

**NEWBERRY COUNTY COUNCIL BUDGET WORK SESSION
MINUTES
April 01, 2024**

Newberry County Council met on Wednesday, April 01, 2024, at 5:08 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
Sheriff Lee Foster, NCSO
Desiree Monts, Deputy Coroner
Eric Nieto, I.T. Director
Andrew Wigger, Clerk to Council/PIO

Mr. Johnson called the meeting to order at 5:08 p.m.

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

- Mr. Shacker presented the Special Revenue Funds and explained that the best way to think about each fund was as if they were individual general funds. There are 13 Special Revenue Funds in the FY 2024-25 budget.
- The Victim Assistance Fund, where Newberry County accounts for the surcharge on citations issued on uniform traffic tickets, is used to

fund victim services throughout the state. There is a proposed budget of \$136,341, an increase of a little over \$57,000. This increase is attributed to the requested purchase of a vehicle, laptop, and desktop for the victim's advocate.

- Mr. Shacker said the revenue year-to-date is tracking behind, something the county will need to keep an eye on.
- Mr. Shacker said what is recommended is the use of Fund Balance, within the Victim's Assistance Fund, not General Fund.
- Mr. Hipp asked if the victim's advocate has a vehicle now; to which Mr. Shacker answered in the affirmative and that this would be a replacement vehicle. Mr. Hipp asked how much was being put in the budget for the difference on that; Captain Chapman said it is \$55,000 for the vehicle and \$5,000 for the laptop and desktop.
- Mr. Johnson said the county has revenues from fines and fees and all of that is very subjective, if you have some major shutdown that will go away.
- The Sex Offenders Fund is where Newberry County budgets the revenue and expenses associated with the registry and running it. The budget is proposed to increase by \$7,000. This change is related to a \$2,000 increase in office expense, and the request to purchase a new desktop, printer, and digital camera. There is a proposed use of fund balance (from their fund balance) for the increase.
- The Jail Fees Fund, where Newberry County accounts for the revenue the county receives for housing inmates at the Newberry County Detention Center. They have a total recommended budget of \$134,600, an increase of \$84,600. Mr. Shacker said the revenue itself is projected at a little over \$71,000 and there is a recommended use of a little over \$63,000 of cash-on-hand, this would be used to offset the purchase of a transport vehicle and equipment.
- Regarding the Public Safety Grant Fund and the LEMPG Grant Fund, staff is recommending not to use these funds and move the expenditures into the general fund to put the expenditures in one place. The offsetting revenue is also in the General Fund. Mr. Shacker said this is not really a change in total expenditures, but rather

relocating them from two Special Revenue Funds to the General Fund.

- The Rescue Squads Grant Fund involves a grant that is assistance from DHEC that, in the past, has been used on EMS equipment. This year, staff is recommending using the grant to fund ultrasound equipment in the county's ambulances.
 - Mr. Sease asked if that would include the ultrasound equipment and the tablet required to submit the information to the facility; Mr. Shacker answered in the affirmative.
- The Public Works Grant Fund is used for paving, the expenditures in the fund and revenues balance and the proposed budget is entirely funded by the C-Fund (from the County Transportation Committee). Staff is recommending Newberry County Council establishes a budget of \$600,000, which is in line with paving expenditures in previous years, but the CTC made a major commitment in terms of providing cost share funding for the Mawson's Way extension project and the resurfacing of the existing Mawson's Way, a three-year commitment. Mr. Shacker said they may be able to get paving money, but it is questionable.
- The Collection Grant is where Newberry County accounts for recycling grants from DHEC and the expenditures associated with those grants. In the past, Newberry County did a fair amount of tire recycling. There have been changes in the focus area of that program and the county's needs. This year, the proposed use is to purchase solid waste containers or recycling containers.
- The 9-11 Telephone Reporting Fund is used to account for the surcharge on phone lines for 9-11 services. It can be spent on eligible expenses related to 9-11. There is a very modest use of fund balance to meet the expenditures, a little over \$6,500, attributed to an increase in personnel expenditures. There was also an \$800 decrease in vehicle insurance as there is not a vehicle for 9-11.
- The Airport Fund is used to account for the operation of the airport and the improvement of it. This year, there is a recommended increase in hanger rental revenue and an increase in the sale of aviation fuel. The revenues in the fund are related to a special project,

\$258,913 for an airport layout plan. This would be funded with the FAA Grant (90%), the S.C. Aeronautics Commission (5%) and leave the county with the need to fund the remaining 5%.

- The Lynch's Woods Park Fund, a new Special Revenue Fund being recommended for creation, accounts for both revenues and expenditures associated with the park. Staff recommends a budget of \$192,632, the bulk of that revenue and expenditures are three grants, two have already been funded, and expenditures associated with those grants. Under Personnel Services, they are requesting the budget for the part-time employee (\$10,291) be moved to this fund (no increase). Part of the revenues included in the fund come from the Spartan Race.
 - Mr. Hipp said on two occasions, oversized vehicles entered Lynch's Woods and damaged bridges and there were discussions of getting signs that would prevent them from entering because it would damage the vehicle. Mr. Shacker said he will investigate.
- The State Accommodation Tax Fund, where the county accounts for the accommodation tax. The way the funds are largely used from this fund will be based on the recommendation from the committee.
- The Community Service Fund budgets expenditures from Piedmont Tech., the Newberry County Library, and Newberry County Disabilities and Special Needs. Mr. Shacker said historically, the library has received roughly 50% of that funding, Disabilities and Special Needs has received less than 4% and Piedmont Tech has received the remainder. The proposed budget shows a 5.1% increase in what each of the entities receives. The value of a mill has now increased and would not require a mill increase.
 - Mr. Reeder asked why it is broken down that way with the library getting 50%. Mr. Shacker said that is consistent with what they have done in the past.
- Mr. Scurry asked about the mill being up this year. Mr. Shacker said he attributes that to the real estate market, not only new homes being built, but existing homes selling, as well.

