



**NEWBERRY COUNTY COUNCIL
WORK SESSION
MINUTES
FEBRUARY 12, 2018
7:00 P.M.**

Newberry County Council met on Monday, February 12, 2018, at 7:00 p.m. in Council Chambers at the Courthouse Annex, 1309 College Street, Newberry, SC, for a work session.

PRESENT: Henry H. Livingston, III, Chairman
Kirksey Koon, Vice Chairman
Bill Waldrop, Councilman
Steve Stockman, Councilman
Scott Cain, Councilman
Travis Reeder, Councilman
Dr. Harriett Rucker, Councilwoman
Wayne Adams, County Administrator
Laurie Renwick, Clerk to Council
Karen Brehmer, Budget Specialist
Katherine Cook, HR Specialist

MEDIA: Andrew Wigger, Newberry Observer

The meeting was duly advertised as required by law.

1. Call to Order

Chairman Livingston called the meeting to order at 7:00 p.m.

2. Discussion of future funding of Employee Retirement Health Care Benefits

Mr. Wayne Adams, County Administrator, read the following introduction and memorandum “verbatim” to members of County Council and those in attendance on Post-Employment Health Insurance Benefits (attached and part of official record). He also provided and referenced two (2) color coded charts, marked respectfully as Exhibit I - GASB 45 Valuation Results with Scenario Options and Exhibit II – Sample Funding Schedules outlining current and future accrued liability as well as proposed options to address and minimize future costs (attached and part of the official record).

3. *Public Comments*

Chairman Livingston invited Chief Deputy Todd Johnson to the podium.

Mr. Johnson thanked Council for opening this up for discussion and felt this was the right way to do it; having an open forum and giving employees an opportunity to discuss is the right and fair way. He said our current system is consistent to the way the state handles retiree health benefits. His concern is that changing would entice our employees into the state market especially if they are near retirement to get their years in, so they could benefit from long term insurance.

Mr. Adams noted that not all state departments receive this benefit; the Department of Education does but it varies by department.

Mr. Johnson responded that the Law Enforcement Division does but he would check and verify.

Mr. Johnson said the average starting salary for a Newberry County dispatcher is \$11.81; for a jailer is \$12.56; and the average salary for a deputy is \$14.76 which is less than the average market for what most industries are starting out at. He said there are a lot of people who love their community and want to give back and have accepted a low salary in hopes of having better benefits, as state and government often does. It is going to become more difficult to recruit police officers and public safety people in a society that has such a negative image about them and pay them less than average while exposing them to more criticism, more rebuke, and more hours. Mr. Johnson said we are competing with agency that are starting deputies out anywhere from 6-8,000.00 more per year and if we continue to cut benefits we will not be able to compete. With low starting salaries, we can at least provide these benefits since this is what they were told. Mr. Johnson questioned the formula saying that it is based on every employee retiring and taking this benefit.

Mr. Adams responded that this was done by actuaries and they do not assume that everyone is going to retire.

Mr. Johnson was concerned about the face of county government and how it will function if our senior employees are forced to retire by 2021 to receive this benefit. He felt this did not make good business sense. He said he is a firm believer in a balanced budget; even runs his house on a budget but he is not sure we are balancing it in all the right places. He applauded the landing of the Samsung Project, but we have put a significant amount of money in doing so. We praise them for their benefits and how they are treating their employees and within a month of the announcement we are considering cutting county employee benefits. He said this was not an attack; you all have been good to us. He wanted to partner and find the answer; there is more to it than balancing the budget, we made some promises and we need to honor them. He asked for help in keeping them competitive. We have the lowest crime rate and the highest clearance rate in the state because we are able to hire and keep good people and we need these benefits to argue with because we don't have the salary numbers to argue with. He said he wanted to continue to make a difference and continue to do great things for this county. He wants us to look back long after he is gone and say we left a legacy that changed Newberry County for the better.

Chairman Livingston invited Major Wesley Boland to the podium.

Mr. Boland stated that the Sheriff's Office is already losing officers to surrounding counties with starting pay 8-10,000.00 more per year. He said it takes 2-3 years to get an officer trained and comfortable on the road. He said he knew Councilman Koon worked for the city but for many years the city paid a lot more than the county and the city was able to keep and retain good officers during Mr. Koon's time; however, they have slipped and are facing retaining officers now. Mr. Boland said losing these benefits would make a considerable difference on the law enforcement side. He said he would appreciate Councils' consideration on this issue because a decision here could make a major landslide in other areas of the county.

