



# Public Comment SIGN IN SHEET

January 6, 2015 ~ ~ ~ 6:00 PM

The Public Comment Sessions at this meeting is limited to a total of 40 minutes, 4 minutes per person. Please be advised that citizens not utilizing their full four [4] minutes may not "donate" their remaining time to another speaker.

**PLEASE PRINT**

	FULL NAME	PURPOSE OF COMMENT
1	STEVEN MOORE	BUDGET
2	Sue Carrelus	old business - legal counsel
3	John Doken	General
4	Stephen Dow	Legal expenses / economic development
5	Phil Turstemy	Legal Counsel
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Everyone speaking before Council will be required to do so in a civil manner. Council will not tolerate personal attacks on individual council members, county staff or any person or group. Racial slurs will not be permitted. Council's number one priority is to conduct business for the citizens of this county. All citizens who wish to address Council and all Boards and Commission appointed by Council should do so in an appropriate manner.

**AGENDA ITEM SUMMARY  
OCONEE COUNTY, SC**

COUNCIL MEETING DATE: January 20, 2015  
COUNCIL MEETING TIME: 6:00 PM

**ITEM TITLE [Brief Statement]:**

Annual Audit Presentation of Financial and Compliance Results for the Fiscal Year Ended June 30, 2014;  
David Irwin, CPA - Mauldin & Jenkins, Certified Public Accountants, LLC

**BACKGROUND DESCRIPTION:**

This presentation includes a review of pertinent matters related to Oconee County's Comprehensive Annual Financial Report and the Independent Auditor's Report and required communications to County Council.

**SPECIAL CONSIDERATIONS OR CONCERNS [only if applicable]:**

None Noted

**FINANCIAL IMPACT [Brief Statement]:**

Check Here if Item Previously approved in the Budget. No additional information required.

Approved by:  Finance

**COMPLETE THIS PORTION FOR ALL GRANT REQUESTS:**

Are Matching Funds Available: Yes / No

If yes, who is matching and how much:

Approved by:  Grants

**ATTACHMENTS**

Annual Audit Agenda Presentation of Financial and Compliance Audit Results, June 30, 2014

By: David Irwin, CPA; Mauldin & Jenkins, Certified Public Accountants, LLC

**STAFF RECOMMENDATION [Brief Statement]:**

Staff Recommendation: Accept the Comprehensive Financial Annual Financial Report For The Fiscal Year Ended June 30, 2014.

Submitted or Prepared By:



Department Head/Elected Official

Approved for Submittal to Council:



T. Scott Moulder, County Administrator

*Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.*

*A calendar with due dates marked may be obtained from the Clerk to Council.*

*Oconee County, South Carolina*



*Annual Audit Agenda Presentation of  
Financial & Compliance Audit Results*

*June 30, 2014*

Presented by:  
David Irwin, CPA

**MAULDIN  
& JENKINS**  
Certified Public Accountants, LLC

# Oconee County, South Carolina

*Annual Audit Agenda*

June 30, 2014

## PURPOSE OF ANNUAL AUDIT AGENDA

- ◆ Engagement Team and Firm Information.
  
- ◆ Overview of:
  - Audit Opinion;
  - Financial Statements, Footnotes and Supplementary Information;
  - Compliance Reports;
  - Audit Scopes & Procedures.
  
- ◆ Required Communications under Government Auditing Standards.
  
- ◆ Accounting Recommendations and Related Matters.
  
- ◆ Answer Questions.



# Oconee County, South Carolina

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## MAULDIN & JENKINS – GOVERNMENTAL PRACTICE

### General Information:

- Founded in ~1920.
- Large regional firm serving the Southeastern United States.
- Offices located in Atlanta, GA, Macon, GA, Albany, GA, Bradenton, FL, Chattanooga, TN and Birmingham, AL with firm governmental leadership positioned in the Atlanta and Macon offices.
- Approximately 280 personnel are employed at Mauldin & Jenkins.

### Governmental Sector:

- Largest specific industry niche served by Firm representing 25% of Firm practice.
- Serve more governmental entities in Georgia than any other certified public accounting firm requiring over 65,000 hours of service on an annual basis.
- Approximately 65 professional staff persons with current governmental experience.
- Current auditor for over 250 total governments in the Southeast including approximately:
  - ✓ 80 cities;
  - ✓ 40 counties;
  - ✓ 35 school systems (8 of the 10 largest in Georgia and 10 of the 30 largest in Georgia and Florida combined);
  - ✓ 20 state entities; and,
  - ✓ 75 special purpose entities (stand-alone business type entities, libraries, etc.)
- Serves 68 governments receiving the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- Auditor of a substantial part of the State of Georgia including: approximately 25% of the State's general fund; 13 of the State of Georgia's component units.

