

**NEWBERRY COUNTY COUNCIL
BUDGET WORK SESSION
MINUTES
JUNE 10, 2013**

Newberry County Council met on Monday, June 10, 2013, at 6:00 p.m. in the Courthouse Annex Conference Room, 1309 College Street, Newberry, SC, for a budget work session.

PRESENT: Henry H. Livingston, Chairman; Kirksey Koon, Vice Chairman; John Caldwell, Councilman; Les Hipp, Councilman, and Scott Cain, Councilman

ABSENT: Steve Stockman, Councilman

OTHERS PRESENT: Wayne Adams, Laurie Renwick, Debbie Cromer, Karen Brehmer, Art Jayroe, Craig Newton, Ben Setzler, and Annette Davis

The meeting was duly advertised as required by law.

Chairman Livingston called the meeting to order and shared that Mr. Hipp will be a little late and Mr. Stockman will not be in attendance due to illness. He said with that being said, we are going to skip item #1 and start with item #2 and come back to item #1 later.

2. Staff Recommended Amendments – Wayne Adams, County Administrator

Mr. Adams reported that there are two proposed staff amendments. The first one dealing with the State Health Insurance rate increasing 6.37% on the employer's side and we are going to be back billed from January through May and will cost us \$86,000.00 and it's not like we have a choice. The amendment proposed is to increase taxes to pay for it but that is Council's call and you can cut some other expenditure is a possibility too.

The second amendment has two parts. Part B of this amendment deals with the Library System and is similar to the first amendment in that it is for an increase in state health insurance for library employees. The increase needed will be \$13,490.00. Part A has to do with Council's agreement with Piedmont Technical College to begin a Mechatronics Degree Program where the county will use the money escrowed from the sale of the Nursing Home to purchase the mechatronic equipment in the amount of \$513,850.00. We do show \$13,850.00 coming from property taxes here. If these amendments are funded by property taxes, it would require one (1) additional tax mil which would be \$4.00 dollars on a \$100,00.00 owner occupied home.

Chairman Livingston commented that Council does not have a choice here; it's like one of those indirect unfunded mandates.

Mr. Adams asked if it was OK for this to be offered on the agenda for third reading.

Chairman Livingston responded that he did not feel we had a choice even if there is a 1 mil increase.

3. Discussion of Magistrate Jury Fees – Art Jayroe, Chief Magistrate

Mr. Jayroe reported that this year they have run short on their jury fees for central traffic court. This is an expense that they have no control over; the SC Code states that jury costs are to be borne by the county. Jury costs are not a court expense; they are strictly a cost to the county where the jury takes place. Historically, they have been put in the magistrates' budget where they have been raised and lowered. Recently, in order to cover the overage, their operating budget has been charged out of other accounts. They would like for Council to consider an increase in their budget to cover the jury trials. The budgeted amount was \$18,000.00 this past fiscal year and he projects they will run anywhere from \$19,000-\$25,000 in the coming year. He stated that the average cost for one jury trial is \$600.00.

Mr. Adams said this is one of those items you have to pay for even if you have a negative variance at the end of the year. He did not see a problem adding \$6,000.00 to their budget.

County Council tentatively agreed to increase the line item for central court jury trials to \$25,000.00 in the upcoming budget.

4. Consideration of Additional Funding Requests

Mr. Adams reported that these items were brought before Council at a previous work session and no further action was taken. This is a housekeeping matter to remind Council that they are out there if they want to take them up.

Chairman Livingston noted that there were some individuals signed up for Public Comments that may have something to say about these items. He suggested they take up Public Comments before addressing these items

6. Public Comments

Chairman Livingston invited Mr. Ben Setzler to speak.

Mr. Setzler representing the Newberry Soil and Water Conservation and the Keep Newberry County Beautiful Program, shared that when they started the KNCB they asked Annette to put the district projects on the back burner and put her time into the KNCB Program to get it up and running in order to establish a self-sustaining program and then come back to her district work. We are at the point where we need Mrs. Annette back; all of our projects are falling behind and we have had to pull Annette off some of her duties with KNCB. The reason we want this money is so we can hire a part-time person to help keep the KNCB program going. He said he did not want to sound dramatic or threatening but without some kind of help, he did not see how they can keep it going. It will still exist but nothing will really happen with it. It is Councils judgment if you think the program is worth it. He said they have received \$21,400.00 in grants in the last year with most of that funding spent in the county and on county projects. That is already more than the increase we are asking for and we think this is an investment that pays dividends for the county and is far more than the county has put in it. It has been about 10 years

since we have received and increase in funding and we know there are a lot of organizations to consider but we have only been running for one year and this is what we have accomplished.

There being no other public comments, Chairman Livingston moved on to the next agenda item.

5. Consideration of Additional Funding Requests (A list of pending requests not currently budgeted is attached)

Chairman Livingston commented that Mr. Adams noted that any motion to add these expenditures must be accompanied by either a specific corresponding budget cut or by an increase of property tax or by a combination of the two.

a) Free Medical Clinic

Mr. Waldrop said this was a good program for the people of our community and he felt we needed to fund it somewhat but did not know how much. He said the governor, in conjunction with Obama Care, was going to try to pass some legislation that would help our rural hospitals and medical clinics but he did not know the status of that legislation.

