

**NEWBERRY COUNTY COUNCIL BUDGET WORK SESSION
MINUTES
March 25, 2024**

Newberry County Council met on Wednesday, March 25, 2024, at 5:00 p.m. in Council Chambers at the Courthouse Annex, 1309 College Street, Newberry, SC, for a Budget Work Session.

Notice of the meeting was duly advertised, as required by law.

PRESENT: Todd Johnson, Chairman
Robert N. Shealy, Vice Chairman
Leon Fulmer, Council Member
Les Hipp, Council Member
Travis Reeder, Council Member
Johnny Mack Scurry, Council Member
Karl Sease, Council Member
Jeff Shacker, County Administrator
Karen Brehmer, Deputy County Administrator
Captain Ben Chapman, NCSO
Debbie Cromer, Finance Director
Sheriff Lee Foster, NCSO
Cindy Lindler, Deputy Coroner
Donna Lominack, Auditor
Eric Nieto, I.T. Director
Andrew Wigger, Clerk to Council/PIO

MEDIA: Orion Griffin, The Newberry Observer

Mr. Johnson called the meeting to order at 5:00 p.m.

1. Presentation and discussion of proposed FY 2024-25 Budget.

- Mr. Shacker thanked everyone involved in creating the budget. He said the department heads knew going into the budget it was going

to be a challenging fiscal year and were asked to keep that in mind with their expenditure requests and they did that. He added that within administration, and working with the department heads, they identified the top priorities to ensure those were included in the budget.

- The proposed FY 2024-25 budget totals \$82.4 million. That total budget is spread out through the General Fund, 13 Special Revenue Funds, Debt Service Fund, and a Capital Projects Fund.
- The Capital Fund has three categories of expenditures within the fund, including CPST 2022, CPST 2016, and Capital Projects.
- The General Fund Budget is recommended at \$40.3 million, a 22.6% increase or \$7.4 million.
- The Special Revenue Funds are proposed at \$3.1 million, a \$630,000 or 24.9% increase.
- The Debt Service Fund is proposed at \$375,000, a \$690,000 decrease, a result of changes administration is recommending to council on how they handle debt service. This recommendation is to move the lease purchase agreements (two) over to the General Fund and move an installment purchase revenue bond (used for the Public Works complex) (all short-term debt) to the General Fund and reduce the Debt Levy, raise the Operating Levy (no impact on the taxpayers). This would avoid about \$35-40 thousand in professional fees.
- The Capital Projects Fund is proposed at \$41.8 million, a \$2.7 million increase, the bulk of which is the 2022 CPST.
- Mr. Shacker said when you move money between the funds, you have to back the transfers out or you double count the funds. Some of those transfers include an almost \$1.2 million transfer from the General Fund to Community Services Fund (Piedmont Tech., the library, and Newberry County Disabilities and Special Needs); a \$2 million transfer from the General Fund to the Capital Fund, a recommendation of Capital Projects but not program it at this time; a \$21,769 transfer to the Airport Fund, an \$11,769 increase, which would mainly go to match grants.

- Transfers coming into the General Fund include the State Accommodations Tax Fund, \$229,600. Those transfers all totaled equal \$3.235 million.
- In the General Fund Budget, Mr. Shacker said they are recommending \$40.3 million in expenditures and the revenue does not equal that so there is a proposed use of Fund Balance of about \$1.25 million.
- Mr. Shacker reviewed the revenues coming into the county, property taxes, licenses and permits, intergovernmental, charges for services, fines, interest – General Fund, and miscellaneous. In total, revenue is proposed at a little over \$39 million.
- Mr. Shacker reviewed the major changes within the General Fund. Under revenue, American Rescue Plan Act Funds went from a minor use (current fiscal year) to fully expending the funds, this amounts in \$4.692 million within the proposed budget, the remaining amount the county needs to expend. The law requires the money to be spent by December 31, 2024, or obligate it to be spent (then expended by the end of 2026).
- Under revenue, current real estate taxes (\$18,428,099) are up 14%, Mr. Shacker said the anticipated value of a mill has increased.
- Under revenue, interest (General Fund) is proposed at \$700,000, an increase of 75%. Mr. Shacker said this is a function of what the rates are doing at the South Carolina Local Investment Pool. Mr. Shacker said Newberry County has made a concerted effort to keep as high a balance as possible.
 - Mr. Hipp said everyone is to be commended for that, and that is not something Newberry County has done well in the past and they have recently worked with the Treasurer’s Office to make money on our money and in the past, we didn’t. He said thank you and that is big.
- Under revenue, VC Summer/Emergency Management Grant (\$338,924), this is revenue received from Dominion for the purposes of emergency preparedness. In the past, Newberry County received grants accounted for in the Special Revenue Fund that are recommended for the General Fund. This revenue is shown now in the

General Fund, specifically in the Public Safety budget. A grant is also being pursued for a training prop at the training grounds.

