



**MINUTES  
REGULAR MEETING  
FAIRFIELD COUNTY COUNCIL  
JANUARY 25, 2021**

**Present:** Moses Bell, Shirley Greene, Mikel Trapp, Timothy Roseborough, Doug Pauley, Cornelius Robinson, Clarence Gilbert, Council Members; Jason Taylor, County Administrator; Laura Johnson, Assistant County Administrator; Tommy Morgan, County Attorney; Patti L. Davis, 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 Independent Voice of Blythewood and Fairfield, The Country Chronicle and one hundred forty two other individuals.

Due to COVID-19 (Coronavirus), the meeting is being live-streamed through the County's YouTube page in order to keep citizens informed.

**1. CALL TO ORDER**

Chairman Bell called the Regular Meeting to order at 6:00 p.m.

**2. APPROVAL OF AGENDA**

It was moved by Vice Chair Greene, seconded by Council Member Trapp, to approve the agenda. ***The motion carried unanimously 7-0.***

**3. INVOCATION**

Vice Chair Greene led the invocation.

**4. APPROVAL OF MINUTES**

It was moved by Council Member Trapp, seconded by Council Member Robinson, to approve the minutes from the Regular Meeting of December 14, 2020, and the Inauguration, Organization and Regular Meeting of January 11, 2021. ***The motion carried unanimously 7-0.***

**5. PUBLIC PRESENTATIONS**

- A. Presentation – 100<sup>th</sup> Birthday Congratulations – Mr. George Alexander. Chairman Bell requested for the Clerk to read the Proclamation. Council Member Robinson wished to tell Mr. Alexander happy 100<sup>th</sup> and Semper Fi. Chairman Bell congratulated Mr. Alexander for his 100<sup>th</sup> year birthday.

**6. PUBLIC HEARINGS**

None.

**7. ORDINANCES, RESOLUTIONS AND ORDERS**

- A.** First Reading (By Title Only) Ordinance No. 763: An Ordinance to Amend the Fairfield County Land Management Ordinance (No. 599) to Provide for the Zoning Reclassification from R-1 (Single Family Residential District) to R-2 (Inclusive Residential District) of 1.16 Acres Owned by Russell and Marilyn McDonald (Applicants). This is Tax Map No. 134-04-02-019-000. Property is Located at 1616 Antioch Cemetery Road, Ridgeway, SC 29130. Motion made by Council Member Trapp, seconded by Vice Chair Greene, to approve First Reading of Ordinance No. 763. ***The motion carried unanimously 7-0.***
- B.** Second Reading Ordinance No. 761: An Ordinance to Amend the Budget Ordinance for Fiscal Year Beginning July 1, 2020, and Ending June 30, 2021, and Authorizing the Supplemental Appropriation of Funds for Increased Fire Services. Motion made by Council Member Trapp, seconded by Council Member Robinson, to approve Second Reading of Ordinance No. 761. Chairman Bell asked for Mr. Pope to come to the podium. Council Member Robinson asked for a brief description for the public's knowledge of this item. Per Mr. Taylor, currently \$175,000 has been budgeted for this particular project, and Mr. Pope has made a request to be able to do some additional things at this site, which would necessitate another \$200,000 being added to this amount. Per Mr. Pope, this is a very important project. Several years ago, this was funded at the level of \$175,000. The County was unable to buy land for the project for a couple of years. The land was just acquired last year, and now the project has begun. To build what the County would be proud of, it was realized that \$175,000 would not be enough. Something could be built, but Mr. Pope, and he believes the citizens and Council also, would not be happy with the end product. It would not accommodate the needs of the area or the fire service. We could get by with installing a 3-bay pole building but nothing else, including no office space, no bathrooms, no living quarters, no meeting rooms, etc. Together with the County Planning and Zoning, Mr. Netherton, a meeting was held to look at the numbers. To add the full station that houses the apparatus and also living quarters, the additional \$200,000 would be needed. The building maintenance department will actually do a lot of the building work on this project. Council Member Pauley inquired of the reason this was not considered when this project first began. Mr. Pope stated he was not at the County when this request was originated or the original budget presentation. With no further questions, Chairman Bell called for the vote. ***The motion carried unanimously 7-0.***

