



Charleston County News Release

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County Employees to Take Unpaid Holiday to Balance Budget

To save \$300,000, Presidents' Day, Feb. 16, will be an unpaid holiday

During its Tuesday, Jan. 13, meeting, [Charleston County Council](#) voted to eliminate Presidents' Day, Feb. 16, 2009, as a paid holiday for all [Charleston County Government](#) employees. The decision was made to further reduce expenditures in order to balance the current [fiscal year 2009 budget](#) (July 1, 2008 – June 30, 2009).

One unpaid holiday will save the County approximately \$300,000 and help balance the budget.

County offices will be closed on Feb. 16, as they always are for the Presidents' Day holiday, with the exception of public safety offices (i.e., 911 Dispatch Center, [Sheriff's Office](#), [Emergency Medical Services \(EMS\)](#), and the [Awendaw Fire Department](#)).

Employees who will be required to work on Presidents' Day will receive compensation for actual hours worked.

Charleston County Unpaid Holiday Facts

Who is affected by the unpaid holiday?

There are approximately 2,400 Charleston County employees who will not receive holiday pay for February 16, including those under the [County Administrator](#) and [Elected/Appointed Officials](#), and those who work in the [Charleston County Library System](#). For purposes of the February 16 unpaid holiday, a work day is defined as eight hours. To equalize the impact, all employees will not be paid for eight hours. Employees will see a reduction equal to eight hours of pay in the March 6, 2009, paycheck.

How did the County get into its current financial situation?

The County is required by law to have a balanced budget, and the budget that Charleston County Council passed at the beginning of fiscal year 2009 (July 1, 2008 – June 30, 2009) was balanced. However, between the time revenue estimates were developed in April 2008, and now, the Lowcountry's economic situation, like the rest of the world's economy, has deteriorated.

County staff now estimates that revenues will be \$7.5 million (4.4 percent) below the original April 2008 projections. The cost saving measures that have occurred so far should balance the County's fiscal year 2009 budget, but more may need to be done if revenues are even less than currently projected.

Specifically, what revenues are falling short of projections?

Charleston County's general fund has over 125 sources of revenues (e.g., taxes, licenses, permits, fees, fines, state aid and interest income). Three revenue categories account for most of the shortfall: real estate transaction fees; Local Option Sales Tax revenues; and the Local Government Fund allocations.

Real estate transaction fees collected by the [Register of Mesne Conveyance \(RMC\)](#) are projected to be \$2.8 million short due to the slowdown in the housing market.

The Local Option Sales Tax (one percent tax passed by voters, effective beginning fiscal year 1991) receipts are projected to fall \$2.5 million short. If the holiday shopping season proves not to be as active as we had hoped, this shortfall may grow even larger.

Finally, the County was told to expect \$19 million from the state government's Local Government Fund for fiscal year 2009. However, due to repeated declines in state revenues, the state has cut that amount by \$1.8 million.

How has the County responded to the imbalance between revenues and expenditures?

Charleston County has taken great measures to cut expenditures in order to balance the budget. However, both County Council and the County Administrator have agreed that the number one priority is their employees, and, due to strategic budget cuts, a reduction in force has been avoided. Individual departments' budgets have been reduced, vacant positions have been frozen, valuable employee programs have been suspended, and citizen outreach initiatives have been canceled in order to avoid a reduction in force. Council has cut its own contingency account in half and has added or increased some fees.

Why do County employees have to take an unpaid holiday?

The County has adhered to its strong set of financial policies that have kept it a top financial AAA-rated government. However, despite the reductions and revenue increases made so far, more still needs to be done to balance the fiscal year 2009 budget. By having an unpaid holiday, the County will save approximately \$300,000.

What percentage of the County's budget is devoted to personnel expenditures?

For the general fund, about 65 percent of expenditures are related to salaries and fringe benefits.