- Under revenue, there was a change related to the Newberry County School District funded SRO position. Mr. Shacker said that is a function of a vehicle being funded last year that isn't being recommended this year. The funding of which comes from the state.
- Under revenue, there is an anticipated change in the Local Government Fund (\$1,734,389) with an increase of \$50,517.
- Under revenue, the conveyance fees are down with the Clerk to Court's Office at about 33%.
- Under revenue, tipping fees are also down by about 6%. Mr. Shacker said the revenue for the Transfer Station does not fully cover the expenditures associated with it, so the more waste that goes through, the bigger the gap. He said they took the annualized totals and multiplied that by 120%, in terms of the volume, and are recommending a 10% increase in the tipping fees.
 - Mr. Hipp asked if Mr. Shacker thinks some of the reduction going into the Transfer Station is due to the fact the City of Newberry made changes due to our changes and charges for processing waste and if he's talked to the city. Mr. Shacker said it looks like the volume from industries is down and they would not anticipate that is leaving the county, but a reflection of producing less waste. He further said the private haulers picking up routes are still going through the Transfer Station, under a different customer number.
 - Mr. Hipp said with the increase in the tipping fees and eliminating of the mulching, that will have an impact on the City of Newberry's budget and that it is only fair to keep them apprised of what the county is doing. Mr. Shacker said he wanted to gauge council's reaction over the changes before having those conversations with the City of Newberry. Mr. Hipp said he is thrilled over not doing the mulching, saying the county lost so much money doing that. Mr. Shealy added they are also running out of space and Mr. Shacker agreed and said

- that would force the county into this decision in the future, with the expense being up to \$120,000.
- Mr. Hipp asked if they are only talking commercial operations and limiting yard debris or would individual homeowners no longer be able to bring debris. Mr. Shacker said they are proposing a full shutdown of the site.
 - Mr. Hipp said it can be a problem, if you have a homeowner with a few limbs they need to dispose of and they are not in the city, it may be a challenge. He said he is not suggesting keeping the operation, but there may be impacts on residents they will have concerns from.
 - Mr. Johnson said he would be in favor of keeping something for homeowners to utilize and maybe investigate some alternatives.
 - Mr. Hipp suggested, since there is a minimum at CND, that they work out a contract where the county prepays or transport materials to them at a lower rate and doesn't cost as much to process and the county doesn't use their space.
- Under revenue, Tribal Funds are down completely, Mr. Shacker said Tribal Funds are a component of ARPA and the county received these funds previously thanks to the Sumter National Forest and the county is expending the Tribal Funds in the current budget and there will be no more for the next budget.
 - Mr. Hipp asked if the county would receive their stumpage fee from the federal government on the 65,000 acres. Ms. Cromer said that is correct and there are no anticipated changes.
 - On the expenditure side, Mr. Shacker said there were two major changes at the fund level. The first was a \$430,035 increase in Health Insurance cost, this is an anticipated 11.8% increase in premiums with the state, the increase begins January 1. Workers Compensation Insurance is projected to decrease.
 - Mr. Johnson asked, between last year and this year in health insurance, wouldn't the increase (health insurance) amount equal 3/4 of a million dollars, total. Mr. Cromer replied by

saying that last year they had to go up so much due to playing catchup.

- Under expenditures, the cost of the audit increased to \$86,000, \$15,000 more, which is about a 15% increase.
- Under expenditures, the county changed how legal expenses are structured, causing a decrease of \$64,249, or 35% from that expense.
- Under expenditures, staff is recommending budgeting a 4% of payroll for increases. There is a \$30,000 increase in Payroll Services for the next module of ADP for payroll processing.
- Under Debt Service, there would be a proposed new Debt Service Department within the Administration Division. This would be the short-term borrowing earlier discussed.
- In the Assessor's Office, there are some expense increases, this is connected to reassessment and anticipated costs.
- GIS Contracted Maintenance increased about \$20,000 for integration between GIS Solution.
- There is a 10% increase for the Solicitor; a \$45,000 decrease in the coroner's budget as last year a Stryker lifter was purchased and that is not budgeted this coming year.
- Staff is recommending increasing the overtime budget at the Newberry County Sheriff's Office. On the Capital Replacement in the Sheriff's Office, there is an increase of \$70,000 for vehicle replacement.
- There is a \$25,000 increase in Corrections to prepare for the new building (and the added expenses) that is coming in the future.
- Under Emergency Services, the increase includes the previously mentioned grants and a \$75,000 vehicle for the public safety director.
- In Communications, there is the final year for the upgrade to the communication equipment, which is a \$74,000 increase.
- Under Rescue, there is an increase of \$58,000 in capital replacement and that is mostly Hearst tools.
 - Mr. Hipp said something they talked about was the potential for EV fires and not having adequate fire suppression equipment to handle them. He said there was discussion about the state providing some of that equipment and what has