- C. Resolution No. 2021-01:** A Resolution by Fairfield County Council Authorizing the Acceptance of the Conveyance of Property to Fairfield County. Motion made by Council Member Trapp, seconded by Council Member Robinson, to approve Resolution No. 2021-01. Chairman Bell asked for Mr. Davenport to further discuss this item. Per Mr. Davenport, the County has a contract on property located on Peach Road, which was approved by Council. The cost is \$400,000 with a grant from the State of \$300,000 to buy the property and ultimately turn it into an industrial site or park. An additional \$510,000 was received from the Coop system, which will cover the remaining \$100,000 and allow the County to cover the engineering costs associated with due diligence and begin to extend infrastructure to the property. This property is coming to the County at no cost. Chairman Bell asked Mr. Taylor if he had any further information. Per Mr. Taylor, the County is glad to be able to do this through grant money. We thank the Coop and the State for the money they have contributed in order to start the development of another industrial park. This is the initial 66.3 acres, and there is another 954 acres the County will have right of first refusal should additional property be needed for an industrial prospect. It will also facilitate getting water down Peach Road for municipal water.
- The motion carried unanimously 7-0.***

## **8. BOARD AND COMMISSION MINUTES**

None.

## **9. BOARD AND COMMISSION APPOINTMENTS**

None.

## **10. OLD BUSINESS**

None.

## **11. NEW BUSINESS**

None.

## **12. COUNTY ADMINISTRATOR'S REPORT**

- A.** Presentation of FY 2019-2020 Audit – Mr. Tom McNeish, Elliott Davis, LLC. Mr. Taylor introduced Mr. McNeish, who stated he will be taking Council through a brief presentation to outline the audit process. Also present is Kelley Jones, who managed the audit team during the process. Mr. McNeish thanked Mrs. Bass, Mrs. Johnson and the management team and staff. An audit is always a tough process and was particularly challenging, like everything, with the pandemic. He

greatly appreciates all the work by the staff in getting what they needed in order to do the audit, while at the same time, keeping things moving in the finance department.

- Required Communications. Mr. McNeish began by discussing what the financial statement audit is and what it is not. It is not a fraud audit, and it is not an audit of internal control weaknesses. It is the audit firm giving their opinion based on the audit procedures as to whether the County's financial statements are correct, whether they are materially correct, and more specifically, whether they are correct in accordance with generally accepted county principles. These are rules of accounting that the County uses as well as any other county or local government. Prior to beginning the process and requesting the information from the finance team, homework is done in preparation and planning of the process. Risk will be assessed where the firm thinks there is a potential for misstatements or where errors are most likely, and then the audit process is designed based on this. Within this, 100% of the transactions will not be tested because the audit would be a never ending process. Samples of transactions will be selected, and these samples will be evaluated and tested. The County's internal controls over financial reporting are very important to risk assessment, so if the firm feels these are weak in a certain area, they will have to do more work to be sure there is not a misstatement in the financials. An example of an internal control would be something as simple as performing a monthly bank reconciliation. The bank reconciliations will be reviewed to see if they were done by someone other than the person who prepared them, and then the firm will look to see if they support the cash balances. The responsibility is to provide an opinion as to whether the financial statements are fairly stated. This matters and is important to the rating agencies and the bond holders. An opinion is also rendered concerning compliance with grant requirements, so federal grant agencies will value this opinion. The finance department uses significant accounting policies, and a lot of these policies are disclosed in the footnotes to the financial statements. These are also audited. Contrary to belief, accounting is not an exact science. Management uses estimates to arrive at some numbers, and it must be shown that these are reasonable and based on sound assumptions. This is also part of the audit process. The financial statement disclosures are the notes and texts that are behind the basic



financial statements and is there to provide some context to the financial statements. Throughout the process, if there are misstatements found, the firm will work with finance to get these corrected. At the end of the process, a representation letter is received from management which will include assertions to certain things about the financial statements and their correctness. This happens with any audit of any local government. If any disagreements with management are not able to be resolved, then the firm would be required by the auditing standard to come to the governing board to find resolution of these issues. There were no such items in this audit. The firm is unaware of any consultations the County team was required to have with other accountants. The firm had several significant issues as is usual with any audit, but significant issues that were discussed with management in terms of disclosure and transactions being recorded, and these were all productive discussions where the firm concurred as to the proper correction in terms of disclosure and reporting of the transactions. There were no difficulties while performing the audit, such as the firm feeling it was being stonewalled or not receiving accurate and timely information. Again, if this had occurred, the firm would have been required to come before the governing board to seek resolutions so that the audit could be completed; however, this would not have been expected from the County's finance team. If there are significant deficiencies or material weakness contained within the internal controls during the process, the firm is required to report these to Council. A couple of these are included in the report. These are not red flag issues, but instead are things that need to be corrected and brought to management's attention. In Mr. McNeish's experience with Fairfield County and the County team, whenever there are internal control issues identified, they have been remedied very quickly. Oftentimes a process is put in place before the audit is even completed. This was the case this year.

