



**MINUTES
REGULAR MEETING
FAIRFIELD COUNTY COUNCIL
SEPTEMBER 22, 2014**

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

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-six other individuals.

1. CALL TO ORDER

Chairman Ferguson called the meeting to order at 6:02 P.M.

2. APPROVAL OF AGENDA

*It was moved by Council Member Kinley; seconded by Council Member Robinson to approve the agenda. **The motion carried unanimously.***

3. INVOCATION

Council Member Kinley led in The Invocation.

4. APPROVAL OF MINUTES

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

5. PUBLIC PRESENTATIONS

None.

6. PUBLIC COMMENT (3 MINUTES): INPUT MUST PERTAIN TO ITEMS ON THE AGENDA, FOR WHICH NO PUBLIC HEARING IS REQUIRED OR HAS BEEN SCHEDULED

The following individuals signed to speak:

- Mr. Randy Bright - Bonds
- Mr. Jeff Schaffer - Old Business

7. PUBLIC HEARING

None.

8. ORDINANCES, RESOLUTIONS AND ORDERS:

A. Second Reading: Ordinance No. 641 - An Ordinance To Convey By Quitclaim Deed Property Owned By Fairfield County Located At 205 Means Street In Ridgeway To The Town Of Ridgeway For Its Use And Needs. *It was moved by Council Member Brown; seconded by Council Member Trapp to approve Second Reading of Ordinance No. 641.* Mr. Pope was asked to give an explanation of the project, which he did citing this request came to the Council from the Town of Ridgeway. The County did not find any other use for that piece of property, and desired to deed that property to the Town of Ridgeway so they could fully utilize it within their incorporated limits. **The motion carried unanimously.**

B. First Reading (By Title Only): Ordinance No. 642 - Authorizing An Amendment To The Master Agreement Governing The I-77 Corridor Regional Industrial Park By And Between Richland County, South Carolina, And Fairfield County, South Carolina, To Expand The Boundaries Of The Park To Include Certain Real Property Located In Richland County; And Other Related Matters. *It was moved by Council Member Trapp; seconded by Council Member Marcharia to approve First Reading (By Title Only) of Ordinance No. 642.* Mr. Pope reported this is First Reading (by Title Only) which is consistent with the way the County brings these matters forth. He stated this is a part of the Multi-County Agreement between Fairfield County and Richland County, and with state statutes where developed counties that partner with under-developed counties, this has been a tremendous asset. ***The motion carried unanimously.***

9. BOARDS AND COMMISSIONS MINUTES

Provided as information.

10. BOARDS AND COMMISSIONS APPOINTMENTS

None.

11. OLD BUSINESS

None.

12. NEW BUSINESS

Mr. Pope recapped the discussion of the County Council Work Session of September 16, 2014, giving a summary of the issue and, stating based upon the consensus of that discussion, an action that the Council can take on each of these items: the first being the Severe Weather Policy, aka Inclement Weather Policy. This matter was discussed and the Council desired to forward a recommendation to restore three (3) days of leave to all eligible employees at the Courthouse.

The second item was the Community Enhancement Grant. There was a motion made at the last meeting to forward this item to a Work Session for Council discussion, where the remaining funds that were not allocated or distributed. Based upon Council's previous action, those districts that had remaining funds were: District 1 (\$2,000); District 3 (\$1,500); District 4 (\$1,500); District 6 (\$1,000). The Council asked the Administrator to come back with a recommendation, which is to: to immediately re-advertise for potential CEG awards and extend all reporting to December 30, 2014.

The last item, EPA Clean Power Plan for South Carolina, was added to the Work Session agenda. This matter is where Electrical Utilities in South Carolina are concerned with Federal EPA legislation that will/may impact the cost of producing electricity in the State of SC and could result in higher user electric rates. Council has requested that Mr. Mark Quinn, a representative of the SC Electric Cooperatives, to speak about this very important issue; however, Mr. Quinn came down with a serious illness, and is not available to address the Council tonight. Mrs. Brown will reschedule that, possibly for the next agenda.

