



**NEWBERRY COUNTY COUNCIL
BUDGET WORK SESSION
MINUTES
MAY 14, 2018
7:00 P.M.**

Newberry County Council met on Wednesday, May 14, 2018, at 7:00 p.m. in the Courthouse Annex Conference Room, 1309 College Street, Newberry, SC, for a budget work session.

PRESENT: Henry H. Livingston, III, Chairman
Kirksey Koon, Vice Chairman
Steve Stockman, Councilman
Scott Cain, Councilman
Travis Reeder, Councilman
Dr. Harriett Rucker, Councilwoman

ABSENT: Bill Waldrop, Councilman

OTHERS PRESENT: Wayne Adams, A.J. Tothacer, Laurie Renwick, Debbie Cromer, Karen Brehmer, Molly Mayer, Katherine Cook, Corey Bishop, Tommy Long, Beverly Brehmer, Beth Folk, Kelly Nobles, Donna Lominack, Laura Kneece, Karen Lindler Smith, Janice Likes, Charm Altman, and Lee Foster

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.

2. *Consideration of distribution method for county employee salary increases*

Wayne Adams, County Administrator, presented council with information pertaining to the proposed FY 18-19 salary increase distribution (attached and part of the official minutes). After discussion among council members and input from elected officials in attendance, council recommended that a 2.5% salary increase be distributed as follows: 2% for merit increase and .05% for reclassification and/or additional job duties.

3. *Consideration of annual indexing of elected officials*

Wayne Adams, County Administrator, presented council with a copy of Ordinance 01-01-17 and Ordinance 10-23-15 relating to appointed and elected officials' salaries and noted that unless specified otherwise, their salary increase will be equal to the unadjusted consumer price index for all urban consumers (CPI-U) for the most recently reported 12-month period.

Council recommended a 2.5% rate increase for elected and appointed officials.

4. *Consideration of any other budget items*

Corey Bishop, Chairman of the Board of Rescue, expressed the need for a medium duty rescue truck for the Fairview Rescue Department. He stated that it had been placed in the budget for the past three years and had been cut.

Mr. Adams stated that council could increase the debt service levy by \$300,000.00 over a five-year period (\$64,000.00 per year) if council wished to proceed with this purchase.

Council members agreed to move forward with this purchase and left the decision to surplus the truck being replaced to the discretion of the county administrator.

Dr. Rucker said there were other agencies at the last work session that requested additional funding that she wanted to address; the solicitor, coroner, and DHEC.

After discussion among council members, it was recommended that \$27,300.00 be placed in contingency for the Solicitor's Office and \$10,000.00 for the Coroner's Office to be determined by council later.

Mr. Adams noted that Mr. Ron Harsha, Whitmire Recreation Director, had spoken at the last work session and met with him personally about the Town of Whitmire's recreation allotment. He presented council members with some background information on the subject matter and proposed steps on moving forward (attached and part of the official minutes).

5. *Public Comments*

No public comments.

6. *Adjournment*

Chairman Livingston adjourned the meeting at 9:00 p.m.

NEWBERRY COUNTY COUNCIL

Henry H. Livingston, Chairman

APPROVED:

Laurie N. Renwick, Clerk to Council

Salary Increase Distributions for FY 18-19 Budget

County Council Budget Work Session

May 14, 2018

Available Resources

As of second reading, the total resources available to fund all salary increases of all types, together with related expenses, is \$265,000. This increased spending would be in addition to the current-year baseline of \$8.2 million for gross salary obligations. Of this \$265,000, \$205,000 would be for increases equal to 2.5% of all gross salary obligations (\$8.2 million); \$60,000 would be needed to fund associated cost increases in payroll taxes and retirement funding obligations.

Distribution of Increases

Newberry County's payroll funds three classes of personnel: general employees, countywide elected officials, and county appointed officials. The latter two categories (countywide elected officials and county appointed officials) receive as many as two types of locally-determined increases, both of which are governed by council-passed ordinances (attached). One such type of increase is the automatic indexing that occurs in scheduled increments equal to 5% of the maximum of the salary for their respective positions. This type of increase, designed to start new officials at 80% of the maximum salary for their respective positions and gradually progress them to the maximum, is not the subject of tonight's discussion. The other type of increase common to both categories of officials is a flat percentage increase to the maximum salaries for their respective positions. Peculiar to countywide elected officials is the rule that, unless council decides otherwise, the annual rate of increase to their maximum salaries is equal to the unadjusted consumer price index for all urban consumers (CPI-U) for the most recently reported 12-month period. (The CPI-U for the prior 12 months is 2.4%.)

The distribution of increases for general employees is a more complex matter and is governed by the county's classification and compensation guidelines (attached). It seeks to vary salary increases based on a number of considerations: merit/performance, changes in duties, inequities in the salary structure, competitiveness of salaries in the marketplace, and increases in the cost of living. Council considers the mix of criteria for distributing available salary increase resources to general employees on a year-to-year basis.

Relevant Questions:

- Should countywide elected officials receive an increase, if any, of 2.4% (the CPI-U) to their maximum salaries or some other rate of increase?