- Audit Reports. This includes three reports:
  - An unmodified opinion has been issued this year, and this is a clean audit opinion on the financial statements. The firm feels the County's financial statements are in accordance with generally accepted accounting principles and are materially sound. Again, this will hold great

weight with bond holders or grant agencies wishing to assess the credit-worthiness of the County.

- Internal controls as a government entity. The firm is required to issue a yellow book report, or a government auditing standards report, and this will review the assessment and use of internal controls to assess risk. Any findings that need to be reported will be included in the yellow book report. The two findings will be discussed later in this presentation.
- The final report concerns grant funds by federal agencies. The firm will review whether or not the expenditures were in compliance with the grant requirements. Any grant will have a lot of strings attached and have a lot of technical requirements that the grading agencies will use to make sure the money is being used in accordance with the rules. In terms of this report, an unmodified opinion has been issued. The firm feels the program requirements were met by the County.
- Findings and Recommendations. In terms of wire transfers, there must be a system where the person initiating the wire transfer is not ultimately the person who is approving it, which represents separation of duties. This is something the County team, working with the Treasurer's office, has developed a process that is being implemented. The firm has reviewed this and feels this process will address the separation of duties issue. These checks and balances are very important in that the funds must go through an approval process before they are used. In terms of cash management, the finding is particularly if there are funds that are being maintained by the County in a fiduciary responsibility, and this is often the case with County government, such as the school district which is by design, but it must be ensured the funds are separated and segregated to be sure there is a trail of which money belongs to the school district, a library or another entity for which the County is performing this fiduciary duty. With the wire transfers, the finance team has proven it is working closely with the treasurer's office to be sure that the objectives to have good cash management and good segregation of fiduciary responsibilities is going to occur. This is not taken for granted; therefore, at next year's audit, one of the first things the firm will do is perform additional testing to see if the wire transfer

plan and the plan for cash investments managements has been fully implemented.

In concluding the audit presentation, Mr. McNeish inquired if Council had any questions. Chairman Bell inquired concerning the questions from Council concerning the audit, and Mr. Taylor stated Mrs. Bass will be addressing the questions during the next segment. Chairman Bell did have a question concerning page 31 item 7. Per Mr. McNeish, this is a policy to ensure that expenditures are approved in the subsequent year's budget for purchase orders that were in effect at year end but the expenditure has not yet occurred. Chairman Bell inquired if this is a best practice. Mr. McNeish stated it is, and local governments do this. Vice Chair Greene inquired how the firm follows up on the findings and how do they remediate issues that are carryover, such as findings from 2019-001. She further stated it seems the firm will be reviewing the Procurement Manual, and asked Mr. McNeish to explain this further. Per Mr. McNeish, the review of the Procurement Manual has been completed, and the County has been provided with the report with recommendations. He further directed Vice Chair Greene to page 87. For procurement, additional samples and voucher packages, including the approval process, were reviewed. More testing is done than normal to be sure the firm is comfortable that these items were truly addressed. This is also true for the pay changes and additional pay findings. There was documentation identified that was not in place the prior year. Vice Chair Greene further inquired if the firm has reviewed the changes to the wage notice forms involving the finding of 2019-002. Per Mrs. Jones, a sample of employees were reviewed who did receive a change during the year. For each one reviewed, the new form was used and all were signed by two people, in addition to the County Administrator if a director position was involved, which is in accordance with the policy that was put into place. Vice Chair Greene referred to the statement that some employee signatures appear inconsistent across selections and asked for this to be explained. Per Mrs. Jones, last year there were signatures that appeared to be made by the same person but looked different, and this is one of the many things the firm noted across the testing, along with inconsistent forms, inconsistent number of approvals, etc. Vice Chair Greene then opined that it appears the inconsistent signatures across the selections do not necessarily mean someone signed for someone else. Mrs. Jones stated not necessarily. Mr.

