

**Newberry County Council
Finance Committee Meeting Minutes
Courthouse Annex Conference Room
February 29, 2016
7:00 P.M.**

PRESENT: Henry H. Livingston, III, Chairman
Leslie Hipp, Councilman
Scott Cain, Councilman
Bill Waldrop, Councilman
Bob Hetrick, CFO, Newberry County Hospital
Ben Chapman, Sheriff's Office
Gordon Johnson, Magistrate
Wayne Adams, Administrator
Jay Tothacer, County Attorney
Karen Brehmer, Finance Department
Debbie S. Cromer, Finance Department

MEDIA: No News Media Present

The meeting was duly advertised as required by law.

Agenda Item 1. Call the meeting to order by Henry H. Livingston, III, Chairman

Agenda Item 2 – Election of Chairman for 2016 – Wayne Adams, County Administrator

Councilman Hipp nominated Buddy Livingston. The motion was seconded by Councilman Waldrop. Councilman Buddy Livingston will be Chairman of the Finance Committee for 2016.

Agenda Item 3 – Establishment of Committee Meeting Time for 2016 – Chairman Livingston.

Councilman Waldrop made a motion that meeting time for the Finance Committee be 6:00 P.M. Councilman Hipp seconded the motion. Meeting time for Finance Committee meeting for 2016 would be at 6:00 P.M. unless otherwise changed by the Committee.

Agenda Item 4 – Discussion of Ambulance Service Contract and Back-charges – Wayne Adams, County Administrator.

Wayne Adams, County Administrator stated that over the past three year. NCMH has realized an average annual net revenues of \$1,136,230 in operating the EMS for the County. The annual cost to run EMS over that same period was \$2,113,229, creating an average operating loss of \$976,999 per year. Deducting average annual depreciation over the period (\$39,782 and the County's average yearly appropriation (\$903,669) results in an annual net shortfall to NCMH that averages \$33,518.

What's driving discussions over increasing the appropriation? For FY14-15, NCMH's cost for EMS salaries and benefits increased by just over \$100,000 (\$101,424 or 5.8%). This created a depreciation-adjusted loss of \$91,802 for that same fiscal year. Staff from the County and NCMH have agreed to a \$75,000 adjustment payment to the hospital for FY14-15, making the effective payment by the County to NCMH \$993,000 for FY 14-15.

The contract negotiations use FY14-15 as a baseline year, and provide prospectively for a 3% increase in the County's appropriation for each year going forward; this, after the County also pays an additional \$75,000 for the current year's appropriation. For FY 2016-2017, the annual appropriation to NCMH for running EMS would be \$1,020,000.

A motion was made by Councilman Waldrop to recommend the three (3) year contract to full council and staff to prepare a separate budget amendment for the additional \$150,000. Councilman Hipp seconded this motion. This agenda item will be send to full council with the recommendation from the Finance Committee. A copy of the contract and other documents are a part of the official minutes).

Agenda Item 3A – Discussion of “1%” salary increase funding for employees making less than \$40,000/year – Wayne Adams, County Administrator

Wayne Adams, County Administrator stated the County's total payroll, net of fringe benefit cost and payroll taxes, is \$7.9 million. Of this amount, 53%, or \$4.2 million, pays individual annual salaries of \$40,000 or less. Positions funded at \$40,000 or less comprise 72.4%, or 152 of all employees (210 total). In the current fiscal year, Council has budgeted an additional \$79,000 for distribution to positions funded at \$40,000 or less. At the time this funding was approved, Council did not specify how it would be distributed.

There are two primary options for distributing this funding to the employees for which it is intended, through other options are certainly possible. One of these would be to grant all such employees a 1.83% increase in annual compensation; however, assuming the increase would not go into effect until January 1, 2016, this would require only half the appropriated funding. Another option would be to allow department heads to distribute an amount equal to the annualized 1.83% increase to identified persons/positions based on such factors as current or newly-assigned duties, keeping/making salaries for certain positions competitive, etc. With either of these methods, whatever amounts might be approved for a half-year now would have a doubled impact in FY16-17 (full year).

After general discussion, Councilman Hipp made a motion to give the money to the Department Heads for distribution and this item to be presented to full council. The motion was seconded by Councilman Waldrop.

Agenda Item 5 – Discussion of FY16-17 Operating Budget – Debbie Cromer, Finance Director

The proposed FY16-17 Operating Budget is balanced, with total revenue and expenditures equalized at \$23,871,762. A copy of the General Operating Budget Transmittal Memorandum is a part of the official minutes.

Agenda Item 6 – Question/ Comments for Committee Members

Council Waldrop made a motion the committee go into executive session. Motion was seconded by Councilman Hipp.

Jay Tothacer, County Attorney stated that under Section 30 -4-70 of the Code of Laws of SC, as amended, 1976. Item 2 – Discussion of negotiations incident to proposed contractual arrangements and proposed sale or purchase of property, the receipt of legal advice where the legal advice relates to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege, settlement of legal claims, or the position of the public agency in other adversary situations involving the assertion against the agency of a claim.

There was no action taken in executive session.

Agenda Item 7 – Public Comments

There were no public comments

Agenda Item 8 - Adjournment

There being no other business. The meeting was adjourned.

Newberry County Finance Committee

Henry H. Livingston, III, Chairman

Debbie S. Cromer, Finance Director

Approved: _____