A. Courthouse Employees Leave Restoration

*It was moved by Council Member Robinson; seconded by Vice Chairman Perry to restore three (3) days of leave to all eligible employees at the Courthouse, due to the failure of the air conditioning system. **The motion carried unanimously.***

B. Community Enhancement Grant Policy Amendment

It was moved by Vice Chairman Perry; seconded by Council Member Marcharia to immediately re-advertise for potential Community Enhancement Grant awards and extend all reporting to December 30, 2014. Mr. Pope set forth that if any Council Member in those particular districts or others need copies of the grant application or need to provide copies to any agencies or organizations, to let staff know. ***The motion carried unanimously.***

Chairman Ferguson pointed out that there was a discussion at the Work Session the other night as it relates to bringing a motion forward to change the existing Inclement Weather Policy. He asked that a Work Session be considered for next Monday night at 7:00 P.M.

13. COUNTY ADMINISTRATOR'S REPORT:

A. EPA Clean Power Plan For South Carolina

Mr. Mark Quinn was not available to make the presentation. He will be invited to a future Council meeting. Council Member Robinson encouraged the citizens to look in the latest issue of the Fairfield Electric Cooperative's *Southern Living* magazine, to read the article from Mr. Bill Hart and to go on the website that is listed for information.

B. Bond Refresher

Mr. Pope prefaced the presentation by saying, due to a number of questions surrounding the 2013 Installment Purchase Revenue Bonds, he thought it was essential that the County revisit the issuance of those Revenue Bonds, where clearly and factually, the County can state the decisions it made at that particular time. He added that based upon the strategies that were used at the time, hopefully the presentation will clarify some of those things, Council can also get a refresher and the public can look factually at how the instrument works. Mr. Ray Jones gave the following presentation:

▪ FIVE KEY QUESTIONS

1. What were the County's goals?
2. Why did the County elect to pursue IPRB financing?
3. Was the IPRB Financing Plan explained to the public?
4. Is the IPRB model a sound (and legal) financing structure?
5. Has the IPRB accomplished the County's goals?

▪ COUNTY GOALS

1. Provide a source of funding for projects designed to enhance public health and welfare of County citizens and encourage economic development
2. Fund projects while keeping millage steady, protecting County's debt capacity and without overburdening the taxpayers
3. Leverage and protect revenues from nuclear facilities
 - County Council and staff developed a 10-year Economic Development Plan for economic prosperity in Fairfield County, which began with approval of the goals outlined in the "Roadmap to Success Presentation" (August 24, 2009).
 - At the March 25, 2013, and April 8, 2013, Council meetings, an update on the County's Economic Development Plan was given. The presentation identified that debt would need to be issued to finance the Phase III pieces of the Plan which included public safety and quality of life elements and the following economic development infrastructure:
 - Improvements to the County's premier industrial park: Fairfield Commerce Center
 - Site improvements and construction of a speculative building in the Walter Brown II Industrial Park
 - Expansion of Water & Sewer Infrastructure in the County's industrial corridor

- **WHY DID THE COUNTY ELECT TO PURSUE IPRB FINANCING?**
 1. The County wanted to balance the pressing needs identified in its Economic Development Plan against the tax burdens of its citizens. Issuing general obligation debt up to the County's full capacity or referendum general obligation debt to finance the Projects would, by State law, cause an immediate millage increase (by at least 58%).
 2. An installment plan of finance allows the County to aggregate revenue sources to acquire the Projects instead of requiring that property tax revenue be used to secure the County's acquisition payments.
 3. Further, by acquiring the Projects incrementally under an installment plan of finance, the County may issue smaller general obligation bonds, which does not require additional imposition of additional mills.
- **THE BASICS: WHAT IS AN INSTALLMENT PLAN OF FINANCE?**
 - A. An installment plan of finance is a method of financing the acquisition of capital assets
 - B. An installment plan of finance has four important elements:
 1. A nonprofit entity issues debt on behalf of a political subdivision to finance and construct capital projects.
 2. The political subdivision acquires from the entity undivided incremental interests in the assets over time through installment payments.
 3. The political subdivision may use any funds available to make the installments payments (including proceeds from general obligation bonds because the political subdivision is purchasing a capital asset)
 4. The nonprofit entity pledges the installment payments from the political subdivision as security for the debt issued to finance the projects.
- **CONSERVATIVE ASSUMPTIONS IN FAIRFIELD'S IPRB**
 1. No growth in County through duration of the plan
 - the budgeted installment plan assumes no growth in assessed value over the lifetime of the plan
 - thus, the assumed necessary millage levy to service any general obligations bonds issued to make installment payments is likely higher than required (i.e. the County will likely have to levy less mills than assumed)
 2. In the model, interest rates were increased by 0.50% above average rates to ensure the County had sufficient 8% capacity over the entire installment plan to make all installment payments with only general obligation bonds
 3. The estimates of general obligation bonds to be issued by the County are based on the assumption that no revenue will ever be received from the nuclear facilities
 - when revenue from the nuclear facilities materializes the County's need to issue general obligation bonds to make installment payments will diminish
- **WAS THE IPRB FINANCING PLAN EXPLAINED TO THE PUBLIC?**

