

**NEWBERRY COUNTY COUNCIL
MINUTES
September 20, 2023**

Newberry County Council met on Wednesday, September 20, 2023, at 6:00 p.m. in Council Chambers at the Courthouse Annex, 1309 College Street, Newberry, SC, for a regular scheduled meeting.

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

PRESENT: Todd Johnson, Chairman
Les Hipp, Vice Chairman
Karl Sease, Council Member
Robert N. Shealy, Council Member
Johnny Mack Scurry, Council Member
Travis Reeder, Council Member
Jeff Shacker, County Administrator
Joanie Winters, Interim County Attorney
Karen Brehmer, Deputy County Administrator
Debbie S. Cromer, Finance Director
Rick Farmer, Economic Development Director
Eric Nieto, I.T. Director
Liz McDonald, Assessor
Captain Ben Chapman, NCSO
Andrew Wigger, Clerk to Council/PIO

MEDIA: Orion Griffin, The Newberry Observer

Mr. Johnson called the meeting to order at 6:00 p.m. and determined a quorum to be present.

Mr. Reeder led the invocation followed by the Pledge of Allegiance.

1. Adoption of Consent Agenda.

a. Newberry County Work Session Minutes – September 6, 2023.

- Mr. Shealy made a motion to approve the minutes as submitted, Mr. Sease gave the second.
- During discussion, Mr. Hipp said he went through the minutes very closely and that Mr. Wigger captured a lot of great comments and suggestions and requested Mr. Wigger create an action item list, based on all the comments, so council and staff can track the items they said they would do.
- The motion was approved 6-0.

b. Newberry County Council Meeting Minutes – September 6, 2023.

- Mr. Shealy made a motion to approve the minutes as submitted, Mr. Hipp gave the second. The motion was approved 6-0.

2. Additions, Deletions & Adoption of the Agenda

- Mr. Hipp made a motion to amend the agenda to include an additional executive session for a contractual matter. Mr. Sease gave the second and the motion was approved 6-0.
- Mr. Sease made a motion to approve the agenda as amended, Mr. Reader gave the second and the motion was approved 6-0.

3. Recognitions:

a. Employee Service

- i. Michael Weathers 15 years Sheriff's Department
- ii. Wendy Wise 25 years Delinquent Tax Collector

- Mr. Shacker recognized the above employees for their service to Newberry County, highlighting their accomplishments and pivotal moments while working for Newberry County.

4. Public Appearances:

a. Mauldin and Jenkins – Presentation of FY 2021-22 Audit.

- Mr. David Usefara, CPA with Mauldin and Jenkins who was the manager on the Newberry County audit, presented the results of the June 30, 2022, audit.
- Mr. Usefara thanked council for accommodating him as he said he was supposed to speak at the last meeting, but his wife went into labor the day before.
- Mr. Usefara said that Ms. Cromer had been wonderful throughout this entire audit process, being very helpful and working extra hard to get them across the finish line.
- Mr. Usefara said Mauldin and Jenkins is independent of the county and they do their audit in accordance with government auditing standards.
- Mr. Usefara said the main takeaway from the audit was the county's governmental activities, fund activities, major funds, and remaining activities within the government; they gave a clean unmodified opinion.
- Mr. Usefara said there is a qualified opinion this year due to their finding that the county has three component units – the library, Westview Behavioral Health Services, and the Newberry County Memorial Hospital – the library's financial audit for 2022 was not ready by the time they were going to issue the statements. He said because of that, they had to issue the qualified opinion, but that does not reflect on the county, more a reflection on the component unit which was the library.
- Mr. Usefara highlighted government wide statements, including long-term liabilities, long-term assets, outstanding

bonds, this year there was a total of \$60.7 million in total assets, offset by \$56 million in liabilities and deferred outflows and deferred inflows – which are related to pension plans – those offset for a total \$3.1 million in equity or net position. He added that \$17 million of that is invested in capital assets.

- Regarding statement of activities, Mr. Usefara said there was \$39 million in total expenses, coupled with a charge of service with about \$4 million, operating grants of \$740,000 with other general revenues totaling \$35 million, that includes \$23 million in property tax revenues. He said this led to an increase in the net position of \$168,000 from the year before.
- In terms of the General Fund, Mr. Usefara said it is performing very well with \$18 million in assets and \$16 million of which is cash; \$4 million in liabilities and \$700,000 in deferred inflows (which is related to property taxes), leaving a leftover fund balance of \$13 million, \$11 million of which is unassigned.
- Other General Fund highlights Mr. Usefara mentioned included \$31 million in revenues; \$22 million being from taxes, \$4 million being from intergovernmental (grants, state income), \$3 million in fines and forfeitures, \$2 million in miscellaneous. He said this is offset by \$28 million in total expenditures.
- Mr. Usefara said there was \$6 million in transfers out that led to a decrease in fund balance in the General Fund of \$2.6 million.
- The line Prior Period Adjustment, Mr. Usefara said that is for the Airport Fund that was previously recorded as a Special Revenue Fund, he said per GASB 54, airport activities should not be recorded as a Special Revenue Fund. He said in talking to Ms. Cromer, they decided to move that to the General Fund.

