

**NEWBERRY COUNTY COUNCIL  
BUDGET WORK SESSION  
MINUTES  
MAY 13, 2019**

The Newberry County Council met on Monday, May 13, 2019, at 7:00 p.m. in Council Chambers at the Courthouse Annex, 1309 College Street, Newberry, South Carolina, for a budget work session.

**PRESENT:** Henry H. Livingston, III, Chairman  
Kirksey Koon, Vice-Chairman  
Steve Stockman, Council Member  
Scott Cain, Council Member  
Travis Reeder, Council Member  
Dr. Harriett Rucker, Council Member  
Johnny Mack Scurry, Council Member  
Wayne Adams, County Administrator  
Susan C. Fellers, Clerk to Council  
Debbie S. Cromer, Finance Director  
Karen Brehmer, Assistant to the County Administrator  
Taylor Davenport, Administrative Assistant

**MEDIA:** Andrew Wigger, Newberry Observer

The meeting was duly advertised as required by law.

**1. Call to Order - Henry H. Livingston, III, Chairman**

Mr. Livingston called the meeting to order at 7:00 p.m. and welcomed all visitors.

Before beginning the work session, Mr. Livingston addressed some of the activity on Facebook:

First, County Council has nothing to do with school taxes. We are Newberry County Council for general operations of the County - not school taxes.

There have been issues about the inverted speed bumps/potholes in the County. Those inverted speed bumps are mostly on state highways. The County has nothing to

do with those roads. There are very few roads that are county owned roads, most of which are dirt or gravel roads. Our Public Works Department is pretty efficient once we hear that we have a pothole that it gets fixed. Not saying that it doesn't recur because sometimes they are not prepared for logging trucks, gravel trucks, etc., and they will sometimes wash back out.

There is nothing in the budget for a pay raise for County Council.

It has been said that we have the highest taxes of all counties, which again is false information or fake news. Newberry County decided years ago that instead of charging fees, we would incorporate it into the overall tax millage for our county citizens. From that standpoint, the Homestead Exemption helped lower senior citizens' taxes somewhat. If you break it out and put a \$250 charge or whatever you want to put for garbage, those senior citizens are not going to get a discount on that part of their tax millage.

Some of the people making comments on Facebook technically are not comparing apples to apples, and it is not always fair to judge what is there. We could revamp and have a fire service fee, road tax fee, public safety fee, garbage fee and lower the millage to where it looks like we are one of the middle to lower counties in the state but is that in some sense giving false information to the public. When Newberry County taxes are compared to others, it is not always right.

Then it was said our current budget had 11.3% increase. That has created a lot of concern that we are trying to maneuver behind the scenes. Never has that been. We have had a number of meetings, and we gave the County Administrator and his staff an opportunity to give the wish list for the Department Heads. Over the past ten years County Council has lowered taxes by 18 mills. Never was this working budget one that was going to yield an 11.3% increase.

Tonight is another one of those phases of government where we are actually analyzing what is good, what is bad, what is needed, and what is required. One of the things most people don't realize is that we have been cut \$532,000 from state government local government fund. These are monies that are paid in and are supposed to come back to us that have not been restored by our local government, which is our House and Senate members. That is 3.8 mills that we have been cut.

Other things required this year:

Annual pension contributions that the County has to pay for its employees going up \$61,000.

Health insurance costs for employees going up \$43,000.

Insuring county owned property going up \$94,000.

Tort liability going up \$40,000.

EMS (contract with hospital to run our EMS) going up \$32,000

Medical care for Detention Center inmates going up \$30,000.

Vehicle fleet maintenance going up \$40,000

Solid Waste Transfer Station going up \$43,000.

Recyclables from Convenience Centers going up \$56,000.

This is approximately \$441,710. Along with the \$532,000, that is almost \$1 million that we are at odds against before we ever start our county budget and that is not technically everything.

Some people have talked about the 4% and 6%. If you own more than one home, the 6% is mandated by the state. It is not mandated by county government.

## **2. Public Appearances.**

### **A. Donna Lominack, Auditor**

Mrs. Lominack stated on February 1 when she submitted her budget for the Auditor's Office, she put a paragraph in there that her office would have to mandate Act 223 of 2018. Implementation was delayed but will be enforced starting January 2020. At that time all water craft will be charged in advance instead of arrears. The following additional monies will need to be added to the budget:

Contracted maintenance: \$ 1,700.00

Contract: \$21,000.00

This amount is divided between the Auditor and Treasurer, therefore an additional \$850.00 and \$10,500.00 needs to be added to each budget.