Mr. Adams commented that the Medical Clinic would be hard to take out once it is put in. This doesn't mean that it is unworthy but you will be adding recurring spending.

Mr. Adams reported that the county currently funds a line item for indigent medical care in the amount of \$108,541.00 that is required by the state and the hospital is the biggest eligible entity to recoup that.

Mr. Hipp asked if we could divert some of that funding from the hospital to the medical clinic.

Mr. Adams stated that staff asked that question and were told that the medical clinic does not qualify to participate.

Chairman Livingston commented that there is a formula that dictates what we pay for indigent care.

Council agreed that they would include \$5,000.00 for the Free Medical Clinic for third reading of the budget.

b) Village Cemetery

Council agreed to continue funding \$2,000.00 for the Village Cemetery for maintenance purposes.

c) Coroner's Salary Increase

Mr. Waldrop said he thought we had included \$2,500.00 in the budget for this purpose.

Mr. Adams responded that we did but he removed it because the Coroner said it was a slap in the face.

Mr. Hipp asked what percentage of the Coroner's salary \$2,500.00 would be.

Mr. Adams responded that \$2,500.00 would be a 7.8% increase.

Mr. Hipp asked the coroner to update them on the new qualification requirements for Coroner.

Mr. Newton said the Coroner is required to have a college education, law enforcement experience and death investigation experience.

Mr. Hipp asked when the requirements changed to which Mr. Newton responded that they changed 2 years ago.

Mr. Adams asked if everyone currently serving that did not meet the requirements was grandfathered in and Mr. Newton said that they were.

Chairman Livingston asked Mr. Newton if he met the new requirements.

Mr. Newton stated that he met the elevated requirements before the change. He said his successor will have to meet these requirements to be eligible for office.

Chairman Livingston asked what the case trend number was from last year to this year.

Mr. Newton said we are pretty much on the same trend as last year investigating from 300-325 cases per year with suicides on the rise; averaging 3 a month which is excessive.

Mr. Hipp recommended \$3,000.00 for a position adjustment due to the additional requirements and then any additional salary action equivalent to that of our other employees.

Mr. Koon stated that he did not believe elected officials were able to receive a one-time increase like regular employees.

Mr. Adams commented that that is our position in that you cannot back it out once it is given.

Mr. Hipp stated that if our current budget did not have an increase for elected officials that this be a position adjustment due to increase requirements.

Mr. Koon asked if we had any other position adjustments or salary increase requests.

Mr. Adams said Mr. Price with the Election Commission came to the last work session to request for a 4% increase for a total \$2,402.00 including benefits for the Voter Registration Director and the Deputy Director.

Mr. Hipp said he could not go along with a 25% increase for the Coroner but would support a \$3,000.00 position adjustment

Mr. Waldrop said if we are going to do this then other department heads will come and ask for the same thing.

Mr. Hipp said that if a department has positions in which minimum requirements are elevated then they should be considered.

Chairman Livingston stated that what we are weighing is the worth of the college education.

Mr. Waldrop commented lets go with it.

Mrs. Cromer stated that we will have to add fringe to that; about 35% for a total around \$4,000.00.

d) Voter Registration Salary Increases

Mr. Cain asked what we were going to give to our county employees.

Mr. Adams reported that we are asking for 1% of the total payroll to be distributed across the board based on a one time basis based on merit scores.

Mr. Cain said that our employees have to meet a strict performance requirement to get a pay increase or bonus and he did not feel like the voter registration office deserves an increase from his personal dealings with them during his election campaign. He said he went to them five times with people that were not assigned to the correct district and he was assured that it would be taken care of and it never was; it was never submitted to the state.

Mr. Hipp recommended that the employee at that office be given what the other county employees will receive and the department head not be provided anything.

Chairman Livingston stated that we have a legitimate criterion to make a position adjustment for the Coroner but if we approve this we are opening a can of worms.

Council agreed not to include the Voter Registration salary.

e) Soil and Water Conservation

Mr. Waldrop said this is a good program and has been for many years and they do a lot of work in the county.

Chairman Livingston said in his opinion this is a case where success has cost us money. They have done a super job and the growth of the program is going to require more money or we will have to accept that it will not exist or refocus its direction

Mr. Cain said this kind of beautification program is exactly what we need in Newberry County. How clean and nice a county is makes a good first impression and it means a lot.

Mr. Hipp also commented that the KNKB program does a lot for economic development and Annette has done a wonderful job with that.

Chairman Livingston asked if \$17,000.00 will be enough to make it work.

Mr. Setzler responded that it would. It will allow them to hire a part time employee and cover some other shortfalls they have run into. It should be enough for a few years to come.

Council tentatively agreed to include \$17,000.00 for the KNCB Program.

f) Hope Community Center

Chairman Livingston commented that Hope Community Center is in his district and said this is an admirable program but if we open the door for one community center that is not owned by the county then we will have an influx of other community centers wanting the same. He did not feel the county should be supporting private centers throughout the county. This is not a good feasible way of spending money.