- Regarding the Statement of Fiduciary Deposition, Mr. Usefara said this is the school district fund and Magistrate and Clerk of Court, this totaled up to \$38.6 million in cash and \$1.4 million in tax receivable. He said this statement is now required to be recorded by GASB 84. He said it was supposed to be recorded last year but was not and was the reason for one of their findings.
- Mr. Usefara spoke about the findings of the audit. The first involved the general ledger, he said according to the prior year's statements, this has been a finding since 1995, as of right now the general ledger does not properly roll forward and they have some issues with the roll forward and getting reports. He said from discussions with Ms. Cromer, the county is in the process of getting a new general ledger and that should be coming off the books in the next year or so.
- The next finding, Mr. Usefara said, was proper reporting of fiduciary funds, he said this was the previously mentioned finding and will be off the books in 2023.
- The next finding, Mr. Usefara said, involved fund accounting; the airport fund being recorded as a special revenue fund and was moved to the general fund and because of that, it required a finding and will be off in fiscal year 2023.
- Mr. Usefara said the next finding was segregation of duties, he said according to prior year's statements this was in place since 1995 and with small counties and cities it is hard to have the manpower on staff to have proper segregation of duties, which is having separate people conduct duties to lower the risk of fraud.
- Mr. Usefara said they left a management comment, which he said is not as serious as a finding and it is just a suggestion they give. He said the county's capital asset software does not calculate depreciation and that is done manually. He said they suggest getting software that does the calculation.

- Mr. Hipp said that when they got the presentation at the Finance Committee one of the things he noticed, and he requested administration to address, looking at the General Fund balance, over the last several years the is trending negatively. He said that is not a normal positive thing you want to have happen, but there are some reasons for it and it's not that the county is spending more money than making.
 - Mr. Shacker said they finished 2022 with a total fund balance of \$13.3 million, \$11.3 million of which is undesignated (five months in reserve). He said there was \$4.1 million, at that time, in reimbursements associated with incentives and related expenses and grants not collected, at that point.
 - Ms. Cromer said those have now come in.
 - Mr. Hipp asked what the status of the county's current fund balance; Mr. Shacker said it was \$16.1 million.
 - Mr. Hipp said to get a clear picture of the fund balance you'd have to look at this same period in previous years not the end of the year in previous years, like the audit analysis.
 - Mr. Hipp said he'd like to get a more definitive answer to that question of how they are relative to previous years and if they are lower, he'd like to understand why, and what are they going to do to get back to previous fund balances.
 - Mr. Shacker said staff can get that information for council.
- Mr. Johnson said that in this day in age it is unconscionable to him that they are still using paper ledgers in this county. He said he knows this council has approved a computerized system where there are checks and balances. He wants the people to know council is making every effort to correct it even if they have to say you will use this software.

- Mr. Usefara said this is not the fault of the county, some of this should have been caught in prior audits and there is an effort to move forward.
- Mr. Hipp said where the county is with revenue is still good, but you don't want to wait until you are in an unfavorable situation to recognize it.

5. Ordinance No. 08-03-2023. An Ordinance authorizing the acceptance of Prosperity Park Avenue into the Newberry County Public Road System.

a. Third Reading

- Mr. Shealy made a motion to approve the third reading; Mr. Reeder gave the second and the motion was approved 6-0.

6. Ordinance No. 08-04-2023. An Ordinance authorizing the acceptance of roads within Autumn's Cay Subdivision - Autumn Drive, Golden Way, Harvest Lane and Red Leaf Court - into the Newberry County Public Road System.

a. Third Reading

- Mr. Sease made a motion to approve the third reading; Mr. Shealy gave the second and the motion was approved 6-0.

7. Ordinance No. 09-01-2023. An Ordinance authorizing the creation of a Capital Projects Account; authorizing an amendment to the Master Agreement governing the Greenwood-Newberry Industrial Park; authorizing the county to retain certain Fee-In-Lieu of Tax revenues to fund the Capital Projects Account; and other related matters.

a. Public Hearing

- Mr. Johnson declared the public hearing open. With no one signing up or standing up to speak, Mr. Johnson declared the public hearing closed.

b. Second Reading

- Mr. Shealy made a motion to approve the second reading; Mr. Sease gave the second and the motion was approved 6-0.