- What rate of increase, if any, should be applied to the maximum salaries for county appointed officials?
- What rate of increase, if any, should be applied to the remainder of the gross salary obligations to general employees, and what objectives should the distribution of that funding address (e.g., merit/performance, cost of living, salary inequities, competitiveness, changes in duties)?

Examples of the application of guidelines for increasing salaries in recent fiscal years:

Fiscal Year	Distribution Method	Elected/Appointed	Total Amount
FY 12-13	1% merit, 1% duties	2.4%	229,522
FY 13-14	One-time disbursement	None	133,171
FY 14-15	1.5% COLA, 1.5% merit, 0.5% job duties/competitiveness	3.5%	312,550
FY 15-16	1% COLA, 1% merit, 0.5% job duties/competitiveness	None	239,917
FY 16-17	\$650	2.5% (1/1/17)	150,600
FY 17-18	0.5%	0.5%	57,538

*Registered Ordinance
03-14-15 &
05-15-15*

COUNTY OF NEWBERRY)

)

ORDINANCE NO. 01-01-17

STATE OF SOUTH CAROLINA)

AN ORDINANCE TO PROVIDE FOR THE DETERMINATION OF SALARIES FOR COUNTYWIDE ELECTED OFFICIALS, AND TO PROVIDE FOR THE ANNUAL REVIEW OF SALARIES FOR SUCH OFFICES

WHEREAS, Newberry County Council desires an orderly method for the administration of salaries for countywide elected officials, as defined in this Ordinance; and

WHEREAS, the purpose of said method is to maintain the buying power of countywide elected officials' salaries while also allowing for other salary adjustments pertaining to such factors as changes in duties, professional requirements, and changes in state statute and administrative regulation; and

WHEREAS, Newberry County Council Members are exempt from this process by statute, and may only receive salary increases in accordance with Code Section § 4-9-100 of the South Carolina Code of Laws, 1976, as amended.

NOW, THEREFORE BE IT ENACTED AS FOLLOWS:

Section 1. Offices subject to this Ordinance and the salaries pertaining thereto; maximum salaries, applicability of indexing

Upon enactment of this Ordinance, the following county-funded salaries shall be in effect, respectively, for those offices enumerated below (hereinafter "countywide elected officials"), which shall be the only offices and salaries affected by this Ordinance. Such salaries reflect a 2.5% increase over those county-funded salaries in effect prior to enactment of this Ordinance, and shall be retroactive to January 1, 2017. No salary supplements paid to any countywide elected official, whether paid directly to the countywide elected official by the State of South Carolina or paid by or through Newberry County to the countywide elected official will be indexed or increased by Newberry County.

The salaries listed below represent maximums. Newly elected countywide elected officials shall progress to their respective maximum salaries in accordance with Section 3 of this Ordinance. The Newberry County Human Resources Office will maintain this schedule of maximum salaries pursuant to actions taken by County Council under Section 2 of this Ordinance.

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NEWBERRY COUNTY
FILED

Schedule of Maximum Salaries for Countywide Elected Officials

<u>Office</u>	<u>County Maximum</u>
Auditor	63,764.66
Clerk of Court	81,807.68
Coroner	46,125.00
Probate Judge	79,996.87
Sheriff	106,877.37
Treasurer	62,255.29

Section 2. Annual indexing consideration

At its first meeting in May of each calendar year, Newberry County Council shall decide whether and at what percentage(s) to fund increases in county-funded maximum salaries for countywide elected officials. This Ordinance shall not be construed as requiring an annual increase in such salaries, or as requiring that the increases to such salaries be of an equal rate or amount. However, absent a successful vote to the contrary by Newberry County Council at its first meeting in May, the county-funded salary portions for all countywide elected officials shall be increased at a rate equal to the consumer price index for all urban consumers (CPI-U), as determined by the Bureau of Labor Statistics (unadjusted) for the most recently reported 12-month period. The Newberry County Human Resources Office shall maintain an updated schedule of the salaries listed in Section 1, above, based on County Council's actions pursuant to this Section. Salary increases made pursuant to this Section shall be made effective on the first pay date of the next fiscal year.

Section 3. Progression of Salaries

Salaries for newly elected countywide elected officials shall equal 80% of the county-funded maximum salaries indicated above in Section 1. Upon each two years of completed service, based on the official's anniversary date, the official's percentage of the maximum salary shall be raised in increments of 5% of the maximum, as indexed under Section 2, above. Accordingly, upon the office holder's second-year service anniversary they shall receive 85% of the county-funded maximum; at four years they shall receive 90%, and so on until receiving the full county-funded maximum (as indexed) upon eight completed years of service. Thereafter, officials' salaries shall be

raised only under those terms set forth in Section 2., above. Previous or broken terms of service shall be considered continuous service in progression toward the county-funded maximum, for purposes of this Ordinance.

Section 4. Effect of state-mandated pay increases for affected officials

In any case where the State of South Carolina, whether legislatively or administratively, mandates any county-funded increase in salary or a salary supplement for a county-wide elected official affected by this Ordinance, such state mandated increases shall be in lieu of any increase otherwise prescribed under this Ordinance.