McNeish stated the findings are the result of the financial statement audit process. He does not want Council to get the wrong impression that the firm is signature experts or able to determine whether someone signed for someone else. He believes this was part of the observation when the standard testing was performed. Council Member Pauley inquired if the findings were corrected from 2019, and now the findings of 2020 in this particular situation. Mr. McNeish stated this is correct. The firm felt the management team came up with a corrective action plan in response to the 2019 findings. The firm followed up in giving their opinion and judgment as to whether these were done. Based on the follow up testing for the 2019 findings, the firm felt like these were remedied. Chairman Bell inquired concerning item 2019-001, page 87, and stated as of yet, the Procurement Manual has not been corrected because the Procurement Manual has not been completed. Mr. McNeish stated the firm's process was to select those additional transactions/purchases to see if the same finding or exception would occur. When this was done, the same exception was not found. Council Member Pauley understands the concern surrounding the Procurement Policy and other policy issues. Council needs to look to itself and not the County administration or staff or the auditing. Under our form of government, the Council determines and sets the policies, and it is the Administrator's job to execute the policy. Feel free to reference S.C. Code § 4-9-630 regarding the powers and duties of an administrator in the council/administrator form of government. Chairman Bell inquired if Council Member Pauley is saying the Procurement Manual should have been assumed by Council, and Council Member Pauley agreed. Chairman Bell inquired if an agency that Council funds can have their money intermingled with other funding sources. He believes the answer is yes, but wanted to ask this question. Mr. McNeish inquired if this would be in the fiduciary capacity as discussed prior. Per Chairman Bell, the County funds various agencies. If they get money from other sources, can the money be intermingled in the same bank account? Mr. McNeish stated this would depend on what the requirement is for the receiving entity.

- B.** Finance Department Presentation. Mr. Taylor stated Council submitted a list of questions to the Finance Department concerning the audit. Mrs. Bass has compiled these questions and has a presentation covering this as well as additional information. Mrs. Bass thanked Council for submitting questions ahead of time as this is a busy time of the year

with annual reporting, IRS deadlines, etc. The questions were taken in order as they were received:

- The Audit Budgetary Comparison Schedule indicates that allocation to local organizations is 2 million on pages 55 and 56 respectively. I also noticed on the Budgetary Worksheet for 2020 Adopted Budget, page 43 only allocates 1 million for other organizations. Why is there a difference between the Audit Report and the 2020 Adopted Budget? Per Mrs. Bass, schedule 1 on pages 55 and 56 include the general fund, the hospital and the library. The budget worksheet is only that department's allocations. There is not a difference in the audit and the budget, and instead, it is a difference in what that schedule includes.
- What are the other organizations on the Audit Budgetary Comparison Schedule? Per Mrs. Bass, this would be the hospital and the library. The County collects a separate millage specifically for the hospital and the library, so this is included in schedule 1. Other agencies are budgeted within the general fund department 100-035. Council Member Pauley inquired if Mrs. Bass is referring to the new Providence Hospital when she states hospital. Mrs. Bass is referring to the new hospital. Chairman Bell inquired if the yearly \$1M comes out of this money. Per Mr. Taylor, it would cover part of this because it is millage based, and the millage may go up or down depending on circumstances or local economy. Per Mrs. Bass, a separate millage is collected for the hospital and is in fund 507. Mr. Taylor inquired how much the millage usually generates. Per Mrs. Bass, this number is usually around \$1M. Mrs. Bass further showed the accounts and explained adding the allocations of 100-035, the hospital and the library totals \$2,660,164.
- Why are Fairfield County Library Commission and Fairfield County Office on Aging not audited in accordance with Government Auditing Standards? Per Mrs. Bass, the County is required to have an audit performed, but these agencies are not required. They are subject to the guidelines that regulate their agencies.
- Internal Control – significant deficiencies, why isn't the County using the Indirect Cost rate allowed under the Uniform Guidance for Federal awards? Per Mrs. Bass, on page 84, this page is immediately following the single audit. She further explained these are the two findings. The federal award related to the single audit, and there are no significant deficiencies. This page

is related to the entire audit, not just the single audit. The question seemed to portray the thought that this was a significant deficiency because we did not use an indirect cost. The County only has one grant that even allows indirect cost, so we do not make an overall election. This is the DOT grant, and we use 10% which is within the cost allocation within this grant.

