



**MINUTES
FAIRFIELD COUNTY COUNCIL
SPECIAL MEETING
DECEMBER 15, 2014**

Present: David L. Ferguson, R. David Brown, Kamau Marcharia, Mary Lynn Kinley, Dwayne Perry, Mikel R. Trapp, Carolyn B. Robinson; Council Members; J. Milton Pope, County Administrator; Davis Anderson, Deputy County Administrator; Shryll M. Brown, Clerk to Council; Jack James, County Attorney

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 ninety-five other individuals.

1. CALL TO ORDER

Chairman Ferguson called the meeting to order at 6:04 P.M.

2. INVOCATION

Council Member Kinley led in the invocation.

3. ITEMS FOR DISCUSSION

A. Approval Of Minutes - Regular Meeting Of December 8, 2014

*It was moved by Council Member Marcharia; seconded by Vice Chairman Perry to approve the minutes of the Regular Meeting of December 8, 2014. **The motion carried unanimously.***

B. Presentation Of FY 2013-2014 Audit - Elliott Davis, LLC

Mr. Brian D'Amico gave the following overview of the audit:

- Auditing firm has provided the County an unmodified opinion, which means it is a clean opinion; the financial statements are presented fairly in all material respects in accordance with Generally Accepted Accounting Principles.
- First, the primary users of the financial statements are identified, those being the Council, the creditors, rating agencies, citizens and granting agencies. Planning is done to identify the riskier areas of the County; dive into those; do certain procedures, i.e., come back and look at the findings from last year.
- The County has made great strides in having less findings than last year. There were ten findings last year (some of which were repeated from previous years). The nature of the findings means the firm has identified a particular area to suggest the County improve upon. Can show this year, with only one finding in the report, that the County did a tremendous job in receiving those findings presented last year; researched the issues and made a concerted effort to ensure those issues were cleared. The one finding was that the firm spoke with the Treasurer and are on the same page with her, expecting the finding to be taken off the report next year. The firm was able to dive into the County's financial statements and do additional testing; additional audit work to continue to have that professional skepticism and due diligence in performing the audit.

- One finding that was in last year's report was the Local Option Sales Tax, which was a big issue for the citizens and the Council. When the County decided to do the \$2.4 million dollar credit on the tax bills that went out last year, previously that Local Option Sales Tax Credit was provided in two different forms: one being the millage reduction and one being the credit factor. This was corrected this year, where the appropriate process of just using the credit factor was done on the tax bills. In giving the \$2.4 million, not only did the County give more than what the State provided in sales tax collection dollars, but also it reduced the committed fund balance on the financial statements last year.
- Major Sections Of the Financial Statements:
 - Management's Discussion And Analysis provides an analysis and comparative information of 2013 to 2014. It also provides a general synopsis of the major transactions that transpired between last year and this year.
 - Basic Financial Statements have the Statement of Net Position and the Statement of Activities that would be intended to be through the Governmental Accounting Standards present a complete balance sheet and income sheet of the County with everything rolled up on one page.
 - Next couple of statements are the Fund Statements that pull out the major funds of the County. This year there were four major funds: General Fund, WB Brown Industrial Park, Fairfield Facilities Corporation and the EMS Fund. The other funds left over are rolled up into one column, which are called the Non-major Funds.
 - Component Unit Statements. The County has three component units: Fairfield Behavioral Health Services, Fairfield County council on Aging and Fairfield Library Commission. Their financial statements are included with the County's financial statements called Discretely Presented Component Units.
 - The footnotes that follow provide a more in-depth analysis of the financial statements. There are Other Supplementary Information, some of which is required, is required based on GASB accounting standards and some for informational purposes.
 - Typically, have had two additional opinions in the back of the Financial Statements: one of which is called a Yellow Book Opinion; the other being a A133, Single Audit Opinion. The A133 Report is not included in the Financial Statements. The County was under the threshold for A133 testing, which was \$500,000.00. When there are federal grants and federal expenditures less than that amount, the County is not required to have that separate opinion and statement.
 - For discussion purposes, counties are beginning to develop a Fund Balance Reserve Policy in the event of a natural disaster or if other contingency incidents come about. The policy would need to be specific for Fairfield County, nor a template or what another county is doing.
 - In FY 2015, will have to tackle the State Retirement (PEBA) System and how unfunded that retirement system is currently. Rough numbers have it about 60% to 70% funded, leaving about 30% to 40% of a difference between assets and liabilities. Government Accounting Standards Board is requiring the liability/difference/unfunded amount is going to be pushed down to all of the employers that make up the Retirement System. Essentially, the total covered payroll of the County would be divided against the total covered payroll of all State employers. That percentage is calculated, which is going to vary depending on the size of the County or any local government or State agency; that percentage is going to be applied to the total unfunded liability. That liability is going to be recorded on the Financial Statements next year. The preliminary number is about \$14 million dollars. The biggest impact will be in the bond rating and how the State will react to the numbers. Elliott Davis will be more than happy to come back to a Council meeting to further discuss this.

