

**MINUTES
FAIRFIELD COUNTY COUNCIL
BUDGET WORKSESSION
MAY 3, 2010**

Present: R. David Brown, David L. Ferguson, Mary Lynn Kinley, Kamau Marcharia, Dwayne Perry, Carolyn B. Robinson, Mikel R. Trapp, Council Members; Philip L. Hinely, County Administrator; Shryll M. Brown, Clerk to Council.

Staff: Davis Anderson, Laura Johnson, Adam Swearingen, Sheila Pickett

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80 (e), as amended, the following persons and/or organizations have been notified of the time, date, and location of this meeting: The Herald-Independent, The State, and Winnsboro Cablevision, and forty-nine other individuals.

1. CALL TO ORDER

Chairman Brown called the meeting to order at 8:19 P.M.

2. INVOCATION

Council Member Kinley led in the invocation.

3. ITEMS FOR DISCUSSION

FY 2010-2011 Budget

Mr. Hinely prefaced the budget discussion reminding Council of a letter written by an individual who purported that Council increased the taxes by an enormous percent. He opined that when taxes are being discussed, most citizens want to know what is actually coming out of their pocket. To that end, Mr. Hinely asked Mr. Swearingen to give Council a presentation of:

- Taxes in Fairfield County in comparison to surrounding counties

Mr. Hinely offered to read the budget transmittal letter to Council or giving them the option of reading it on their own.

Mrs. Laura Johnson made a presentation on the FY 2010-2011 budget as follows:

- General Fund has been reduced by \$1.8 million dollars. Overall budget has been reduced by \$3.3 million dollars.
- New Position Requests: (Requesting Departments): Public Works, Building Maintenance, Planning & Zoning, Recreation, IT
 - Who recommended the program for the new reassessment cards?
 - For all of the positions, is that the total package (including FICA, insurance, etc)?
 - What kind of supplies are needed for the QuickJobs Center?
 - Could the recreation maintenance staff be assigned to maintaining the QuickJobs

- Center?
- So, they {new maintenance worker} will not be available for any other services, except that building?
 - How many total new employees?
- Capital Requests Included In Budget: (Requesting Departments): Maintenance, Public Works, Recreation, Sheriff, Fire Board, EMS
 - How many people does the county have that have completed TERI and are back in their positions?
 - What is the Recreation Department doing for the senior citizens in the rural areas who want to take advantage of the program but do not have transportation?
 - Those are what passenger vans? Are they using mini buses now? Are these bigger or about the same size as the transit buses?
 - Has the Sheriff applied for any grants this year?
 - Has the Sheriff asked for more officers for the western side of the county this year? If so, are enough cars going to be available? Are they asking for additional officers this year?
 - Some years ago, Council put on a new officer to do animal control and litter control. Does Council need to leave this under the jurisdiction that it is, or if Council is going to finance that position, does it need to be re-positioned?
 - What kind of fuss would we get if we put it under the county?
 - How was it under the county at one time and how was it financed?
 - Explain the controlled storage building?
 - EMS station in Blair and possibly the one at Lake Wateree does not have a cover. Is there anyway to add money in the budget to put a cover?
 - What kind of mileage is being recorded on the ambulances that are being taken off the road?
 - Do you all have a headcount on all the fire departments? How many volunteers are in each department?
 - The next thing the Council has to prepare for is the VC Summer plant. What is the status of putting what is adequate out there?
 - Will they allow us to go on site?
 - Capital Projects For FY 2010-2011: \$825,000 budgeted for Recycling Center renovations at Lake Wateree, Blair and Greenbrier.
 - Which one are you calling Lake Wateree? The one near the church or the one near Mitford?
 - Budget Summary: General Fund has been reduced by \$1.8 million dollars. Overall budget has been reduced by \$3.3 million dollars. Other items in the budget were decreased that balanced it back out.

