local Option Sales Tax—to provide meaningful tax relief to residents without impairing municipal operations—is achieved.

Thank you for your consideration and for your continued service to the citizens of Pickens County.

Respectfully,

A handwritten signature in black ink, appearing to read 'Tim O'Briant', with a long horizontal flourish extending to the right.

Tim O'Briant

City Administrator

City of Pickens, South Carolina

****SAMPLE POLICY****

****SAMPLE POLICY

****SAMPLE POLICY

BOARDS AND COMMISSIONS

CITY OF PICKENS

APPOINTMENTS TO BOARDS AND COMMISSIONS

A. Any individual desiring to apply for appointment, or reappointment, to a City board or commission shall contact the City Clerk for an application or can apply online through the City website. The City Clerk will retain all such applications for consideration of Council as vacancies occur on boards and commissions.

B. Any adult resident of The City of Pickens is eligible for service on a city board or commission regardless of race, color, national origin, sex, age, disability or income. It is the policy of the City of Pickens to comply with all federal and state authorities requiring nondiscrimination, including but not limited to Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990 (ADA), and the Age Discrimination Act of 1975 and Executive Order 12898 (Environmental Justice) and 13166 (Limited English Proficiency).

C. The City Clerk will notify Council monthly of any and all vacancies occurring due to the end of terms of service, removals, and/or resignations, and provide Council with all applications submitted for any such vacancy or vacancies.

CONDUCT FOR BOARDS AND COMMISSIONS

A. Code of Conduct: An appointment to a board or commission is both a position of honor and trust. The citizens are best served when their duly elected City Council has the benefit of the energy and advice of various boards and commissions. Accordingly, members of boards and commissions should recognize and adhere to the following principles:

i. No board member has supervisory or executive authority over any city employee, equipment, or other property.

ii. A board or commission is empowered to act in an advisory role only, unless specifically authorized by state statute and/or city ordinance.

iii. To the extent that a board or commission is authorized to take official action, such action is only appropriate when the board or commission is voting as a group during a publicly-noticed meeting of that board or commission.

iv. A Board or Commission should communicate with other components of city government through the City Administrator and/or his designee.

v. Board or commission members should abstain from voting in situations where their financial interest may be impacted by a proposal before them.

vi. Board or commission members should not represent others before the board or commission on which they serve, or any other supervisory and/or dependent board thereof, including City Council.

vii. Board or commission members should not accept gifts, cash, offers for free service and/or other impermissible benefits from individuals appearing before, or likely to appear before, a board or commission on which the member serves.

viii. Board or commission members should avoid the appearance of impropriety in the conduct of their official and non-official duties.

ix. Board or commission members should avoid conduct, whether public or private, which reflects negatively on a board or commission, or on the City government as a whole.

B. Removal: All members appointed by Council to boards and commissions serve at the pleasure of City Council and are subject to removal with or without cause. To the extent that a member of a board or commission is appointed to a fixed term, that member is subject to removal for cause shown (as hereinafter defined). Upon the expiration of any term of service, a member may remain in service on the board or commission until such time as the member's successor is appointed or until ninety (90) days after the expiration of the term, whichever may first occur, but such continued service is at the pleasure of Council, and such a member is subject to removal with or without cause. Upon the expiration of the 90-day post-term period provided for above, the board or commission member's term and appointment shall automatically cease without further action of City Council.

C. "Removal for cause shown" is defined as removal of a member of a board or commission as is authorized by a positive vote of City Council. Circumstances warranting a removal for cause include but are not limited to:

i. embezzlement or misappropriation of public or trust funds to private use.

ii. crimes of moral turpitude.

iii. malfeasance or misfeasance.

iv. incompetency, incapacity, absenteeism, or persistent neglect of duty in office.

v. conflict of interest.

vi. conduct that reflects negatively on the City and/or its citizens.

vii. use of official position to advance a private religious, economic, or political interest.

viii. violation of the Code of Conduct established herein.

D. Notice of removal. The City Clerk, and /or other designee of City Council, will notify a member that is removed for cause in writing, and state in the correspondence the reason(s) for the removal. The written notice will also notify the board member that he or she must object to the removal for cause determination in writing within 10 days of notice thereof, with all appeals to be heard as council deems appropriate.

Conduct of Meetings. All Board and Commissions will follow the Organizational Rules of Council for conducting meetings unless other rules have been approved by Council