- In reference to finding 2020-001 Wire transfers – When will the County set up online banking controls to require a separate initiator and approver on wire transfers prior to disbursements? Per Mrs. Bass, prior to the field work each year, the audit firm speaks with everyone, including finance, administration, workers at the courthouse, and sometimes other random employees as they see fit, and they will ask if there is anything going on the audit firm needs to know about. This helps them know where they might need to look harder or where there might be possible weaknesses. When something is brought to their attention, they will increase their testing there. This sometimes results in a finding. When there is a finding, it will show on the future audit, just as the 2019 findings are contained within the 2020 audit. The audit firm will go back to look at this and be sure the corrective action is in place. This will then be reviewed with more extensive testing than normal. In reference to the wire transfers, the Treasurer has already reached out to the bank and is in the process of determining what the bank has to offer in terms of a two person model where one person enters the transaction and one reviews and submits it. Once this is determined, a formal procedure will be developed.
- In reference to finding 2020-002, how will you review and rectify cash flow projections and general ledger balances by fund prior to making transfers to the investment account? What is the timeline to review and formalize the County's cash management process/processes? Per Mrs. Bass, before the end of the fiscal year, she and the Treasurer began some of these conversations. Mrs. Bass was giving some expense projections because, as Council knows, the County collects the bulk of its money January, February and March. It must last until the next January. So, these conversations had already begun. Some agreements are concerning some minimum cash balances and increasing communication.
- In reference to finding 2019-001 – why hasn't the procurement manual update received a higher priority review and adoption? When do you anticipate presenting the updated manual for



approval to Council? How will failure to get approval for purchases from Council be handled? The following is the timeline concerning the procurement manual:

February 10, 2020, the audit findings were presented.

March 2020, the County began experiencing shut downs and modified schedules due to the pandemic.

May 20, 2020, the external review started.

June 2020, the reorganization of the Procurement Department was done making it a part of the Finance Department.

July 2020, comments and suggestions from external review provided to the County. This is just a review, and the County has to rewrite the policy. Staff is working through suggestions and applying these to the manual. Anytime there is a finding, the County is required to develop a corrective action plan. The decision for this item was to have an external review and then update the Procurement Manual.

How will failure to get approval for purchases from Council be handled? Per Mrs. Bass, the price level of a purchase that is required to come before Council is not a recommended change. Budgeted and unbudgeted items in excess of \$25,000 currently come to Council as a request of action.

- In reference to finding 2019-002 – Pay change notices are very important. What changes have you made to “Wage Change Notice Forms?” How have you firmed up signature authority in light of problems identified? Most concerning to me, what actions have you taken regarding employee signatures that appeared inconsistent across selections? How have you determined if someone is signing a pay change or additional pay action for the authorized person? I would like to review the revised form. Per Mrs. Bass, the form has been revised and requires two signatures, the HR Director and the Director of Finance. The Administrator is required to sign if the change involves a department director. All three lines are on the form with indication of when each signature is required. If something is missed, it will be obvious. The old and new rates are also shown on the form. In addition, the HR Director now reports directly to the Administrator. In the past, the HR Director reported to the Deputy Administrator. Mrs. Bass then showed the new form to Council.



- What is an estimate of office rental space in regard to the Hon building: Per Mrs. Bass, the County has a lease agreement with the S.C. Department of Emergency Management. The County is responsible for operational and maintenance costs associated with operating the building. We receive an in kind benefit from the Department of Emergency Management in terms of the space. We are then required to record the rent and the revenue. The value is determined by the square footage of 186,000 square feet. Fair market value is \$2.75 per square feet. There is an in-kind revenue line and an in-kind expense line, so there is no effect on operations.
- Can an agency intermingle its County funds and private funds? Per Mrs. Bass, the County allocation to an agency will not be their only source of revenue, and they may receive funding from many different sources. How they report their revenue would be based on the auditing standards for their agency. When agencies request funding, the County does require them to identify the purpose, and they provide quarterly reports which are provided to Council.
- Explain the County has no unused lines of credit. Per Mrs. Bass, the long-term liabilities on page 36 presents our liabilities that are greater than 12 months. This statement is there basically to say there are no lines of credit used or unused, thus no liability or potential liability associated with lines of credit.
- Explain net decrease of \$5 million dollars, decrease in fund balance by \$4 million dollars, \$1.4 million less taxes than expected. Explain change in net position of \$5 million dollars. Explain paragraph on page 8, property taxes. Per Mrs. Bass, these questions will be discussed together. If expenses exceed revenues, the fund balance will go down. For the fiscal year ending June 30, 2020, the general fund expenses exceeded revenues by about \$4M. The County budgeted the use of fund balance in the amount of \$4,213,986. This has been budgeted in the past but never used. Because revenues fell short this year, it had to be used.
- Property taxes. During fiscal year 2020, property taxes decreased by approximately \$1.6M, primarily due to activities at the nuclear power plant. Our utility taxes went down, so the existing reactor assessment is performed by S.C. Department of Revenue. The assessment went down, but the millage stayed the same. Therefore, the revenue went down. When construction on the new reactors ceased in July 2017, the