### Engagement Team Leaders for Lancaster County, South Carolina Include:

- Miller Edwards - Engagement Lead Partner - 28 years experience, 100% governmental
- Meredith Lipson - Quality Assurance Partner - 20 years experience, 100% governmental
- David Irwin - Manager - 13 years experience, 100% governmental

# Oconee County, South Carolina

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## MAULDIN & JENKINS – ADDITIONAL INFORMATION

### Other Industries & Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years our partners have developed expertise in certain industries representative of a cross section of the Southeastern economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings & loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-term Healthcare
- Construction & Development
- Individuals, Estates and Trusts
- Real Estate Management

Services Provided: This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and not-so-traditional services such as:

- Financial Audit / Review / Compilation
- Compliance Audits & Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business & Strategic Planning
- Profitability Consulting
- Budgeting
- Buy-Sell Agreements & Business Valuation Issues
- Income Tax Planning & Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession & Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger / Acquisition & Expansion Financing

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## INDEPENDENT AUDITOR'S REPORT

The standard independent auditor's report for governmental units has specific sections of significance to readers of the financial report.

### *Management's Responsibility for the Financial Statements*

The financial statements are the responsibility of management.

### *Auditor's Responsibility*

Our responsibility, as external auditors, is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

### *Opinion*

We have issued an unmodified audit report (i.e., "clean opinion"). The financial statements of are considered to present fairly the financial position and results of operations as of, and for the year ended June 30, 2014.

### *Emphasis of Matter*

The financial statements reflect the implementation of certain new pronouncements, and our opinions are not modified with respect to them.

### *Other Matters*

Certain required supplementary information and other information is included in the financial report, and as directed by relevant auditing standards, we have not expressed an opinion or provided any assurance on the respective information.

### *Other Reporting*

*Government Auditing Standards* require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

# Oconee County, South Carolina

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## REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

### General Information About the CAFR

A Comprehensive Annual Financial Report (CAFR) goes beyond the normal financial reporting required by accounting principles generally accepted in the United States. A CAFR includes at a minimum the following elements/sections:

- **Introductory Section:** general information on the County's structure and the services it provides.
  - Letter of Transmittal
  - Organizational Chart
  - Directory of Officials
  - Certificate of Achievement for Excellence in Financial Reporting
- **Financial Section:** basic financial statements, footnotes and required supplementary information along with the auditor's report.
  - Independent Auditor's Report
  - Management Discussion & Analysis (MD&A)
  - Financial Statements and Footnotes
- **Statistical Section:** broad range of financial, demographic information useful in assessing the County's economic condition, and this information covers multiple years.
  - Financial Trends Information
  - Revenue Capacity Information
  - Debt Capacity Information
  - Operating Information

In the end, a CAFR goes far beyond the basic requirements of annual financial reporting, and the County should be commended for going beyond the minimum and providing such a report.

# Oconee County, South Carolina

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## REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

### *Recognition and Award*

Once completed, the fiscal year 2013 CAFR was submitted to the Government Finance Officers Association (GFOA) for determination if the report would merit the GFOA's Certificate of Achievement for Excellence in Financial Reporting. We are happy to inform everyone that the GFOA did indeed review the CAFR and awarded the County with the sought after Certificate.

The GFOA Certificate has been made a part of the County's 2014 fiscal year CAFR, and is included in the Introductory Section.



## OVERVIEW OF FINANCIAL STATEMENTS

The County's basic financial statements include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

The **government-wide financial statements** provide a broad overview of all of the County's funds, as well as its discretely presented component units – the Keowee Fire Tax District. The *Statement of Net Position* presents information on all assets and liabilities of the County, with the difference between the two reported as net position. The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. Revenues are categorized as program revenues or general revenues. Expenses are categorized by function.