Section 5. Non-scheduled salary increases for elected officials

Nothing in this Ordinance shall prevent countywide elected official from requesting of County Council a salary increase other than one described in this Ordinance. Likewise, nothing in this Ordinance shall prevent Council from granting to a countywide elected official an increase other than one described in this Ordinance.

Section 6. Previous Methods of Considering Elected Official Salary Increases Repealed

All ordinance and policy provisions previously in place that conflict with the provisions of this Ordinance are hereby repealed, including, but not limited to, Ordinance Number 08-14-15 and Ordinance Number 08-15-15. Likewise, all previous procedures, discussions, or understandings related to the administration of salaries for those countywide elected officials listed in Section 1, above, that are in conflict with the provisions of this Ordinance are hereby declared null, void, and of no effect.

Section 7. Severability

If any section, subsection, or clause of this Ordinance shall be deemed unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected and shall be enforced accordingly.

AND IT IS SO ORDAINED by Newberry County Council this 15th day of February 2017, in meeting duly assembled at Newberry, South Carolina.

NEWBERRY COUNTY COUNCIL

By: Henry H. Livingston III
Henry H. Livingston III, Chairman

Reviewed and Approved as to Form:

[Signature]
A.J. Tothacer Jr., County Attorney
Wayne Adams
Wayne Adams, County Administrator

(SEAL)

Attest:

Laurie N. Renwick
Laurie N. Renwick, Clerk to Council

First Reading: January 18, 2017

Second Reading: February 1, 2017

Third Reading: February 15, 2017

COUNTY OF NEWBERRY)
)
STATE OF SOUTH CAROLINA)

ORDINANCE NO. 19-23

FILED
NEWBERRY COUNTY
2016 JUN 11 AM 11:05
JACQUE S. BOWERS
CLERK OF COURTS

AN ORDINANCE TO PROVIDE FOR THE DETERMINATION OF SALARIES FOR COUNTY APPOINTED OFFICIALS OTHER THAN THOSE APPOINTED BY COUNTY COUNCIL OR THE COUNTY ADMININSTRATOR, AND TO PROVIDE FOR THE REGULAR EVALUATION OF SALARIES FOR SUCH OFFICIALS

WHEREAS, Newberry County Council desires a system of compensating appointed county officials who are appointed by authority other than County Council or the County Administrator ("Appointed Officials"); and

WHEREAS, Newberry County Council desires to maintain salary levels for appointed officials that will attract qualified candidates for such positions while fairly compensating current office holders;

NOW, THEREFORE BE IT ENACTED AS FOLLOWS:

Section 1. Salary Changes to Follow Annual Budget Cycle

Beginning with the annual operating budget adopted for July 1, 2016, and continuing with each subsequent annual operating budget, County Council shall determine whether there will be any changes in salaries for Appointed Officials, provided that such changes are not otherwise pre-determined by this Ordinance herein below. Any increases to salaries will be expressed as a percentage, which need not be the same for all Appointed Officials. Such percentages will be applied to the maximum salaries of Appointed Officials whose maximum salaries are listed in Section 2, below. However, the rate at which any state mandates increase salaries for Appointed Officials will be deducted from any percentage increase for Appointed Officials' salaries that may be determined by County Council. Salary increases made pursuant to this Section will take effect on the first day of the County's fiscal year, unless otherwise directed by County Council.

Section 2. Maximum Salaries for Appointed Officials, Effective Date

For purposes of this Ordinance, the term Maximum Salaries shall pertain to the County portions of those salaries being paid to the Appointed Officials listed below, as of January 1, 2016, plus any increases above these amounts granted thereafter by County Council in accordance with Section 1, above. The indexed list of these Maximum Salaries will be maintained and updated in the Office of Human Resources as directed by County Council, in accordance with those increases granted under Section 1, above, or as

otherwise set forth herein or directed by County Council. The implementation of this Ordinance (effective date) shall coincide with the first payroll in January of 2016.

<u>Appointed Official</u>	<u>Maximum Salary</u>	<u>First Indexing</u>
Election/Registration Director	\$55,000.00	July 1, 2016
Magistrates*	\$63,000.00	July 1, 2016
Public Defender	\$63,000.00	July 1, 2016
Veterans Affairs Officer	\$55,000.00	July 1, 2016

*Excludes Chief Magistrate supplement.

Section 3. Salaries for Current Appointed Officials, Successors in Office, and Progression of Salaries

Appointed Officials serving on the date of the adoption of this Ordinance and their successors shall be paid as follows, in accordance with time of service. Appointed Officials with less than three years of service in their respective positions shall be paid a beginning salary equal to twenty percent (20%) less than the corresponding current Maximum Salary established in Section 2, above. Salaries for Appointed Officials will be increased in three-year increments to represent an additional five percent (5%) of the indexed maximum listed in Section 2, above. Consequently, such officials will be paid no less than 85% of the maximum at the beginning of their fourth (4th) year of service, no less than 90% of the maximum at the beginning of their seventh (7th) year of service, no less than 95% of the maximum at the beginning of their tenth (10th) year of service, and 100% of the maximum at the beginning their thirteenth (13th) year of service and for all years thereafter. Years of service need not be consecutive for progressive increases to apply, to the degree that successors have prior experience in that specific position; neither similar experience nor experience at a lesser position in the department shall apply.