Mr. Waldrop said that we have helped other community centers over the years but we used recreation funds to do it.

Mrs. Cromer said the Hope Community Center received a \$100,000.00 grant that we administered several years ago.

g) Newberry Library

Mr. Hipp commented as he was looking at the county comparison numbers if other counties our size maintained multiple library locations.

Mr. Adams said it is a possibility and his only issue with the comparison numbers is they do not include the 5.3 million we just spent for the library. He said the library's case is that we have a nice library and we need to pay to operate it.

Chairman Livingston said he did not feel like we had enough information to make a decision at this point.

Mr. Adams noted from a letter from Mr. Ziady where he mentions that they have realized shortfalls in salaries, supplies, utilities, travel, and staff training.

Mr. Waldrop said it is very important to have a library and ours is used a lot. We need to help them out at times and try to keep it up. He said he was proud of the library and felt we should help with a little money.

Chairman Livingston asked the wishes of Council.

Mr. Waldrop felt we should help a little but he questioned the salaries and felt maybe Mr. Ziady needed to come again and explain.

Chairman Livingston said personally he will not concur with any salary increase because there is not a change in status required to operate the library. If the request is for additional books, online subscriptions, utilities, operational cost that is different but I will say absolute no to salaries.

Mr. Caldwell asked if they had given us the actual improvements or changes for that kind of money.

Chairman Livingston commented that Mr. Ziady mentioned in his presentation salaries but we can negate that as a council body. He mentioned professional development, materials, operational cost and possibly extended hours.

Mr. Hipp said we do not have a dollar for dollar amount assigned to these items and felt we are going to have to arbitrarily assign an amount they will have to live with and prioritize within that amount if we decide to provide any additional funding.

Chairman Livingston responded with the exception of salaries.

Mr. Hipp said he has not heard from anyone in the public that the library did not meet their needs.

Mr. Cain said right now our revenues are flat; if our tax rate was going up we should bring the library along with us. We should do something for literacy but not for them to do an existing program but tighten use that money for something else. With our revenues flat we need to tighten our belt buckle for at least a year and see.

Mrs. Cromer shared that the library receives \$367,891.00 from the county with \$260,000.00 of that in salaries; the state gives \$60,000.00 which includes books and materials, training and travel.

Chairman Livingston asked if Council would like to make a change or keep it flat.

Mr. Hipp said leave it flat but he could go along with some amount but cannot support the amount they are requesting.

Mrs. Cromer mentioned that with the renovations to the Whitmire Library, they lost their genealogical book cases and will need to be replaced and the computer lab will need new desks and chairs.

Mr. Caldwell said that a good library plays a tremendous role in getting industry.

Mr. Waldrop said he would like to recommend approving ½ of the request; around \$22,500.00. Council tentatively agreed with this recommendation.

Chairman Livingston said we will now go back and vote on each one.

Mr. Koon said when we do this, I think we need to know where the money is coming from; where we will make the cuts or will there be a tax increase.

Mr. Adams said so far with all the items discussed tonight he has a figure of \$167,840.00 which equates to 1 ½ mils.

Chairman Livingston asked everyone to remember that 1 mil of that we have no control over. He asked if there was any discussion for any proposed cuts to the current budget.

Hearing no comments, Chairman Livingston said we will be adding a 1.5 mil tax increase.

Chairman Livingston presented the following to be voted on to include in third reading of the budget:

Fee Medical Clinic - \$5,000.00

Mr. Waldrop motioned to approve, seconded by Mr. Cain. Vote 5-1; Koon opposed

Coroner - \$3,000.00 plus fringe

Mr. Waldrop motioned to approve; seconded by Mr. Cain. Vote 5-1; Koon opposed

Soil and Water Conservation - \$17,000.00

Mr. Cain motioned to approve; seconded by Mr. Waldrop. Vote 5-1; Koon opposed

Library - \$22,500.00

Mr. Waldrop motioned to approve; seconded by Mr. Hipp. Vote 5-1; Koon opposed

1. Discussion of Capital Projects and Fund Balance

Mr. Adams reported on the capital project that were already awarded and future project that have not yet been contracted for. He projected that with the capital project plus operating expenses we should have 4 ½ months of fund balance and would not recommend going any lower. (Attached and part of the official minutes)

There was much discussion on the Courthouse repairs and the options available for preservation and moving forward with the repairs; making it a number one priority and planning for the growth of the Court System.

Council asked Mrs. Renwick to coordinate with Mr. West and the Architect a date for a work session to discuss the present and future space needs of the Courthouse.

Mr. Koon asked if Council would have a problem with Tommy Long following up on the Board of Rural Fire Control and the Board of Rescue Squads appointments and making recommendations to Council

7. Adjournment

Chairman Livingston adjourned the meeting at 8:35 p.m.

Newberry County Council

APPROVED:

Henry H. Livingston, III, Chairman

Laurie N. Renwick