construction infrastructure at the site was disassembled and moved, which resulted in an approximately \$830,000 decrease in taxes. There were multiple real properties owned by SCANA that real property taxes were collected on. A good bit of these were transferred to Santee Cooper, which is a state utility authority, and they do not pay property taxes.

- Expenses: Several large expense averages are:  
 Workers' Compensation \$253,817 over budget. This amount will vary. If the County has a lot of claims or a lot of exposures, this will increase and drive the premium up.  
 Grant match was \$324,184 over budget as a result of two economic development investments; however, this is a good reason in that it is an investment in future revenue.  
 Transfer out to a special revenue fund for the Cares Act of \$604,421. These are expenses related to COVID. The State did not execute the grant documents until July 2020, so the County could not record the revenue in June of 2020. The transfer had to be made out of the special revenue fund to balance the revenues and expenses. This reimbursement has been received, and this year the transfer will be reversed and the revenue recorded.
- Net position: On page 15, the net change in fund balances for the total governmental funds of \$2,494,394. This is the starting point for the top of page 16 for the net position. The two main factors that contribute to this are the net pension liability and the total OPEB liability. The net pension liability is basically the County's piece of the S.C. Retirement System liability. The State's actuary performs this report, and the County receives it and has to record it. The County has no control over this. The total OPEB are the other post-employment benefits. This is also performed by an actuary and is based on the age of the employees, the length of service, how long the average person works here and a variety of other factors. The pension liability is governed by GASB 68 and OPEB is governed by GASB 75. These are very futuristic liabilities, and they are unfunded liabilities. These are paid when someone retires.
- Attorney fees were budgeted at \$150,000 but spent \$382,429. This does not comprise of only general counsel. Instead, this includes all legal fees including several ongoing lawsuits, human resource matters, representation of the Joint Water and Sewer Authority and general counsel.

- Page 31, explain item 7, best practices to support thinking and did you look at any instance of the County where this was not applied? Mrs. Bass discussed this with Mr. McNeish. If there are any outstanding purchase orders at the end of the year closing process, all are closed at 6:30. Operational items will be rebudgeted every year. If there is an open order in a special revenue fund, such as a project that did not get completed, a piece of equipment that did not get purchased, the need will be assessed. It will then roll into the fund balance of that special revenue fund. A new purchase order would then be created July 1.
- Page 53 – referring to the County commitment with MZI Holdings – are you saying total debt is \$4.2M, if no, why did you state it this way? Note 15 on page 52 discloses all the County commitments, such as contractual and lease agreements. There is a lease agreement with MZI Holdings, LLC for the County to lease the property after the completion of construction. The term of the lease is 7 years, and the amount committed over the 7 year period is \$4.2M. This is not a debt, and instead, is a commitment. Chairman Bell stated the lease is \$4.2M, but this is not the total cost of Mt. Zion. Per Mr. Taylor, this is correct. There is an end payment.