Section 4. Salaries for Magistrates

Other provisions of this Ordinance notwithstanding, Magistrates shall be compensated at a salary not less than the appropriate amount pursuant to §22-8-10 et seq. of the Code of Laws of South Carolina, 1976, as amended. Council, in its sole discretion, may elect to enhance the minimum salary pursuant to the established formula. Nothing in this Ordinance shall be construed as superseding the requirements of §22-8-10 et seq. of the Code of Laws of South Carolina, 1976, as amended.

Section 5. Requests to Council by Appointed Officials for Salary Increases

Nothing in this Ordinance shall prevent an Appointed Official from requesting of County Council a salary increase other than one described in this Ordinance. Nothing in this Ordinance shall prevent County Council from granting a salary increase other than one described in this Ordinance.

Section 6. Previous Methods of Considering Appointed Official Salary Increases Abolished

All ordinance and policy provisions previously in place that conflict with the provisions of this Ordinance are hereby repealed. Likewise, all previous procedures, discussions, or understandings related to the administration of salaries for those Appointed Officials listed in Section 2, above, that are in conflict with the provisions of this Ordinance are hereby declared null, void, and of no effect.

Section 7. Severability

If any section, subsection, or clause of this Ordinance shall be deemed unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected and shall be enforced accordingly.

AND IT IS SO ORDAINED by Newberry County Council this 18th day of November 2015, in meeting duly assembled at Newberry, South Carolina.

NEWBERRY COUNTY COUNCIL

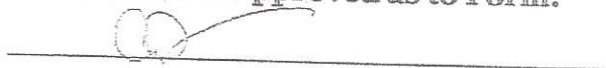
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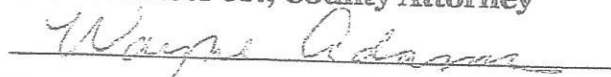
Henry H. Livingston III, Chairman

(SEAL)

Reviewed and Approved as to Form:




A.J. Tothacer Jr., County Attorney



Wayne Adams, County Administrator

Attest:



Laurie N. Renwick, Clerk to Council

First Reading: October 21, 2015

Second Reading: November 4, 2015

Third Reading: November 18, 2015

<u>Appointed Officials</u>	<u>Current Salaries</u>	<u>Pct. of Max</u>	<u>New Salaries</u>
Election/Registration Director	\$35,668.95	85%	\$46,750
Magistrates*	\$50,500.08	95% (2), 100% (1)	\$59,850 (2)
			\$63,000 (1)
Public Defender	\$52,507.65	95%	\$59,850
Veterans Affairs Officer	\$44,772.24	85%	\$46,750

ATTACHMENT 1

1. Classification and Compensation of County Personnel

A. Funding and Fiscal Compliance

Annually, County Council appropriates wage/salary funding for each department of Newberry County Government. These funding levels are provided for in department-specific line items as part of the County's Operating Budget Ordinance. Annualized commitments to wage/salary expenses, including funding needed for the annualized expenses associated with any vacant position(s), may not exceed the total amounts appropriated for these purposes at any time during the fiscal year. Funding may not be transferred between or among line items for wage/salary expenses and line items intended for other purposes, including overtime.

B. Establishment and Maintenance of Positions within Pay Structure

Within the limits of departmental funding appropriated for wage/salary expenses, department heads will assign to each employee/position (including vacant positions) one of seven (7) Pay Bands, as well as a specific annualized wage/salary within the Pay Range for that Pay Band. (See Subsection 1C immediately below.) The assignment of Pay Bands must correspond to job-related duties and responsibilities, and to employee qualifications and credentials, as reflected in an up-to-date job description. All personnel actions concerning wages/salaries, including the assignment of specific wages/salaries, and the assignment of Pay Bands/Ranges, must be reviewed and approved by the Human Resources Director and the County Administrator in advance of implementation.

The over-classification of employees is highly discouraged. Classification decisions, like other decisions pertaining to this policy, should be relative to current resource levels. Over-classifications may result in the artificial appearance that an employee, or group of employees, is somehow stuck at the lower end of the Pay Range for their Classification/Pay Band, when in fact appropriations for wages/salaries were never intended to support the artificially high potential wages/salaries resulting from over-classification. Moreover, advertising such Pay Ranges when hiring personnel will be misleading to job applicants.

Care must be taken to classify like positions similarly, if not identically. Classifications/Pay Bands are intended to reflect job responsibilities and duties, not years of service, merit scores, personal circumstances, or other factors. (Merit is rewarded separately, as described below.)

