

**MINUTES
FAIRFIELD COUNTY COUNCIL
SPECIAL MEETING
JULY 29, 2013**

Present: David L. Ferguson, Mary Lynn Kinley, Kamau Marcharia, Dwayne Perry, Carolyn B. Robinson, Mikel Trapp; Council Members; Davis Anderson, Deputy County Administrator; J. Milton Pope, Interim County Administrator; John E. James III, County Attorney; Michael Kozlarek, Ray Stevens, Parker Poe Adams Bernstein; Shryll M. Brown, Clerk to Council

Absent: R. David Brown

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 seventy-six other individuals.

1. CALL TO ORDER

Chairman Ferguson called the meeting to order at 6:10 P.M.

2. INVOCATION

Council Member Kinley led in the invocation.

3. MEETING DESCRIPTION FORMAT

Mr. Pope was asked to give a description of the format for tonight's meeting. He also set forth the occupancy for the Council Chambers, and indicated that once the capacity has been reached, citizens would be directed to the overflow conference room. He delineated that the presentation tonight would be solely on the Local Option Sales Tax, and that citizens have already been asked to sign the sign in sheet if they have questions to ask regarding the presentation. Mr. Pope added that if there are any other questions outside of the Local Option Sales Tax, the contacts would be either him or the Clerk to Council regarding that information, which would be discussed at a future meeting. After the presentation, there will be a question and answer period for the Council; immediately after that, questions from the citizens who have signed up will be entertained; whereby those answers will be given while everyone is still in the audience.

4. LOCAL OPTION SALES TAX PRESENTATION

Mr. Michael Kozlarek and Mr. Ray Stevens gave the Local Option Sales Tax presentation, covering the following topics:

- ◆ Introduction And Background
- ◆ Statute That Requires The County Administrator Propose The Budget
- ◆ What Does The Budget Cover?
- ◆ When Does The Budget Have To Be Approved?
- ◆ Diagram Showing The Big Pictures Of A Budget: Expenditures (Providing Services to The Citizens) and Revenue (How To Cover To Expenditures)
- ◆ Fairfield County Is A County Participating In The Local Option Sales Tax (Copy Of Adopted Ordinance Shown)
- ◆ 2006 – Began Collecting The Local Option Sales Tax
- ◆ Method Of Applying For Application Of This
- ◆ Conclusions And Recommendations

5. COUNTY COUNCIL QUESTION AND ANSWER PERIOD

◆ Ferguson:

1. One of the things Council was concerned about (as far as anticipating what the millage is going to be and what is needed to operate) was the fact that Council was giving the money back on the tail end.

◆ Robinson:

1. The fact that the Council still has not yet expended all of those funds, how do you propose us to correct that? What I am asking now is that more than likely we have an excess. How do we correct it this year?

6. CITIZENS' QUESTION AND ANSWER PERIOD

◆ Mr. Richard Johnson signed to ask questions; however, he declined the opportunity to speak.

◆ Ms. Elizabeth Jenkins:

1. Is this audit going to be done back to the beginning from 2006 to present; not just through 2013?

2. Should this not have been reconciled yearly? From an accounting point of view, I would think that this would have been done yearly—reconciled; any monies carried over. It just appears that nobody is really sure of what is going on here and that doing a budget, you can't just make numbers up.

3. Should there or should there not be a separate escrow account for these monies collected so that it doesn't get mixed up with the general fund and used for something else?

4. But, you are saying this money is not restricted in any way. It is just still in the general fund, and if they do an oopsie (overspend), that money is gone?

◆ Mr. Kevin Thomas:

1. Mr. Pope, you mentioned earlier about the meeting space, and you mentioned that we have tried to get another room reserved. The room that was reserved by Representative Douglas and Senator Coleman for tonight anyway, so you could have very easily moved the meeting over there. We sent an email on last Monday night requesting the meeting be moved.

2. Regarding not being able to be recorded, Gary Brown said he could record it. I could have brought a projector and a screen. The County, with all the money that we have, if we can't provide a screen and a projector anywhere in this County, I don't buy that at all. I think that is hogwash.

◆ Mr. Randy Bright:

1. As it was shown and as it was explained, the Local Option Sales Tax is designed to reduce the millage rate. Is that correct?

2. Property tax? Then, why is it included in the general fund? Does it have anything to do with the budget? If it is not pertaining to the budget, if it is not to support the budget, then why is it mentioned in the same context of the budget? I still don't like the mixing of the funds. Specifically, the statute says it is to reduce the property tax, and it's just a mixing of funds. All it does is cloud the picture of what the real budget is. If it is supposed to reduce your taxes, it can't be included in what you are supposed to be spending.

3. Does anybody have idea; any ballpark figure of how much we are in arrears that are owed to the property owners?

4. Everyone realize—this goes back seven years. Does the Council realize that Mr. Hinely was fired from Gaston County for mismanagement, but we hired him and we allowed him to do the same thing to us. Up to five million dollars we are owed in this room?