MYTH: THE COUNTY ACTED IN SECRET TO ACCOMPLISH THE INSTALLMENT PLAN OF FINANCE

TRUTH: NUMEROUS PUBLIC DISCUSSIONS OF IPRB

 - Resolution dated March 25, 2013:
 - described Corporation's and County's role in installment plan of finance and
 - described the projects and cost of each
 - Ordinance No. 614:
 - identified the Projects the County wanted constructed
 - identified that the County may use a nonprofit to assist with the construction of the Projects and financing of the Projects
 - identified that the County may issue general obligation bonds to purchase incremental portions of the Projects over time
 - authorized the County to purchase the Projects
 - secured revenue received from the nuclear plants for the purpose of funding infrastructure in the County, including the Projects
- **IS THE IPRB MODEL A SOUND (AND LEGAL) FINANCING STRUCTURE**
 1. Internal Revenue Service recognizes that a nonprofit corporation whose sole activities are issuing debt to construct public buildings, collecting installment payments from a political subdivision for the use and purchase of that public building and retiring debt is a valid corporation, worthy of exemption from federal taxation.

2. National bond rating agencies have consistently assigned some of their highest ratings to this method of finance, including Standard & Poors assigning an investment grade rating of "A" to the Fairfield IPRB.
 3. The South Carolina Supreme Court upheld the structure and it has been utilized by at least 7 other counties (Lancaster and Chester).
- **HAS THE IPRB FINANCING BEEN SUCCESSFUL?**
 1. In its 2012-2013 Accountability Report, the South Carolina Department of Commerce said that an economic development inventory is a must to be competitive in the industrial marketplace. A well-stocked inventory includes speculative buildings, industrial parks and certified sites.
 2. County leadership understood this need and took steps to position itself as a competitive County. Those steps include the installment plan of finance.
 3. The County's "willingness and ability to create property . . . willingness and ability to put infrastructure in the ground, to be forward thinking has positioned [Fairfield] very well in this globally competitive search for jobs and investment."
 - **THE COUNTY CAN POINT TO NUMEROUS SUCCESSES**
 1. BOMAG
 2. ELEMENT
 3. ENOR
 - MYTH: The general obligation bonds issued by the County to make installment payments are expensive and issued in excess of what the County needs to make the installment payments
 - TRUTH: The County's installment plan of finance is actually cheaper than budgeted and the County is taking advantage of current low interest rates to prepay installment payments
 - **INDISPUTABLE FACTS**
 1. IPRB has and will continue to achieve each of the County's goals, including keeping the debt service millage rate level
 2. IPRB is a nationally accepted approach
 3. IPRB has been utilized by a number of South Carolina counties
 4. Fairfield's IPRB financing is based on very conservative assumptions
 5. Fairfield's IPRB is part of larger, well-conceived plan of the County Council to promote public welfare, growth and development within the County

COUNCIL QUESTIONS AND COMMENTS

- The presentation will be made available to everyone who wants a copy of it.
- The instrument, based upon the goals that the Council had, one can question with whether or not they would agree with the projects the Council undertook; most of those are great projects because the County is reaping benefits from it. The financing of it, in keeping our debt service millage flat and where it is, is a tremendous asset.
- As far as tying the debt to the nuclear plant and income from it, and the possible hostile environment of taking some of that money, that has been settled in this issue?
- Please explain how one hundred percent of all bond deals that I am aware of always places some type of growth factor into it, because, by having this, this is as fiscally responsible as you can get. All of them that I am aware of usually have some growth factors in it. Please give some perspective.

{At this time, it was the consensus of Council to take questions from the public}.

SOME OF THE QUESTIONS FROM THE AUDIENCE (Questions Not Noted Were Unintelligible).

- Did I understand you to say that the \$24.2 million dollars will be paid off in three, four to five years? Can you give a figure for pay off on that \$24 million?
- You had indicated that the GO bonds are going to be low cost. Assuming that the nuclear plants don't go on line and/or massively delayed, what is the estimated to finance through the GO bonds (that would add to the total cost)? How much will it cost the County to continue, as an aggregate, to continue to finance these bonds, or this bond? Total, as an aggregate?
- You had mentioned that we could use County cash to finance. Do we have any estimate of how much that would cost the County, and would that not be either a taxpayer burden or result in less services that the County could spend money on, as opposed to this financing instead?