- Mr. Shacker then went into the Debt Service Fund, which is proposed to decrease. The fund is proposed to decrease from \$1,065,056 to \$375,058. Staff is recommending moving lease purchase financing for equipment. The installment purchase revenue bond (renovating Public Works Complex). A Special Source Revenue Bond (refunded the bond that built Mid-Carolina Commerce Park), move those out of Debt Service Fund to a Debt Services Department within the General Fund, in the Administrative Division. This would leave a 2018 General Obligation Bond and two General Obligation Bonds from 2020 in the Debt Service Fund.
- Staff recommends the Debt Service go from 5.1 mills to 2.2 mills, Community Service goes from 6.9 mills to 6.2 mills. The reduction of those two levies would then be added to the County Ordinary Levy.
- Mr. Hipp asked about the Cavanaugh property and if there has been any more discussion with the purchaser about the use of that property. Mr. Shacker said he did not have an update, and they spoke a while ago and the purchaser didn't have immediate plans but wanted to sit down and talk.
- The Capital Projects Fund: staff is recommending \$41,804,694 in revenue – largely the 2022 Capital Projects Sales Tax – and an equal amount of expenditures. The three divisions of the fund are the Capital Projects Division, CPST 2016, CPST 2022.
- Mr. Shacker said they have a \$2 million grant from the S.C. Coordinating Council for Economic Development. There is also a site enhancement grant from the S.C. Department of Commerce for \$600,000, and \$510,645 of Utility Tax Credits. Mr. Shacker said the bulk of those are for the proposed Mawson's Way Extension Project.
- Mr. Shacker also presented a spreadsheet regarding use of Fund Balance.
 - Mr. Shealy said you don't want to shorten up on Fund Balance too much and they are on a downward trend.
 - Mr. Johnson added every time they take out of Fund Balance instead of raising taxes, you will have to make that gap up and you hit people at seven or eight mills, and that's awful. He said

- he is the last person to want to go up on taxes, but you can't provide the same services at the same prices anymore.
- Mr. Shacker said the Fund Balance reported in the audit was a little over \$14.2 million, a significant portion is undesignated and months in reserve is currently at 5.6.
 - Mr. Johnson asked if they were to drop another million out of that, where would that take months in reserve. Mr. Shacker said that would take it to about 3.5 months.
 - Mr. Hipp said last year, during the audit, he was concerned because he saw that trend of a declining balance; last year there was a question about money timing that got the county back up. He asked Mr. Shacker if they anticipated any money flow impact that would change that number again. Mr. Shacker said that he is not aware.
 - Mr. Shacker presented options that would reduce the use of Fund Balance, going up a mill in property tax would generate \$174,190 and going up two mills would go up \$348,380. However, if they took out the 10% increase in tipping fees that would have a negative impact of over \$200,000.
 - Mr. Shacker said there are five unfilled positions that they could either eliminate or delay hiring. Mr. Shacker also demonstrated changing the salary adjustments proposed.
 - Mr. Shacker also showed the numbers if they spent less of what is budgeted by percentage and said that typically, Newberry County only spends about 95% of the budget.
 - Mr. Johnson said if they approve the budget, the expectation is that is going to be spent, if they do not, good, but if you do, do not go over.
 - Mr. Johnson said if they could flesh some of that out, so they could see solid numbers, that would help him.
 - Mr. Shacker asked how they felt about the millage component of this. Mr. Johnson said he thinks that has to be an option and Mr. Shealy said while he does not want to go up, if you don't go up a little bit at a time, you'll have to go up a lot at once. Mr. Reeder said he agreed.
 - Mr. Shealy added people can handle going up a little bit at a time versus a lot at a time.

2. Comments/Requests from Council.

- Mr. Johnson said that was one of the most comprehensive presentations of the budget that he has seen during his entire time with Newberry County.

3. Executive Session:

a. Personnel Matter(s):

i. Discussion of matters related to the employment and compensation of employees within County Administration pursuant to SC Code of Laws Section 30-4-70(a)(1)

- Mr. Shealy made a motion to go into Executive Session; Mr. Fulmer provided the second and the motion was approved 7-0.
- Newberry County Council went into Executive Session at 6:49 p.m.
- At 7:08 p.m., Mr. Shealy made a motion to come out of Executive Session; Mr. Fulmer provided the second and the motion was approved 6-0 (Mr. Hipp left the meeting prior to return from Executive Session).
- Mr. Johnson said Newberry County Council went into Executive Session for the aforementioned reasons and no action was taken.

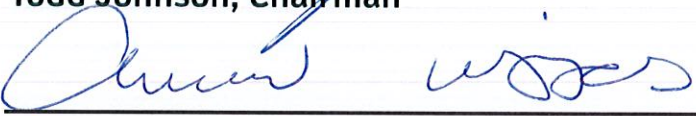
4. Adjournment.

- Mr. Shealy made a motion to adjourn; Mr. Reeder provided the second and the motion was approved 6-0 at 7:08 p.m.

NEWBERRY COUNTY COUNCIL



Todd Johnson, Chairman



Andrew Wigger, Clerk to Council

Minutes Approved: 4-1-2024