- ◆ Mr. William Coleman:
 1. Have you all audited Fairfield County's books to see if this was actually done?
 2. Do we know that all the money was actually given (other than what was held back—what we didn't know we were going to get), has it been credited to the taxpayers and you have documentation, or it is in the budget or it is in the books somewhere?
 3. Why didn't the auditors catch this goings-on when they were auditing? I would think they would know enough about procedure about what was to be done with the one cents sales tax. Looks like along the way, they would have recommended the same thing what you all are recommended that this be all of a tax credit, rather than in lieu of lowering the millage.
- ◆ Mr. Jonathan Goode:
 1. Every time Mr. Stevens mentioned what the County has been doing (this two different methods), he mentions that it appears that the County was giving it back on the front end and the back end. Is there anything you can tell us that says that was Council's intent, or was that just an oversight or a miscue by someone in the auditor's office?
 2. If you are making this estimate and you are trying to get as close as you can, estimating a little conservatively as to what the revenue is going to be, if you use that estimate and that's the estimate that is being credited, but it is being credited twice, wouldn't that mean that the County spent or gave back twice as much as they should have?
 3. Has that ever happened since this has been going on?
 4. It would seem if you were estimating, if you are estimating an amount to give back in property tax credit and you want that to be as close to the amount of revenue you are going to earn from this tax, that if you gave that amount twice, it seems like you would be wildly overpaying every single year, unless you are estimating so conservatively that you could pay back twice what you intended because of a mistake, and still end up owing money or tax credit.
 5. My reading of the statute says (in 4-10-70) that no County may receive less from the distribution that it received in the previous year.
 6. Since the time that we have had this in Fairfield County, has revenue generated from the Local Option Sales Tax ever been less than it was the previous year?
- ◆ Senator Creighton Coleman:
 1. You stated in your presentation that it is not law that this money has to be segregated in a stand-alone account. But, isn't that what the Department of Revenue recommends—that that money be placed into a stand-alone account so we know what's in there and is not comingled?
 2. My understanding was the Department of Revenue—they collect the penny sales tax and then once they get that, they then send it to the Treasurer or to the County, is that correct?
 3. Do you know of other counties that have stand-alone accounts just with the penny sales tax?
 4. Wouldn't that make more sense to segregate that money that is earmarked like an escrow account, as an attorney?
 5. But, we are not gaining interest on that money; we are having this interest set aside for tax reduction.
 6. Excluding 2013 (you said we don't know what the monies coming in for 2013), up through 2012, has all the money collected for tax relief been refunded to the taxpayers, do you know?
 7. There has been an audit every year. By standard procedures with all the counties, they get their books audited every year. Have you all reviewed the audits of the previous year to see what recommendations the prior auditors have recommended?
 8. It just seems to me, to be earmarked, those funds would be better to place that in a stand-alone account so we know what's in there and what needs to be refunded to the taxpayers.
 9. As of now, we don't know if the taxpayers are owed money up through August of 2012, since this was implemented in 2006?

◆ Ms. Christina Fair:

1. We hear an awful lot about how everybody up here wants to help this County lower taxes; how they want it, they want it, they want it, and yet, every year, it seems to me, according to my estimations that the millage rates have been going up on businesses. Why do you continue to tax businesses out of Fairfield County? Second homeowners and businesses pay additional property taxes than just an average homeowner. Right now, if I am correct, and correct me if I am wrong, we pay the third highest millage rates in the State and soon, if we stay on the track that we are going, we will be paying the highest. With these tax rates, I can't imagine how any businesses would want to open their doors in this County. To me, it just makes a little bit of common sense that more businesses at a lower rate would equal just as much, if not more, tax revenue than just continuing to raise taxes, raise taxes, raise taxes on the businesses that are here already.

7. NEXT STEPS

Mr. Pope set forth that the next steps would be to get the final numbers in from the State Treasurer's Office. Once that final information is in and in working with the auditors to look at the numbers to see exactly what credit is due, or what those final numbers are. That is the information that will be presented back to Council, and am assuming that the Council would also desire to have another meeting like this to actually go through the actual numbers so the taxpayers can see that information and what the expected credit will be.

Chairman Ferguson indicated that once the final check is in, the Council will set a meeting place at one of the schools (possibly the High School will be put back together by then). The Council will ask Mr. Pope to coordinate this with Superintendent Green.

Mr. Pope added that if there are other citizens who desire to be on the County Council's agenda distribution list to send the request to Mrs. Brown or to him.

8. ADJOURN

The meeting was adjourned at 7:00 P.M., upon unanimous approval of Council.

SHRYLL M. BROWN
CLERK TO COUNCIL

DAVID L. FERGUSON, SR.
CHAIRMAN