Questions Re: Audit

- Has this just started, or did it start back when we went to using the stock market to build the fund--paying people a billion dollars a year to manage it? Is that what happened, or is it people are living longer or the contributions are not high enough? Do you have a golden answer to that?
- The one item that involves the Treasurer's Office, is it a repeat from the year before? Have we had discussion with our Department, as I'm not sure how much control we have over that since it comes from the Treasurer's Office, to how we get this corrected? Wanted to ask because we have new Council Members coming on board, and that is outside Council's control. Wanted to make sure they were aware of that and aware that it is a repeat.
- With three new Council Members coming on, am glad to hear you say you will come back because this is the first time any of us have seen this, and I am sure we are going to have some questions. This PEBA matter is something we all need to truly understand so that we can work that into the budget.
- The three other entities that are included in the audit, are they aware of this same condition and do they have people they are working with in order to help resolve that in the upcoming year?
- Last year, was it not requested of the Treasurer's Office to have that policy, and from what I gather you are saying half of it was done but the other half is still not done?
- Mr. Pope, do you have a ball park figure of what financial burden this would roll up on the County from the State?
- What is the timeline for the Auditors coming back to look at the finding--before next year?
- From Administrator's standpoint, the findings that were shared during the last audit, am pleased with that. As far as Administration and Finance Department, all of those issues were cleared up and worked on in conjunction with the Auditors. Mrs. Johnson, Mrs. Bass and Mr. Anderson were recognized and thanked for contributing to the excellent financials of the audit report.

C. Fairfield County Detention Center Security System Upgrade

Mr. Pope set forth that this is a very large expenditure; but was planned and placed in the budget and brought to Council through the committee process. The purpose of this is to replace the facility's obsolete and failing analog operations system with a completely new and upgradable digital operations system to ensure that all employees, detainees and Fairfield County citizens are afforded the best safety and security that can be provided. The facility's current analog operating system that controls all security doors, automated locking system, security cameras, central control monitors, officer tour system and all of the operational components such as A/V wiring, pneumatic pistons and control panels have become completely unreliable and endangers the safety and security of the employees, detainees and citizens of Fairfield County. This system was not current when it was installed over 15 years ago is now totally obsolete and unable to be repaired to operational standards. Council was provided some additional information over the last week on this matter, and had allowed operational dollars toward the security system. The project itself, through the Procurement Department, had been bid. The recommended vendor is on the State Procurement. The County actually dealt with two particular vendors, and also had an independent consultant to work with the County on this emergency matter. Based upon the capital construction funds already in the budget, which is over \$500,000.00,

staff is asking for Council's approval to allow the Administrator to use, from ancillary monies, approximately \$200,000.00 from the Series A Bond. If approved, all of the money will not be spent at one time as the project moves forward over the next several months to totally integrate the system in the facility. Access of up to \$200,000.00 is needed to complete the project. *It was moved by Council Member Trapp; seconded by Council Member Kinley to approve the request to use approximately \$200,000.00 from the Series A Bond for the Detention Center Security System Upgrade.* During discussion, some of the questions from Council were: what kind of time limitation from start to finish on this project once the bid is awarded; Mr. Pope was asked to give an overview of the operation of the present system and the need to replace it with a different type system; has this company done some work in South Carolina already in the jail systems? ***The motion carried unanimously.***

D. 2012 SC WorkReady County

Mr. Pope brought to the Council's attention that in 2012, South Carolina rolled out the SC WorkReady Community Initiative, and Fairfield County was one of the first communities to sign up to participate in this. The WorkReady community is a measure of the quality of the County's workforce and an assurance to businesses and industries that the community is committed to providing the highly-skilled workforce required in today's competitive economy. South Carolina's initiative certifies the quality workforce based on four criteria: meet goals for high school graduation; soft skills development, business support and national career readiness certificate holders. Upon meeting established goals, the communities are certified as work ready. Fairfield County has received notification that it has met its requirements and will be recognized, along with several other counties, at a ceremony at the State House on Thursday, December 17, 2014 at 11:00 a.m., at which time the Governor will be providing acknowledgement to the communities for their quality workforce.

E. Parting Remarks From Council

Chairman Ferguson announced that this is the final time that he, Vice Chairman Perry and Council Member Brown will be present with Council. He asked if either Council Member had any remarks to make.