C. Compensation Flexibility Limits

The Pay Structure below is intended to provide department heads with flexibility in compensating, assigning, and promoting employees, and to permit the compensatory recognition of job functions and qualifications, as determined by each department head. This Pay Structure is *not* intended to increase overall departmental budgets for wages/salaries. Priorities concerning the compensation, assignment, and promotion of employees must be expressed within both budgetary limits and limits of the Pay Structure.

Departmental budgets for wage/salary expenses will not grow, except as provided for in Section 2, below. Accordingly, department heads must determine any given job's worth to the department within the context of the wage/salary resource limits established by County Council. An employee's progression to the maximum pay value for his or her Pay Band/Range is *not* guaranteed. Additionally, an employee's attainment of the maximum pay value for his or her Pay Band/Range does *not* necessitate an employee's promotion to a higher Pay Band.

The minimum and maximum values for Pay Bands are established, and modified as necessary, by County Council. Increases in the minimum and maximum values of Pay Ranges shall not affect individual wages/salaries unless an employee is coincidentally being paid at the minimum value for his or her Pay Band. The Pay Structure below represents the baselines for absolute minimum and maximum wages/salaries (Pay Ranges) in effect for the various Pay Bands at the time of this policy's enactment.

Newberry County Pay Structure

Pay Bands		Designations	Pay Ranges
Service Delivery	1	SD-1	From \$21,791 to \$34,365
Service Delivery	2	SD-2	From \$26,203 to \$40,543
Service Delivery	3	SD-3	From \$30,616 to \$48,780
Service Delivery	4	SD-4	From \$36,500 to \$52,901
Professional	1	P-1	From \$36,500 to \$52,901
Professional	2	P-2	From \$39,443 to \$59,079
Professional	3	P-3	From \$57,792 to \$85,854

D. Pay Bands and their Associated Characteristics

(1) Service Delivery Pay Bands

Positions corresponding to Service Delivery Pay Bands 1 through 4 (SD-1 through SD-4) are characterized by limited though progressively greater discretionary and budgetary duties and responsibilities, with higher Service Delivery Pay

Band positions assuming more of these duties and responsibilities. Duties commonly associated with Service Delivery Pay Bands include, but are not necessarily limited to, those which may be described in nature as: clerical/financial, law enforcement, customer service, technical, operational support, and maintenance. Employees assigned to Service Delivery Pay Bands do not unilaterally formulate or administer budgets, nor do they have the authority to make non-routine expenditure decisions or to formulate policies, though they may assist in these areas as specifically requested/designated by their department heads. Work volume, work completeness/execution, fidelity to supervisory instructions, technical ability, and knowledge of legal and regulatory constraints, including County and departmental procedures, are key areas of emphasis for performance in Service Delivery-designated positions. Exercising initiative within the bounds of authority and suggesting practical workplace process improvements to department heads are examples of valued contributions from employees assigned to Service Delivery Pay Band positions. Certifications, licensure, and/or other forms of advanced learning may be required for some Service Delivery Pay Band positions.

(2) Professional Pay Bands

Professional Pay Bands 1 through 3 are characterized by advanced emphases on budgetary, supervisory, and discretionary authority, as well as on policy implementation, professional initiative, policy-making suggestions, creativity, planning, structural efficiency, and departmental direction. Duties range from broader supervisory authority to more narrowly defined technical specialties. A mixture of advanced education, professional certification, and higher levels of practical experience are highly desirable in filling these positions. Baccalaureate and graduate degrees may be common expectations for placement into, and promotion within, Professional Pay Bands. Employees assigned to Professional Pay Bands are predominantly, though not exclusively, considered to be exempt from overtime provisions of the Fair Labor Standards Act.

(3) Employee Placement within Pay Structure

The placement of employees within the Pay Structure is a function of each position's importance relative to the total wage/salary resources allocated for *that department*. The

placement of employees within the Pay Structure is subordinate to the departmental wage/salary resources appropriated by County Council for *that department*.

2. Increases in Compensation

A. General Restrictions

Department heads have limited latitude to pay employees greater wages/salaries within the departmental Pay Structure, as further described in the following subsections of this section (Section "2. Increases in the Compensation"), provided that all of the following conditions apply: 1) the total of all recurring wage/salary increases for an individual employee must not exceed 15% on an annualized basis in any given fiscal year, except for the purpose of promoting the employee to a higher Pay Band/ Range; 2) annualized (recurring) salary increases for any employee may not cause the employee's wages/salaries to exceed the maximum value of the Pay Range for their Pay Band in any given fiscal year; 3) that portion of the Work Performance and Merit increase to any employee's wages/salary that exceeds the maximum value for his or her Pay Band/Pay Band Range must be distributed on a one-time basis only; 4) Outstanding annualized commitments to wage/salary and related personnel expenses, including funding needed to meet the annualized expenses associated with any vacant position(s), may not exceed the total departmental amounts appropriated for these purposes in the current fiscal year; 5) all personnel actions pertaining to Pay Structure and the assignment of wages/salaries must be reviewed and approved by the Human Resources Director and the County Administrator in advance of implementation.