**B. Laura Kneece, Coroner**

Ms. Kneece requested the following additions to her FY 19-20 budget:

Pill Counter:	\$5,380.00
3 laptops:	\$4,512.00

Ms. Kneece had requested an increase in the salary of deputy coroners but she asked that the request be rescinded.

**3. General Operating Budget - Wayne Adams, County Administrator and Finance Staff.**

The general operating budget is currently balanced at \$25,815.865. Eighteen proposed amendments are presented to Council tonight for discussion. The sum total of proposals 1 through 16, if all are adopted, would be to reduce estimated millage needs from 129.2 mills to 120.7 mills. At 120.7 mills, the levy would stand at 1.5 mills before the rollback millage of 122.2 mills, representing a true property tax reduction.

This year our millage was 125.5 mills, however, because we are implementing a reassessment this fall, the tax base has a higher value. To get the same amount of revenue, you need to tax less intensively so you calculate a rollback millage that says last years 125.5 should be 122.2. Any increase or decrease in the millage has to be compared to the 122.2, not 125.5.

At second reading the proposed budget would require 129.2 mills from a post-reassessment tax base. This would not be a 3.7 mill increase, which is the difference between 125.5 and 129.2. It is a 7 mill increase because the rollback millage has to be considered. Any increase has to be figured from a base of 122.2 mills and not 125.5.

Reassessment and the new tax rate are not the same thing. They are interrelated but are not the same thing.

Reassessment is something over which Council has no control. The reassessment is conducted by our Assessor under the supervision of the South Carolina Department of Revenue. The purpose of reassessment is to make the value of properties as closely as possible nearer the market value for those properties. The State law requires what they call an equalization and reassessment for that purpose. If a property has increased in value by a rate greater than the tax base at large, that property is likely to see a tax increase that has nothing to do with the rate of spending. It has to do with the shift of the relative burden based on ad valorem value. If the value goes up, state law says you pay more. This is not something Council put in place and it is not something they can change.

Under state law, you can have as high as a 15% increase in your property value for tax purposes. That is the limit.

The first 16 proposed amendments affect the tax rate. Amendment proposals 17 and 18 do not. Amendment proposal 17 does affect the rate at which Council uses fund balance, or savings. It strikes fund balance usage in the amount of \$100,000 to pay for a new parking lot and other site improvements at the County's airport terminal building. This does not affect the tax rate one way or the other since no current year property taxation is involved.

Amendment proposal 18 is a technical amendment that authorizes staff to adjust capital project balances and the revenue totals that affect those expenditures on an actual basis at year's end. Budgeted amounts indicate only anticipated rates of expenditure and project revenue usage.

The amendments can't be voted as part of the budget tonight. They have to be done as part of the legislative process at third reading. Tonight Council needs to decide which of these amendments they want to see on the agenda for Third Reading and get a feel for what that will do to the tax rate. If at least one Council Member wants to see the Amendment proposal at third reading, it will be placed on the agenda at Third Reading to be voted on.

**Amendment Proposal 1: Strike funding in the amount of \$40,000 for Daytime Fire Response and \$20,000 for Daytime Response Training/Equipment.**

(Line item number 010-005-06100-01016, 010-005-06100-02372)

Impact on Forecast Millage: Reduction of 0.4 mills.

Mr. Stockman requested that Amendment Proposal 1 be placed on the June 5 agenda.

**Amendment Proposal 2: Strike funding for salary increases in the amount of \$240,993 for Law Enforcement, Detention Center, and Communications.**

(Line item number 010-005-06100-01000)

Impact on Forecast Millage: Reduction of 1.7 mills.

No Council Member requested that Amendment Proposal 2 be placed on the June 5 agenda.

**Amendment Proposal 3: Strike funding for salary increases in the amount of \$22,578 for Public Works.**

(Line item number 010-005-08100-01000)

Impact on Forecast Millage: Reduction of 0.2 mills.

No Council Member requested that Amendment Proposal 3 be placed on the June 5 agenda.

**Amendment Proposal 4: Strike funding for salary increases in the amount of \$112,050 for all departments not addressed in Amendment Proposals 2 and 3.**

(Line item number 010-005-02200-01000).

Impact on Forecast Millage: Reduction of 0.8 mills.

No Council Member requested that Amendment Proposal 4 be placed on the June 5 agenda.

**Amendment Proposal 5: Strike funding in the amount of \$45,000 for Replacement of Fire Truck Tires.**

(Line item number 010-005-07500-02302).

Impact on Forecast Millage: Reduction of 0.3 mills.

Mr. Stockman requested that Amendment Proposal 5 be placed on the June 5 agenda.

**Amendment Proposal 6: Reduce funding for Council Contingency in the amount of \$123,499.**

(Line item number 010-005-15000-02011).