GASB 45: New accounting rules states that public employers can no longer report post-retirement health benefits on a pay-as-you-go basis; instead account for and report the annual cost of other post-retirement benefits (OPED) for current and future retirees. The county implemented GASB 45 July 1, 2008. Fiscal year 2009 audit was the first year OPED liability was reported. Procurement Actuarial Services of Wachovia was hired to perform an

analysis and give an estimate. Annual cost was \$812,016 minus the contribution made (average employer cost each year) for retiree insurance, equals the obligation each year of \$598,416. Actuarial assumptions take into consideration the future employment of the employees, mortality and healthcare cost trends.

- Employer Costs For Retirees: As Of May 3, 2010, employer cost was \$225,294; FY 08-09, \$211,305; FY 07-08, \$136,964.

- Proposed Changes To Retiree Insurance: From Human Resources perspective, researched a way to reduce the amount of obligation for the GASB 45. Currently, the county allows the employee to retire, with them paying the exact rates they would if they were working. By law, the county does not have to pay any of the cost for retirees; however, it has to be offered to them. This proposal was submitted to Wells Fargo to put these factors into their actuarial system to determine how much the obligation would drop: Effective July 1, 2010, the following guidelines will be used to determine the funding of retiree's insurance premiums.

A retiree that has completed 12 years of service (No Breaks In Service) with Fairfield County is eligible for retirement health insurance funding. The County pays 100 percent of the employer's share of the premium for the retiree only. The retiree pays the retiree's share and for any dependent coverage. (Employer & Dependent Cost). At age 65 (birthday) when eligible for Medicare, the Fairfield County payment of the Employer Share will end. The retiree can pay the entire cost--both employee and employer if they select. If the retiree does not keep the EIP Plan, Fairfield County will provide each retiree with \$100.00 per month to purchase Medi-cap coverage. This benefit will end at the death of the retiree or change of policy by Fairfield County Council. Any survivor of a retiree who wishes to continue survivor coverage will be responsible for the entire cost-- both employer and employee.

Regular Retirees, 5/10 Year Retirees & Survivors

Regular retirees that are enrolled in Retiree Health prior to July 1, 2010 will be transitioned to the guidelines below by July 1, 2011: At age 65 (birthday) when eligible for Medicare, the Fairfield County payment of the Employer Share will end. The retiree can pay the entire cost both employee and employer if they choose. If the retiree elects not to keep the EIP Plan, Fairfield County will provide each retiree with \$100.00 per month to purchase Medi-cap coverage. This benefit will last until Council changes this practice or death of the retiree.

- Number Of Retirees (43); Dependents (23); Total: 66

- Insurance Rates/Employer: The county pays nearly \$600.00 to have the spouses and children on retiree benefits, in addition to dental benefits.

- A full report from Wells Fargo on the affects of the proposed changes will be available on Wednesday.

- Health Coverage: Effective July 1, 2010, the budget will include full family coverage for all full-time employees. Because of "special eligibility" situations (marriage, birth, adoption, legal separation, divorce, child support or loss of coverage), the employee can request to add insurance. In a given budget process, these situations can easily increase from employee-only to employee-child or full family. This will protect the county.

- Will that come under the October plan change?

- They had to have insurance at their previous employment?
- Fairfield County Expenditure Analysis: Millage cap is zero (0) percent increase. Major highlights are capital items. Anything over 5% has been explained on the report. Most are changes in the hospitalization. Would like to have another worksession to finalize the retirement benefits to approve it or not going into next year's budget.
 - The second item that is an 81.2% increase, is that a lot of reimbursements coming in from the airport or elsewhere?
 - How much are we recouping from aviation?
 - How much were bond related?
- Letter From Sarah McMaster: Council indicated previously that it would be a good situation if the library would be the recipient of grant money to fund the library renovation project. Indicated to Mrs. McMaster that the letter can be signed; however, it is to be understood that the county wishes to go forward with the process, with the hopes that some stimulus money will be available. Before it is finalized, this project is to come back to the Council.

4. **ADJOURN**

The budget worksession was adjourned at 9:38 P.M., upon unanimous approval by Council.

SHRYLL M. BROWN
CLERK TO COUNCIL

RUSSELL DAVID BROWN
CHAIRMAN