4. *Questions/Comments from Council Members*

Vice Chairman Koon commented that he was retired law enforcement from the City of Newberry. The city did offer to pay insurance after you retired and until he started work on Council, he paid \$808.00 per month for himself and his spouse. He said he did not make a lot of money but at one time made more than the Sheriff. Mr. Koon shared that when he was 46 years old he had a heart attack and was forced to retire. He said it was very hard paying the \$808.00 per month on his retirement and he was not social security eligible at the time. He said he knows exactly how employees feel but as things are going it is going to be a huge burden not only on the employees but on the taxpayers if we do not make some changes. Mr. Koon said our employees are the backbone of Newberry County and our best assets so hopefully the decision we make will be in the best interest of everyone.

Mr. Waldrop said that he agreed with Mr. Johnson. When he was first elected that was one incentive that was agreed to years ago and that was to have a good health program for our deputies and all employees of the county. He said we probably need to make some adjustments but doesn't know how yet to help us all; we are all taxpayers. Mr. Waldrop said he was proud of all law enforcement and county employees.

Mr. Reeder commented that he works with the school district, his parents worked for the school district, and his grandparents worked for the school district. When they retired, they got Medicare and if they chose to get a supplementary insurance, they had to pay for it themselves. They are currently still paying at a discounted rate. He felt maybe this was the route the county needed to take once an employee reaches Medicare eligibility is to offer a supplement at a discounted affordable rate if it becomes necessary.

Mr. Cain thanked everyone for their service and he agreed with Mr. Johnson that we have the safest county and the best reputation. You can walk down any of our streets at night and feel safe. He said we have to make a decision that is as good for the taxpayers as it is for our employees and this is a balancing act; a big responsibility. He said as he was doing some research on Medicare and you get part A for free. Part B is about \$110 and Part F (supplement) is about \$165 and add drugs to that so you are looking at around \$300 to have the full coverage of Medicare. Mr. Cain said there are a lot of questions that we need answers to and he would like to recommend an Insurance Consulting Firm to come in and advise Council.

Mr. Adams stated that he could have the actuaries run costs on any scenarios Council wishes further information on. He also said the 4 options presented are not the only ways, there are a lot of alternative methods and staff will be glad to have the numbers run for you.

Dr. Rucker said that she understands that there is work to be done and as we look at these figures they are only numbers. She stated that she has to look at the human side and she has heartburn over promising our hired people under a plan and then taking it away from them. She felt we needed to look at the option that keeps those in the system and making adjustment to new hires or any other option other than halting this program in 2018.

Chairman Livingston thanked everyone for coming out and said there is a vested interest because we all are taxpayers and will see an additional millage rate on our homes when we do retire because of the cost to keep the insurance alive and available. When we make promises to people when they are hired, he would like to fulfill this responsibility. He felt there is a difference of being hired and told you won't get it versus being told you were and then not. He said he has mixed feelings but looking at the numbers there is a potential for problems if we continue as is. He said it means a lot to tell people we have the safest county in the state and it means a lot to people who are bringing children into our community. He asked that this not be a dividing conversation but preliminary discussions to get all the cards out and let everyone know the variables and numbers. All this public information and if you want to look at it you are welcome. He concluded by saying that being a steward of taxpayers' dollars is not always easy, but Council is expected to make decisions and it is a balancing act trying to make everybody as comfortable as we possibly can. Chairman Livingston shared that Mr. Adams has done a heck of a job with managing our funds, guiding Council, and reducing millage; however, we can't continue to keep cutting and keep good people because dollars do speak eventually.

Dr. Rucker responded that for those closing in on retirement, Medicare does not come cheaply.

Mr. Adams stated to the extent these costs increase, you squeeze out other things out that you need. We can only raise the millage so much; we can barely keep up with inflation with wage costs and insurances much less do anything new or creative. We do not need to pretend that we have infinite resources; it's not practical.

5. *Adjournment*

Chairman Livingston adjourned the meeting at 7:59 p.m.

NEWBERRY COUNTY COUNCIL

Henry H. Livingston, Chairman

APPROVED:

Laurie N. Renwick, Clerk to Council