Impact on Forecast Millage: Reduction of 0.9 mills,

Mr. Stockman requested that Amendment Proposal 6 be placed on the June 5 agenda.

**Amendment Proposal 7: Strike funding for Replacement of Lost Personnel Funding (Sheriff's Deputy position) in the amount of \$54,483.**

(Line item number 020-005-05210-01010).

Impact on Forecast Millage: Reduction of 0.4 mills.

No Council Member requested that Amendment Proposal 7 be placed on the June 5 agenda.

**Amendment Proposal 8: Reduce funding for Capital Repairs, Buildings in the amount of \$25,167.**

(Line item number 010-005-08130-04150).

Impact on Forecast Millage: Reduction of 0.2 mills.

Mr. Reeder requested that Amendment Proposal 8 be placed on the June 5 agenda.

**Amendment Proposal 9: Strike funding for Contracted Services, Cleaning in the amount of \$54,000.**

(Line item number 010-005-08130-02021).

Impact on Forecast Millage: Reduction of 0.4 mills.

Mr. Stockman requested that Amendment Proposal 9 be placed on the June 5 agenda.

**Amendment Proposal 10: Reduce funding for Miscellaneous Line Items, Clerk of Court in the amount of \$17,000.**

(Line item numbers 010-005-05100-01040, 010-005-05100-02250, 010-005-05200-02260, 010-005-05210-02270).

Impact on Forecast Millage: Reduction of 0.1 mills.

Mr. Stockman requested that Amendment Proposal 10 be placed on the June 5 agenda.

**Amendment Proposal 11: Reduce funding for Recreation, Miscellaneous in the amount of \$10,000.**

(Line item number 010-005-14300-02013).

Impact on Forecast Millage: Reduction of 0.1 mills.

Mr. Stockman requested that Amendment Proposal 11 be placed on the June 5 agenda.

**Amendment Proposal 12: Reduce funding for Fleet Maintenance, Other Equipment in the amount of \$13,000.**

(Line item number 010-005-08120-04100).

Impact on Forecast Millage: Reduction of 0.1 mills.

Mr. Reeder requested that Amendment Proposal 12 be placed on the June 5 agenda.

**Amendment Proposal 13: Increase revenue line item Fund Balance Usage as a current-year revenue source in the amount of \$237,708.**

(Line item number 010-004-00040-00700).

Impact on Forecast Millage: Reduction of 1.7 mills.

Mr. Stockman requested the Amendment Proposal 13 be placed on the June 5 agenda.

**Amendment Proposal 14: Increase revenue line item Local Government Fund by \$64,263.**

(Line item number 010-004-00040-00434).

Impact on Forecast Millage: Reduction of 0.5 mills.

Dr. Rucker requested that Amendment Proposal 14 be placed on the June 5 agenda.

**Amendment Proposal 15: Increase revenue line item Fee in Lieu by \$40,365.**

(Line item number 010-004-00040-00424).

Impact on Forecast Millage: Reduction of 0.3 mills.

Dr. Rucker requested that Amendment Proposal 15 be placed on the June 5 agenda.

**Amendment Proposal 16: Increase revenue line item CCCP-IV by \$50,016.**

(Line item number 010-004-00040-00449).

Impact on Forecast Millage: Reduction of 0.4 mills.

Mr. Scurry requested that Amendment Proposal 16 be placed on the June 5 agenda.

**(10 MINUTE BREAK)**



Mr. Stockman requested consideration of an amendment to strike the \$25,000 funding for the Opera House and give that money to the Museum and strike the \$70,000 from the Museum. After discussion, Mr. Stockman agreed to rescind striking the \$70,000 from the Museum.

**Amendment Proposal 17: Strike funding in the amount of \$100,000 for Airport Site Improvements.**

(Line item number 070-005-14111-00052).

Impact on Forecast Millage: None.

Dr. Rucker requested that Amendment Proposal 17 be placed on the June 5 agenda.

**Amendment Proposal 18: Authorize staff to adjust FY 19-20 budget revenues and expenditures for capital projects to reflect actual progress to date at the time of the budget's publication.**

Dr. Rucker requested that Amendment Proposal 18 be placed on the June 5 agenda.

If all of these amendments are approved at third reading, millage will go from 122.2 to 123.6, an increase of 1.4 mills.

Mr. Adams said staff does need to know if Council is going to fund the requests by the Auditor and Coroner at the beginning of the meeting. The total cost of those items is \$32,577. Mr. Livingston felt the Auditor's request should be a part of the property taxes because it is a state mandate. The Coroner's request of \$5,380 and \$4,511.99 from contingency.