- With that amount of debt, can it be paid off (say, the economy topples) and that installment is out there, and the County cannot afford it--(unintelligible)...
- You are saying that this GO bond we're issued and payable over five to seven years, and if a bond is issued every year, that means by the seventh year, there will be seven more bonds issued? If so, the numbers has got to be astronomical of what that is going to amount to. You said that the Auditor has the ability to increase the millage rate to service the debt, right? Isn't that what you said? What limit does that put on the 10.4? Where is the cap?
- In your assumption--you didn't assume any growth; you must have assumed that V. C. Summer money wouldn't be there, how are we supposed to pay for this with no increase in millage, because it makes sense where this money was going to materialize from when we only had the \$700,000.00 in the account.
- You said that with our contract with the Fairfield Facilities Corporation, we virtually restricted the General Assembly from being able to raid any monies that may come from the FILOT deal with the Nuclear plant. Is that what I understood you to say. Is that correct? What, pertaining to the FILOT monies from these two new reactors are in that contract that will keep the General Assembly from being able to get any of those monies, which it seems to me, you can take. My understanding is that it is a \$44 million dollar payout. Is our estimate of what we are going to get from the Nuclear plant is \$85 million a year, which is one number that I have heard, they shouldn't be able to get that money just...
- But the contract only covers the amount up to whatever is owed on the bond, right?
- You are only protecting on the bond, not the entire...(unintelligible).

C. Administrative Updates

- 1.** Received information from State Emergency Management today that the County should receive the final contract on the HON building. The State has been reviewing that contract to add in the amendment of the County moving its staff from the Courthouse to the HON building once it is actually retrofitted.
- 2.** COG Strategic Plan. Council adopted an MOU authorizing the County Administrator to enter into negotiations with the COG. Staff met with the COG. Anticipate having a draft move-forward plan hopefully by the next Council meeting.
- 3.** Council has given preliminary approval to the recreation plan and recommendations. Staff was able to meet with the consultants to come up with a unified contract for managing the bidding process in the most efficient and effective way. Will bring back to Council hopefully by the next Council meeting for approval.
- 4.** The DHEC Vital Records office has relocated their operation to Columbia. Citizens can go on-line or make that trip to Columbia.
- 5.** Have had several meetings with the Code Enforcement Department. One of the things is reviewing the Code Enforcement operations in the enforcement of County ordinances. Will be working with the citizens regarding issues of property maintenance.

{Council Member Trapp left the meeting at 7:23 P.M.}

14. CLERK TO COUNCIL'S REPORT

None.

15. 2ND PUBLIC COMMENT (3 MINUTES): INPUT CAN BE TO INTRODUCE AN ITEM NOT CURRENTLY UNDER COUNCIL'S CONSIDERATION OR BRING A CONCERN TO COUNCIL'S ATTENTION

The following individuals signed to speak:

- Ms. Irene Mattox - Name Calling
- Mr. Randy Bright - Directions
- Mr. Bob Carrison - Clarification
- Mr. Kevin Thomas - Further Clarification
- Ms. Selwyn Turner - Mr. Hinely
- Mr. Jeff Schaffer - Old Business

16. COUNTY COUNCIL TIME

- Brown: Reverse 9-1-1.
Perry: Input from Saving Fairfield group.
Robinson: New County email addresses.
Marcharia: Disrespect.
Kinley: Appreciated comments and apology.

17. EXECUTIVE SESSION

*At 7:55 P.M., it was moved by Council Member Marcharia; seconded by Vice Chairman Perry to go in executive session to discuss an economic development matter and a contractual matter. **The motion carried unanimously.***

*At 8:55 P.M., it was moved by Council Member Brown; seconded by Council Member Kinley and Vice Chairman Perry to come out of executive session and return to open session. **The motion carried unanimously.***

*In open session, it was moved by Council Member Brown; seconded by Council Member Robinson to allow the Administrator to have the CTC re-evaluate Chinook Road, using the new grading criteria to grade that road, and since the paving season is over, to allow them to come back at a later date. **The motion carried unanimously.***

18. ADJOURN

The meeting was adjourned at 8:55 P.M., upon unanimous approval of Council.

SHRYLL M. BROWN
CLERK TO COUNCIL

DAVID L. FERGUSON, SR.
CHAIRMAN