B. Wage/Salary Adjustments

From time to time, as necessary in the judgment of County Council, non-merit increases in the wages/salaries of County employees may be implemented in order to remedy wage/salary inequities within a department [or *among departments*, where multiple departments involved report to a single authority, e.g., County Administrator, Sheriff, Clerk of Court, etc.]. Department heads may use these funds to adjust salaries for purposes of 1) keeping identified wages and salaries competitive, and/or 2) reflecting changes in job duties and responsibilities for a given position within the department. With respect to the former, the Human Resources Director may require reliable market- or public sector-based information to support claims of salary insufficiency. In cases of the latter type, wage/salary increases must be justified to the Human Resources Director by means of an updated job description that provides detailed information regarding the employee's additional job duties and responsibilities. (See Subsection "2-J, Job Descriptions" below for more on this.)

Alternatively, up to 100% of unspent appropriations made for this purpose may be used within the department for one-time merit bonuses based on the most recent review year's evaluation scores. One-time bonuses, as provided for here, may not exceed 5% of the wages/salaries paid to the employee during the review year.

Any appropriations made pursuant to this subsection will be determined as a percentage increase in departmental appropriations for wages/salaries over those for the prior year, as adjusted for changes in staffing and/or other factors that may be shown to equalize year-to-year expenditure comparisons.

C. Merit Pay

Annually, County Council may appropriate Merit Pay for the purpose of rewarding individual employee work performance. Such compensation increases will be appropriated as a percentage increase in gross payroll-related appropriations (all departments combined) over those for the prior year, as adjusted for changes in staffing and/or other factors that may be shown to equalize year-to-year expenditure comparisons. This total will be divided among Inter-Departmental Peer Groups (described below) based on the proportion of each such group to the total payroll for the new fiscal year.

Recurring Merit Pay will be distributed annually in twenty-six (26) equal payments, and in conjunction with the County's normal pay cycle. One-time-only Merit Pay will be distributed in a single check, apart from the normal pay cycle, at the beginning of the new fiscal year that follows the review period. Unless otherwise specified by Council, all Merit Pay shall be administered as a recurring increase in employees' wages/salaries.

(1) Competitive Performance Evaluation System/ Inter-Departmental Peer Groups

All departments will utilize the same evaluation form (see Attachment 1), with criteria being weighted separately for each Pay Band. The maximum raw score possible for each Pay Band is 100 points, with total points being distributed among five areas of emphasis.* The total points for each employee will be divided by twenty (20), creating a numerical evaluation score from 1.00 to 5.00 (hundredths-place notation/scoring required).

***Upon review and approval by the Human Resources Director, point awards may be varied from set point distributions in order to reflect more accurately the nature and expectations of specified jobs or job types.**

Evaluation scores for individual employees are then rank ordered within one of three applicable Inter-Departmental Peer Groups: (Group A) Law Enforcement and Detention Center Employees; (Group

B) Administration Employees;** and (Group C) Employees of Other Elected and Appointed Officials (those not otherwise included in Group A or Group B).

****Department heads and contract employees who report directly to the County Administrator will be evaluated and rewarded separately from Inter-departmental Peer Group B.**

Given their relatively small collective numbers, those departments included in Inter-Departmental Peer Group C may elect, on an all-departments-or-none basis, not to participate in the Competitive Performance Evaluation System, provided that they adopt an alternative system approved by the Human Resources Director that differentially rewards their employees based on ranked merit scores.

(2) Work Performance and Merit Pay Distribution

The data sets resulting from Subsection 2C(1), above, as arrayed in descending order, will each be divided into five discrete Performance Groups, with the upper limits of each being those scores corresponding to the 20th, 40th, 60th, 80th, and 100th percentiles. (This method of statistical analysis does not apply to Inter-Departmental Peer Group C for any year in which it opts out of the Competitive Performance Evaluation System, as described above.) As a recommended standard, employees whose scores fall within Performance Groupings with upper limits equal to the 60th, 80th, and 100th percentiles will receive appropriately differential performance-related increases (Peer Group-determined), within those fiscal limitations established by County Council. Percentile categories and differential merit increases may be modified, within reason, to adjust for statistical abnormalities in scoring or other legitimate factors, upon approval by the Human Resources Director.

(a) Merit Pay Above Maximum of Pay Range

When an employee's Merit Pay Distribution causes his or her annual wage/salary to exceed the maximum limit established for their assigned Pay Range, that portion of the Merit Pay Distribution exceeding the maximum will be distributed on a one-time basis, as described above in Subsection 2A, "General Restrictions", above.

(3) Minimum Sufficient Score and Performance Counseling

It is universally established within the County that an evaluation score of 3.00 is the Minimum Sufficient Score necessary to maintain

employment in good standing with the County, as regards work performance. Scores below 3.00 must be accompanied by written performance-counseling statements. Each such statement should include a performance improvement plan, which should be discussed between, and jointly signed by, the employee and his or her department head.