Mrs. Bass completed the presentation with a discussion of where the County is as of December 31, 2020. The year-to-date revenues are \$7,809,625. Year-to-date expenses are \$15,086,919. There is a little bit of a deficit at this time. However, based on last years' numbers, the County is basically on the same pace. Again, as Mrs. Bass stated, the majority of the County's revenue is collected January, February and March. Mrs. Bass also showed the visual chart to Council bearing out the fact that 53% of the County budget is made up of Health and Welfare and Public Safety. Finally, Mrs. Bass reviewed the budget life cycle. In mid-February to March, Administration and Finance will begin meeting with the departments. Agencies will also submit their requests. At the 2<sup>nd</sup> meeting of March or the 1<sup>st</sup> meeting in April, the first reading of the budget will occur. There will then be approximately three work sessions. In April, the second reading of the budget will occur along with the public hearing, and then the third and final reading will be in May. Council Member Pauley inquired if it is safe to say that any kind of findings that were found in 2019 by the audit have been corrected in 2020 besides the Procurement process. Per Mrs. Bass, this is correct. Again as stated, the suggestions for the Procurement Manual were submitted in July, and the year end is June 30. There was not a lot of room to get this done. It will be completed soon, and

it will be brought back to Council for approval. Chairman Bell stated we have increased about 8% per year on the budget and inquired of Mr. Taylor if we will be able to stay on the same course and not raise taxes or make cuts. Per Mr. Taylor, he believes we cannot continue this way, and we will need to look at a combination of some cuts and a millage increase, which has been put off for several years. The County has made a lot of investment in Economic Development, and some of this will show as far as taking a hit to the budget in this upcoming audit. However, using the MLily building as an example, the County had to put a fair amount of money into the building, and the building was worth \$8M. Today, it is now worth \$28M. We pulled in a lot of State money for investment and created about 600 jobs, but it took a sizable investment to get us to that point. A return will not be seen on this investment really until the following year. Essentially, we will have a down year this coming year, and we cannot continue to just balance our budget based on pulling money out of the reserves. We have done this for a number of years, and as Mrs. Bass said, we have been lucky not to have to use that, but we did have to use it this year. Chairman Bell thanked Mr. Taylor, Mrs. Bass and all who participated in the preparation of the financial presentation. He feels it was very informative.

### **13. CLERK TO COUNCIL'S REPORT**

None.

### **14. COUNTY COUNCIL TIME**

Pauley – Council Member Pauley stated all Council Members should have received the email concerning Jonathan Burroughs, the Public Works Director, stating he had done a great job recently on a call. Council Member Pauley wished to commend Mr. Burroughs for doing a great job and being professional.

### **15. EXECUTIVE SESSION (SUBSEQUENT TO EXECUTIVE SESSION, COUNCIL MAY TAKE ACTION ON MATTERS DISCUSSED IN EXECUTIVE SESSION).**

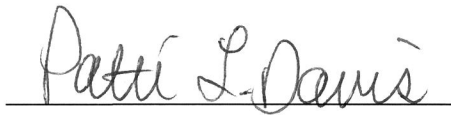
At 7:06 p.m., it was moved by Council Member Trapp, seconded by Council Member Roseborough, to go into executive session for (a) Legal Matter – Receipt of Legal Advice from the County Attorney Relating to Litigation Involving the County Pursuant to S.C. Code Ann § 30-4-70(a)(2) and (b) Personnel Matter – Discussion and Receipt of Legal Advice Regarding Employee Contractual Matter Pursuant to S.C. Code Ann § 30-4-70 (a)(1). ***Motion carried unanimously 7-0.*** At 8:01 p.m., it was moved by Council Member

Trapp, seconded by Vice Chair Greene, to come out of executive session and return to regular session. ***Motion carried unanimously 7-0.***

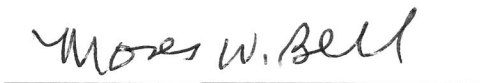
Council Member Trapp made a motion to renew the County Administrator's contract through June 30, 2021, seconded by Vice Chair Greene. Council Member Pauley stated he feels Mr. Taylor has done a great job in moving the County forward, and he feels the contract should be a minimum of one year. Council Member Robinson agreed that it should be a minimum of one year for evaluation if this is what the new Council members want. Vice Chair Greene stated as a new Council person, basically she has not had a chance to work with Mr. Taylor. She has taken a look at some of the legal ramifications and some of the legal points that have been made. She feels she needs a chance to work with Mr. Taylor and be able to evaluate him the way it should be done with having a relationship with him and his work. ***Motion carried 4-3 with Council Members Gilbert, Pauley and Robinson voting nay.***

**16. ADJOURN**

At 8:07 p.m., it was moved by Council Member Trapp, seconded by Council Member Roseborough, to adjourn. ***The motion carried unanimously 7-0.***



PATTI L. DAVIS  
CLERK TO COUNCIL



MOSES BELL  
CHAIRMAN