At this time, Senior sitting Council Member, Mary Lynn Kinley, asked for the privilege, on behalf of County Council, to make comments about the departing Council Members, which she did as follows: "We have a changing of the guard. As you heard in my prayer, these gentlemen are over 50 years of service--57 to be exact that they have served this County. To do this job, you have to have a lot of heart and you have to also want to be a servant to the people. These three gentlemen have served their districts very well and they have been quick to also help people who are not in their districts." Council Member Kinley extended warm and heartfelt thanks to the three departing Council Members and invited them back anytime. "When you are in public service, you are not going to please everybody all the time. You do what you can what you feel like is in your heart. I would rather have somebody with a big heart than somebody who is extremely smart. I think that goes a long way when you can feel your people's pulse; when you can feel what their needs are and try to do what you can. God has put all three of you gentlemen in a position to do that with the time that you have served. I applaud that you wanted to do this job; you went for it and you have done well with it. I think you three can leave here knowing you have defined yourselves for doing the right thing. You can look in the mirror and see that you have served your God and have done it the right way. I thank you for the opportunity to

have served with all three of you. I hope God will be with you in any kind of endeavors that you do. We will certainly miss you."

Chairman Ferguson, Vice Chairman Perry and Council Member Brown each gave parting remarks. Following their remarks, on behalf of County Council, Council Member Kinley presented each member with a plaque which read:

Fairfield County Council extends its grateful appreciation and sincere gratitude to The Honorable R. David Brown for his invaluable leadership, dedication and loyal service to Fairfield County and the citizens of District 7 during his 33-year tenure on County Council, including 4 years as Chairman and 1 year as Vice Chairman. December 15, 2014.

Fairfield County Council extends its grateful appreciation and sincere gratitude to The Honorable Dwayne Perry for his invaluable leadership, dedication and loyal service to Fairfield County and the citizens of District 1 during his 8-year tenure on County Council, including 4 years as Vice Chairman. December 15, 2014.

Fairfield County Council extends its grateful appreciation and sincere gratitude to The Honorable David L. Ferguson, Sr., for his invaluable leadership, dedication and loyal service to Fairfield County and the citizens of District 5 during his 16-year tenure on County Council, including 10 years as Chairman. December 15, 2014.

Following the presentation of the plaques, each member of Council thanked Chairman Ferguson, Vice Chairman Perry and Council Member Brown for their service and stating it was a pleasure to have had the distinct opportunity to have worked with them for the number of years that they did.

F. Executive Session

*At 7:24 p.m., it was moved by Council Member Robinson; seconded by Council Member Kinley to go in executive session to receive a legal update on the Intent to Mine Application. **The motion carried unanimously.***

*At 8:08 p.m., it was moved by Council Member Robinson; seconded by Council Members Kinley and Marcharia to come out of executive session and return to open session. **The motion carried unanimously.** {Council Member Trapp was excused from executive session at 8:00 p.m.}.*

Council Member Kinley asked if Mr. Pope could abbreviate, for the audience, just as was done for Council in executive session, of what the status is and what to expect on the discussion on the Intent to Mine Application.

Mr. Pope's Report.

As you are well aware, we have retained legal counsel to discuss the issue surrounding the submission of the Mining Permit and the Air Permit that has been submitted to DHEC. That is being monitored/watched. There are several County issues that the attorney who is representing us that is looking at. One of the things that needs to be made clear is any official action by the County would have to be done upon submission or completion of an actual Mining Permit or the Air Permit. There is actually a legal requirement timeline that has been identified by legal counsel as to when the County would be able to respond to either the Mining Permit or the Air Permit. The second thing for the County would be, hypothetically, if that were to happen, then in order for any activity to go on or to happen at the site in question, site development plans would have to be provided to the County for any consideration. At this point, Fairfield County does not have any pending or submitted application for

activity on the site in question. Those are two different avenues that would have to be explored if, in fact, those things were to occur. Your staff will continue to monitor the situation and also get additional information from our legal counsel regarding some of the County issues that we have asked to follow up on and look at. That is where we are presently with that situation. In my conversations with DOT, site development information would have to be submitted to them as well as actually the railroad as well. Assuming that if that were to occur, all of those entities have to make their decisions independently of the others. Nothing in DHEC's standards would supersede the County's zoning ordinance that we have, because all zoning requirements and conditional uses have to be met.

Mr. Pope thanked the three Council Members for their time and service and wished them well in their endeavors. He stated it was a joy for him to have worked with each one, and looked forward to a continuing personal and professional relationship with them.

4. ADJOURN

The meeting was adjourned at 8:13 P.M., upon the unanimous approval of Council.

CLERK TO COUNCIL

CHAIRMAN