(4) Merit Pay Not Guaranteed

Employees are not guaranteed Merit Pay; in fact, the above-described methodology dictates that as much as 40% of all employees will not receive Merit Pay. Merit Pay is tied to an employee's work performance relative to that of other employees in his or her Inter-departmental Peer Group, as described above in Subsections 2C (1-2), not on tenure, job responsibilities, "acceptable" work performance, or other factors.

(5) Merit Pay not Applicable to Elected Officials and Officials *not* Appointed by the County Administrator

Elected officials and officials not appointed by the County Administrator may not receive Merit Pay increases, as they are not subject to performance reviews by either County Council or the County Administrator. There is no scale to gauge the relative performance of these officials to one another, and there is no authority to apply such a scale.

D. Cost of Living Adjustments

Annually, County Council may appropriate Cost of Living Adjustments for the purpose of maintaining the purchasing power of county employees. Such compensation increases will be appropriated as a percentage increase in the gross regular (excludes overtime) wage/salary paid to each employee in the prior fiscal year. Whether to fund Cost of Living Adjustments is a budgetary matter solely within the discretion of County Council. Cost of Living Adjustments are independent of any Council action to preserve a competitive pay structure, as described above in Subsection 1C. Cost of Living Adjustments may not cause an employee's wages/salary to exceed the maximum value of the Pay Range for their Pay Band in any given fiscal year, and one-time/non-recurring payments for amounts exceeding maximum Pay Range values do not apply to Cost of Living Adjustments.

(1) Fixed-Amount Cost of Living Adjustments

In lieu of Cost of Living Adjustments as defined above, County Council may appropriate Fixed-Amount Cost of Living Adjustments, which

shall be distributed as uniform recurring amounts for all employees, rather than percentage increases applied to individual pay levels, and which shall otherwise be administered in the same fashion as those Cost of Living Adjustments defined in Paragraph D, above.

E. Redistribution of Savings from Reductions in Other Personnel Costs

Upon review and approval by the Human Resources Director and the County Administrator, department heads may eliminate positions, in whole or in part, within/among the department(s) under their authority, and may utilize up to 80% of non-fringe costs from the resulting savings to increase wage/salary expenses for other positions within their purview (includes multiple departments where applicable). A five-year moratorium on staffing increases above the newly configured staffing baseline will be imposed upon the department. The County Administrator may waive the five-year moratorium in the event that changing circumstances legitimately warrant doing so. Reduced wage/salary expenses may not be redistributed where the reduction or elimination of a position results from declining revenues, expenditure reductions initiated by Council, the technological replacement of all or part of any position, or initiative apart from that of the department head.

F. Other Increases in Departmental Budgets for Wages/Salaries

Requests for overall increases in departmental wage/salary budgets beyond those increases provided for in Subsections 2 B, C, and D, above, will be considered rare circumstances. Such requests must be made to the Human Resources Director in writing no later than February 15 of any given year, allowing for in-depth examinations by staff of such claims as unusual increases in labor costs, changing relationships between departmental workload and staffing, or other specified factors.

G. Compensation for Employees Designated as Contract Employees

The County Administrator, Clerk to Council, County Attorney, and Economic Development Director are designated as Contract Employees. Compensation levels and other employment terms for the County Administrator and the Clerk to Council are negotiated individually between each and County Council. In order to be valid, these contracts must be approved by County Council, duly assembled. Compensation Levels for the County Attorney and the Economic Development Director are negotiated between the County Administrator and the individuals serving in those positions, subject to County Council's budget authorization, and may be executed by the County Administrator.

H. Appeals of Administrative Decisions by the Human Resources Director

Department heads and elected official may appeal the Human Resources Director's administrative decisions regarding wage/salary issues to the County Administrator.

I. Job Descriptions

Accurate and up-to-date job descriptions provide the functional basis on which departmental wage/salary resources are distributed, and should reflect the relative importance of each position *within the department*. Each department of Newberry County Government is required to maintain and make available for review by County Council, the County Administrator, and the General Public a list of all positions currently funded through the appropriations of County Council, along with comprehensive descriptions of job-related duties, responsibilities, and qualifications corresponding to each position. Language contained in these documents must focus on position-relevant knowledge, skills, and abilities, and is subject to review and approval by the Human Resources Director. Department heads are ultimately responsible for keeping job descriptions current, as assignments, responsibilities, workload distribution, qualification levels, physical requirements, and other relevant factors change.

See "UNIVERSALIZED EMPLOYEE EVALUATION FORM," included below as ATTACHMENT 1



COUNTY OF NEWBERRY

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WAYNE ADAMS

COUNTY ATTORNEY:
A.J. TOTHACER, JR.

CLERK TO COUNCIL:
LAURIE N. RENWICK

May 14, 2018

Memorandum

To: Newberry County Council
From: Newberry County Administrator
Re: County Taxation for Recreation within Municipal Boundaries

On Monday, April 9, 2018, at county council's first work session concerning the FY 18-19 budget, Mr. Ron Harsha inquired about Newberry County's history of funding recreation activities for the Town of Whitmire. Mr. Harsha is that town's recreation coordinator. He stated that, at times, the Town of Whitmire was receiving as much as \$10,000 annually from Newberry County to help offset the cost of Whitmire's recreation programs. While he wanted to know specifically why this amount had changed or diminished, his inquiry opened the door to a much broader question: By what formula does the county allocate support for recreation services in the incorporated areas? Moreover, under what authority are these funds being collected and distributed?