Dr. Rucker said as to the Coroner's request, everybody went through the same budget request and were denied. It sets a bad precedent. In the Auditor's case, she got a mandate after going through the process. Ms. Kneece said she went through the process and it was cut. She is asking for it to be put back in.

Mr. Cain recommended an amendment to fund the Coroner's request as a one time capital purchase.

**4. Community Services Levy Budget - Wayne Adams, County Administrator and Finance Staff.**

The FY 19-20 community services levy budget is balanced at \$975,478, which is an increase of \$51,884 over FY 18-19. This envisions maintaining the same levy of 7.0 mills, dividing proportionally among the three entities (Library, Piedmont Technical College and Disabilities and Special Needs) the increased revenue resulting from the higher mill value.

Staff proposes no amendments to this budget. No amendments from Council.

**5. Debt Service Levy Budget - Wayne Adams, County Administrator, and Finance Staff.**

Among the three types of indebtedness (traditional general obligation bonds, lease purchase acquisitions, the former speculative building) total amortization would require 10.7 mills of tax levy. However, if the Auditor has additional funds on hand (beyond those derived from the current year debt service levy), this will reduce the millage requirement for FY 19-20. Early indications for FY 19-20 suggest an 8 mill levy (vs. the 10.7 mills based solely on amortization).

Traditional Debt - A new \$1.3 million general obligation bond is proposed for the following purposes: purchase and renovation of existing building to be used for facilities maintenance department (\$300,000), construction of a fleet services administration building addition (\$250,000), construction/demolition pertaining to fire training grounds (\$150,000), expansion of storage space for animal control (\$62,500), County portion of new spec building construction (\$500,000).

Lease Purchase - 1 backhoe (\$98,604), 3 public works vehicles (\$98,853), 2 heart monitors (\$90,000), 2 EMS ambulances (\$350,000), 1 pumper-tanker fire truck (\$325,00).

Staff has no proposed amendments. No amendments from Council.

**6. Capital Budgeting and Fund Balance - Wayne Adams, County Administrator, and Finance Staff.**

The proposed capital budget includes eight non-CPST Projects: Old Jolly Street Bridge Replacement (\$321,397), Airport Layout Plan and Site Improvements (\$380,000), MCCP Site Improvements (\$600,000), Firefighter Training Grounds Construction/Demolition (\$150,000), Fleet Maintenance Building Addition (\$250,000),

Animal Control Storage Expansion (\$62,500), MCCP Speculative Building (\$500,000), and Facilities Maintenance Building (\$300,000).

Of the above expenditures, \$413,376 would come from fund balance. Additionally, we look to add \$840,572 from positive variances on revenues and expenditures for FY 18-19. The June 30, 2019 fund balance is estimated at \$12,697,617, or 6.1 months of operating expenditures under the existing budget. June 30, 2020 fund balance is estimated at \$11,526,511, or 5.4 months of operating under the proposed budget for FY 19-20. However, the June 30, 2020 estimate assumes no over collection of revenues and an expenditure rate of 100%. It also assumes Council will continue to use fund balance to pay for ongoing expenditures at the current rate of about \$1 million per year.

#### **7. Consideration of Annual Indexing of Elected Officials' Salaries.**

Newberry County Ordinance #01-01-17 provides that "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 reported CPI-U is 1.9%. The proposed FY 19-20 operating budget currently provides a 2.0% increase in the salary budget for general employees. (Selected departments would receive a 5% increase in salary expenditures.)

Mr. Livingston stated this does not include a salary increase for Council members.

The consensus of Council was a 2% increase in the county-funded salary portion of all elected officials.

#### **8. Questions/Comments from Council Members.**

Council Members thanked the citizens present tonight.

#### **9. Public Comments.**

Kyle Kneece spoke regarding Amendment 1 as to the stipend for deputies to retain certification to help fight interior fires.

Mr. Adams advised this was to assist with having enough volunteer response to fight structure fires during the day. We have problems keeping deputies and if we offer them the \$5,000 to help fight fires, it may help with retaining employees.

Mr. Kneece asked if someone else in another county department was certified, would they be given \$5,000. Mr. Adams responded this was a proposed pilot program and he didn't know.

Mr. Kneece said there was someone in the Public Works Department certified. Mr. Adams said the Sheriff's Deputies are hooked into the communication system when they are on duty. Mr. Adams said it could be extended to other people but we may not get that far because some things have to be cut out of the budget.

**10. Adjournment.**

There being no further business, Mr. Stockman moved to adjourn.

Budget Work Session adjourned at 9:35 p.m.

**NEWBERRY COUNTY COUNCIL**

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**Henry H. Livingston, III, Chairman**

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**Susan C. Fellers, Clerk to Council**

**APPROVED:**