8. Consideration and approval of employee holidays for the observance of Christmas.

- Mr. Shacker said their current policy has three days that are identified for the Christmas holidays, based on the reading of that policy, the days that would be observed this year are Monday, December 25; Tuesday, December 26; and Wednesday, December 27. Mr. Shacker said that creates some challenges as far as operations.
- Mr. Shacker said they were requesting council approve a deviation from the policy and observe Friday, December 22; Monday, December 25; and Tuesday, December 26.
- Mr. Johnson said he thinks that is very wise and makes the county more accessible to the public over that two-week period.
- Mr. Reeder made a motion to approve the recommendation, Mr. Sease gave the second and the motion was approved 6-0.

9. Executive Session

a. Economic Development Matter(s):

- i. Discussion of matters related to *MCCP II* pursuant to SC Code of Laws Section 30-4-70(a)(5)

b. Contractual Matter

- At 6:31 p.m., Mr. Shealy made a motion to go into executive session; Mr. Reeder gave the second and the motion was approved 6-0.
- At 7:07 p.m., Mr. Shealy made a motion to return from executive session; Mr. Reeder gave the second and the motion was approved 6-0

10. County Council may take additional action(s) following executive session on matters discussed during executive session.

- No action was taken.

11. Appointments

- There were no appointments.

12. Public Comments:

- Ms. Robbiette Hazel spoke about a new position that was changed and asked if it was two positions or one position that was just changed. Mr. Shacker said they didn't really have a job description that captured the duties of the job and staff amended that. Ms. Hazel asked if they really needed the new position. Ms. Hazel then said another thing she was interested in, and at one time there was someone who handled the Geographics Information System and will the county have that again. Mr. Johnson said that is contracted out. Mr. Hazel said she understood from tonight the county will have a computer system (general ledger). Ms. Hazel said she thanks everyone for what they do and encourages everyone to work as a team. She is also encouraged by the fact that the county is investing in new software.

13. Comments/Request from County Administrator.

- Mr. Shacker gave an update on a few initiatives, including getting a fund balance analysis out to council.
- Mr. Shacker said they have the revisions to the nuisance codes that he will get out to council and the revised Future Land Use Map.

- He said the design for the CDBG project (Whitmire sidewalk project) is underway and is being designed, he said it should be out to bid soon.
- He said the CPST architecture and engineering proposals are in, and the reviews will be completed soon, and their goal is to have recommendations to council by Oct. 4.
- He said the general ledger proposals are in, and they will bring a recommendation back to council.

14. Comments/Request from Council.

- Mr. Shealy said it was a productive meeting.
- Mr. Sease said there was good information, and the county is moving in a positive direction.
- Mr. Reeder said it was a great meeting with a lot of information that was good and told everyone to keep up the good work.
- Mr. Scurry said everything is great.
- Mr. Hipp said it is great to see this council working together so well and referenced the September 6 Work Session and said he doesn't think he's seen a more productive Work Session. He said he thinks they are going in the right direction.
- Mr. Johnson announced that the road committee has agreed to do the match for the county for the CDBG project in Whitmire.
- Mr. Johnson said he wasn't sure how many councilmembers planned to attend the Newberry Business Alliances BBQ, but they will treat that like a meeting.

15. Future Meetings:

- a. Economic Development Committee – September 25 at 6 p.m.
 - Mr. Shealy said he will be out of town on this date. Mr. Reeder and Mr. Hipp said they will be in attendance and will have a quorum.
- b. Newberry County Council – October 4 at 6 p.m.
 - Mr. Johnson said he will be out of town as his son was chosen to play in nationals with the Special Olympics.

- c. Finance Committee – October 9 at 6 p.m.
 - Mr. Sease (chair of the Finance Committee) said he will be out of town and the meeting date will need to be changed.
- d. Newberry County Council – October 18 at 6 p.m.

16. Adjournment

At 7:19 p.m., Mr. Shealy made a motion to adjourn; Mr. Sease gave the second and the motion was approved 6-0.

NEWBERRY COUNTY COUNCIL



Todd Johnson, Chairman



Andrew Wigger, Clerk to Council

Minutes Approved: 10/4/2023

Public Comments Sign-In Sheet
Newberry County Council
September 20, 2023
6:00pm

NAME-PLEASE PRINT	NAME-PLEASE PRINT
1. <i>Robbiette R. Hazel</i>	11.
2.	12.
3.	13.
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