Notwithstanding informal practices among municipalities and counties in cross-funding recreation activities, statutes and agreements represent the only binding, legitimate alternatives for this purpose. Importantly, there are no written agreements between the county and any of its municipalities regarding this matter, leaving statute as the only current source of guidance.

Code Section 4-9-30 (5) of the South Carolina Code of Laws provides that, if a county was not taxing countywide to provide a given service prior to March 7, 1973 (i.e., pre-Home Rule), and if a municipality was already imposing a tax within its boundaries to provide that service, or, in any case, following the advent of Home Rule, the municipality imposed a levy to provide that service within its boundaries before the county did, the municipality effectively preempted the field. Under such circumstances, the county should not, in the absence of a written agreement

with the municipality, be levying a property tax within the municipality – even as part of a broader general operating levy – that funds the same purpose.

Staff's best information regarding the inception of county-funded recreation, which comes from a review of past years' budgets, suggests that Newberry County first funded and provided recreation services through its general operating levy in FY 82-83. At this writing, we are not sure how long the municipalities have each been funding and providing recreation services. Nonetheless, Newberry County has apparently been taxing within municipalities to fund and provide recreation services since at least FY 82-83 and has been doing so in the absence of written agreements with the municipalities.

How much revenue does the County of Newberry Collect through taxation for recreation purposes within municipal boundaries? Because this taxation is bundled with, and not separated from, the county general operating levy that is applied countywide, a recreation "millage rate" has to be backed out of the general operating levy. For FY 17-18, for instance, the county budgeted total recreation expenditures of \$172,632, from an overall general operating budget that utilized \$16,379,003 generated by a total property tax levy of 125.0 mills. Therefore, as a proportion of millage collections for the general operating levy, recreation spending was equal to one and five one-hundredths percent (.0105). That same proportion of the general operating levy for FY 17-18 (125.0 mills, total) results in a countywide recreation levy of one and three-tenths mills, or an assessment of **.0013** (the **FY 17-18 assessment**).

For FY 18-19, the county's recreation expenditures are budgeted to increase to \$232,709; they will also increase as a proportion of an overall general operating budget that utilizes \$16,558,721 generated by a total property tax levy of 125.5 mills. Therefore, as a proportion of millage collections for the general operating levy, recreation spending will be equal to one and forty-one hundredths percent (.0141). That same proportion of the general operating levy for FY 18-19 (125.5 mills, total) results in a countywide recreation levy of one and eight-tenths mills, or an assessment of **.0018** (the **FY 18-19 assessment**).

Applying the assessments as described above to the current assessed valuations of property located within municipal boundaries results in the following collections from those municipalities for FY 17-18 and FY 18-19.

<u>Municipality</u>	Payment of County Recreation Tax by Municipalities		
	<u>Assessed valuation</u>	<u>FY 17-18</u>	<u>FY 18-19</u>
Little Mountain	\$ 922,600	\$ 1,199	\$ 1,661
Newberry	\$ 27,249,590	\$ 35,424	\$ 49,049
Pomaria	\$ 471,580	\$ 613	\$ 849
Prosperity	\$ 3,080,810	\$ 4,005	\$ 5,545
Whitmire	\$ 2,022,310	\$ 2,629	\$ 3,640
Totals	\$ 33,746,890	\$ 43,870	\$ 60,744
Collections from unincorporated area		\$ 128,762	\$ 171,965

While the provision of recreation services within the county and among its municipalities is a complex topic with several more considerations than are dealt with here, this memorandum underscores two basic facts: 1) the county is taxing within all of its municipalities for the purpose of funding recreation services; 2) in cases where our municipalities have preempted the recreation taxation field, state law requires that we have agreements with those municipalities concerning the use and distribution of the recreation revenues derived from county taxation.

What are the next steps?

- Determine from the municipalities which of them in fact preempted the recreation taxation field by committing to the provision of recreation services prior to FY 82-83, when the county began taxing countywide to provide such services.
- Formalize agreements concerning the distribution and use of countywide recreation taxation proceeds derived from within the boundaries of those municipalities that can demonstrate having timely preempted the taxation field.
- Based on the table above, analyze the current distribution of revenues derived from imposition of the countywide recreation tax within municipal boundaries. Regardless of whether a given municipality has preempted the taxation field for this purpose, such an analysis may serve as a gauge of fairness in the distribution of these resources.
- Consider the formation of a countywide special tax district for recreation. Council may, by ordinance (no referendum required), create a special tax district for this purpose. However, the district would include only the unincorporated area of the county, thereby exempting all assessed valuation within municipal boundaries. Interestingly, this levy would not be subject to the annual property tax increase limitations imposed under Act 388. Recreation expenditures would be funded by the special tax district levy, which would not apply to municipalities, eliminating the need for agreements between the county and the municipalities.