- happened with that. Mr. Shacker said he has not heard any more about that, but they can check.
- Mr. Hipp said when it comes to equipment, not every department needs EV fire suppression equipment, but probably, as a county, they need a depository somewhere if they have an EV fire.
 - Mr. Shacker said they are proposing the county purchase the turtle system, the nozzle that can be used to extinguish an EV fire.
 - Mr. Hipp suggested maybe the city and the county can go together and split the cost of what it would take to purchase EV fire suppression equipment.
 - Mr. Johnson asked if the turtle system was something that would be centrally located and Mr. Shacker said that is the idea.
 - Mr. Johnson said something they have been talking about for several years is an inventory of what every fire and rescue department has and if any effort has been made to do that. Mr. Shacker said yes, that is actively being worked on.
 - Mr. Sease said last year they had money budgeted for doing an assessment on all the fire services and that has not taken place. Mr. Shacker said that has been carried over to the new budget.
- Under the Board of Rural Fire Control, there is an increase of about \$40,000 under the grant match funds. Mr. Shacker said that is reflective of the matching money for the forestry grants. They also have an increase in the nominal reimbursement for volunteers. There is also an increase in capital replacement, with a new fire engine included.
 - Mr. Sease asked if the Rural Fire Board decided who will get the truck or how will that be decided. Mr. Shacker said that he believes they have a unit in mind to be replaced. Mr. Shacker said three trucks were requested, but they were only able to budget for one.

- Mr. Fulmer said, based on the last Public Safety Committee meeting, there were about seven fire engines that need to be replaced and once you place the order, you're about two years out. He asked if the county is working on a plan to get caught up. Mr. Shealy said they may have to go away from customized and get non-customized trucks, and you could get more trucks quicker and cheaper. Mr. Hipp also mentioned that they had an order this past year where the price increased from what was budgeted.
- Mr. Hipp said they have discussed, over the years, having a rotating Emergency Services stock plan and the county needs to have a plan. Mr. Fulmer said he agrees and that the day you buy a piece of equipment, there should be a plan for replacement for the future. Mr. Shacker said he agrees and that is something they are actively working on.
- The budget also has a proposal to purchase a new ambulance. According to Mr. Shacker, staff feels the remounts have run their course and it is time to buy a new ambulance. This will include a power lift and a Stryker stretcher.
- Under Public Works, there are various increases, including the need to purchase two pieces of equipment, a backhoe at \$150,000 and a mower at \$140,000.
- Under Collections, the county budgeted an 11% increase in tonnage and a 2% increase in the cost per ton billed to the county by Republic.
- With Fleet Services, there was an increase of \$36,878, the county utilizes Vector and that is a guaranteed increase with their contract. Regarding the fleet, a half-ton pickup truck is being requested, as is a parking lot striper.
- Under Unplanned Building Repairs, there is a request to use fund balance and other one-time monies for maintenance for various buildings.
- Under Economic Development, there was a reduction of \$15,000 in marketing, this rolls their website under the umbrella of the Newberry County website. There is an increase in site inventory costs for cleanup at Mid-Carolina Commerce Park II.

- Under Building and Zoning, there is a \$30,000 increase for a vehicle for the code enforcement officer.
- Staff is recommending a reduction of budgeted Contingency and budgeted Capital One Time Purchase.
 - Mr. Hipp said he likes to see contingency money in the budget, so they don't have to revise the budget when something comes up, as long as it is a reasonable expense. He added it is a good way to handle it, reduce contingency, but don't eliminate it.

2. Comments/Requests from Council.

- Mr. Hipp said a number of years ago with the airport, the county failed to complete their justification with numbers of airplanes being hangered out there and they missed a grant date and if that is something they are monitoring. Mr. Shacker said they are on top of that.
- Mr. Johnson said he came away extremely impressed with the information presented in the budget packets and staff did an incredible job putting it together.
- Mr. Johnson said something that caused him concern, they talked about going up on the Newberry County Sheriff's Office overtime, but the reality is they are working the people who stay here much harder. He added the Sheriff's Office and Public Works are the places they are hurting the most, and it is not unprecedented they have done different pay increase amounts, and he thinks they need to try to fill in the gaps. He said all county employees deserve a raise and everyone works hard, but those are the two areas they are hurting the worst, and they can't keep employees and they have to do something. He said he'd like to see some numbers reflecting that.
 - Mr. Reeder added the Election Commission as well, as they keep losing people there too.
- Mr. Johnson said he is concerned about the amount of fund balance they are taking, saying it is too much. He thinks they need to make some adjustments to do that, he doesn't mind using fund balance, but a little over a million is too much. He thinks they need to look at alternative strategies.

- Mr. Reeder asked how many months (of operating expenses) they have saved. Mr. Shacker said about 6.1 months.
- Mr. Hipp said during the last audit, he made comments that they were trending downward with fund balance, and they discussed if that was cashflow or truly decreasing their fund balance. He said they don't need to go below five months and they need to pick a target, and this is what they need to keep in the bank and not go below that number.
- Mr. Shacker presented a sheet that show steps that can be taken to not use fund balance. This could be a combination of delaying or eliminating some expenditures.


3. Adjournment.

- Mr. Shealy made a motion to adjourn; Mr. Fulmer provided the second and the motion was approved 7-0.

NEWBERRY COUNTY COUNCIL



Todd Johnson, Chairman



Andrew Wigger, Clerk to Council

Minutes Approved: 4-03-2024