# Oconee County, South Carolina

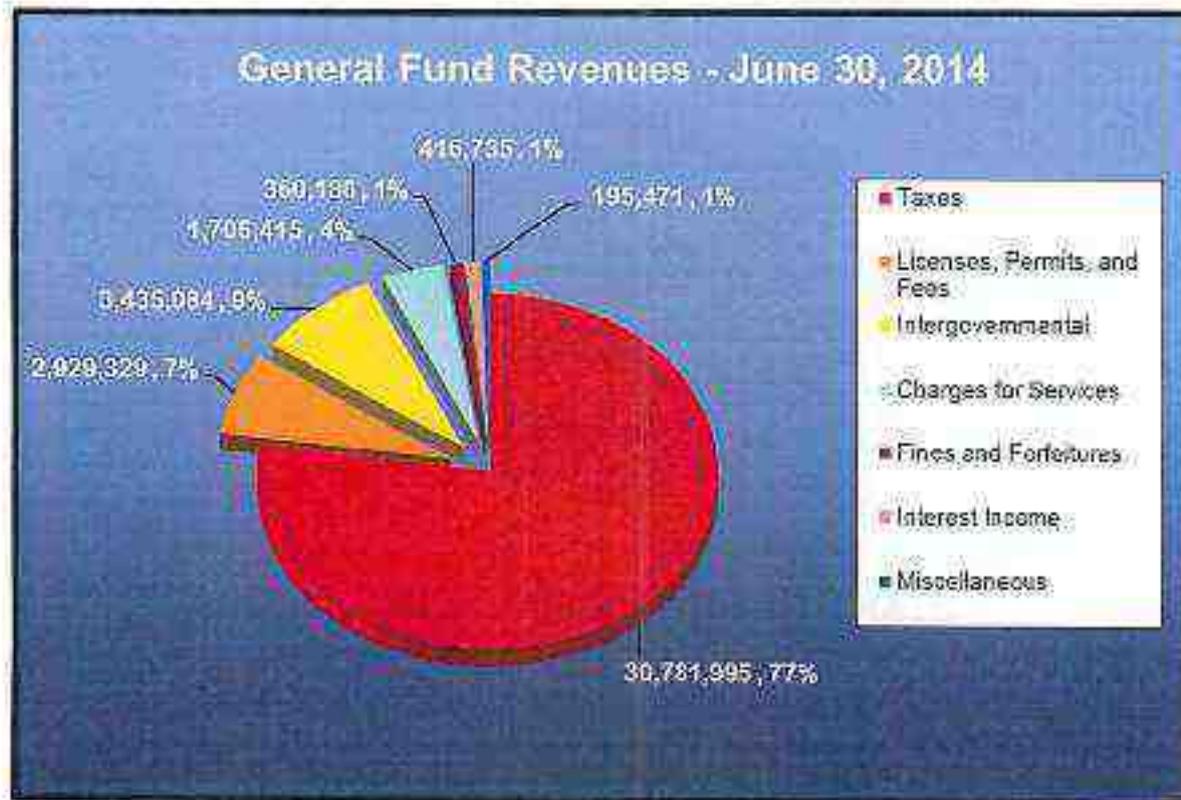
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The fund financial statements more closely resemble the financial statements as presented prior to the adoption of GASB Statement No. 34. All of the funds of the County can be divided into three categories: governmental funds, business-type funds, and fiduciary funds.

## General Fund

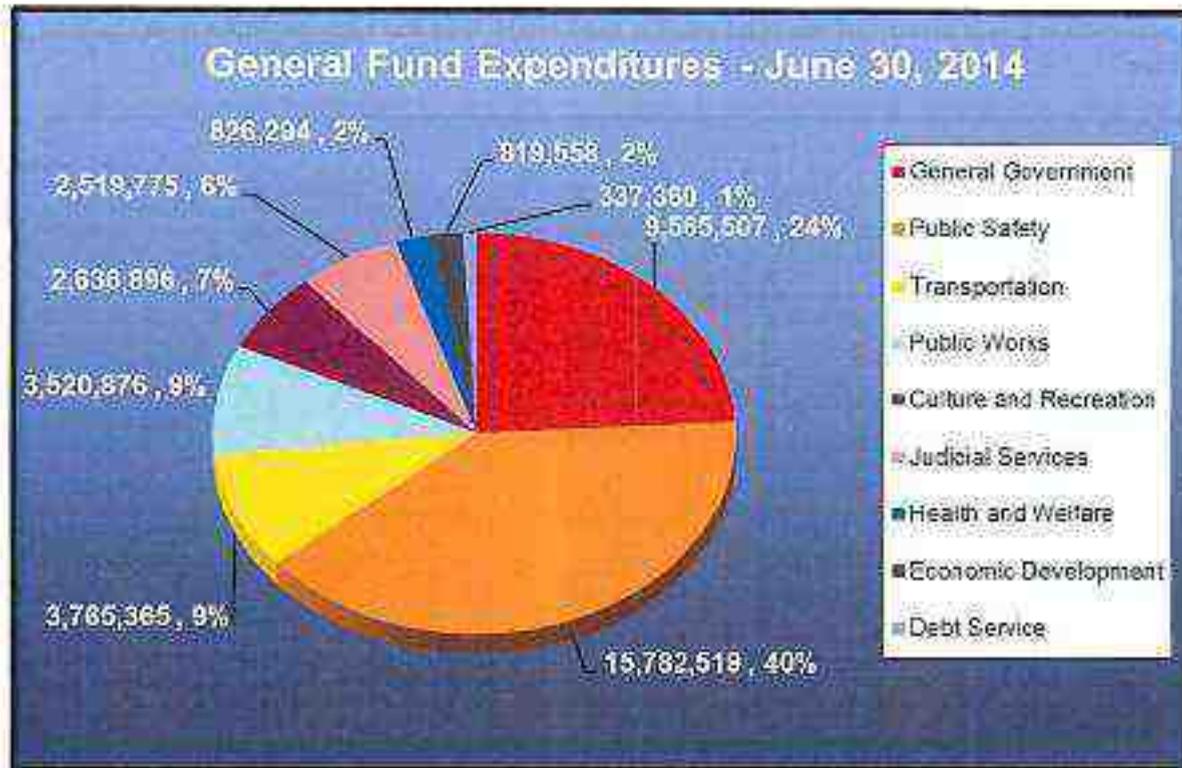
Of primary interest to the County is the General Fund, which accounts for the majority of revenues received and funds expended in the operations of the County, including administration, judicial activities, public safety, public works, culture and recreation, and housing and development. The following charts present the sources of revenues and the expenditures of the General Fund for the fiscal year ended June 30, 2014:



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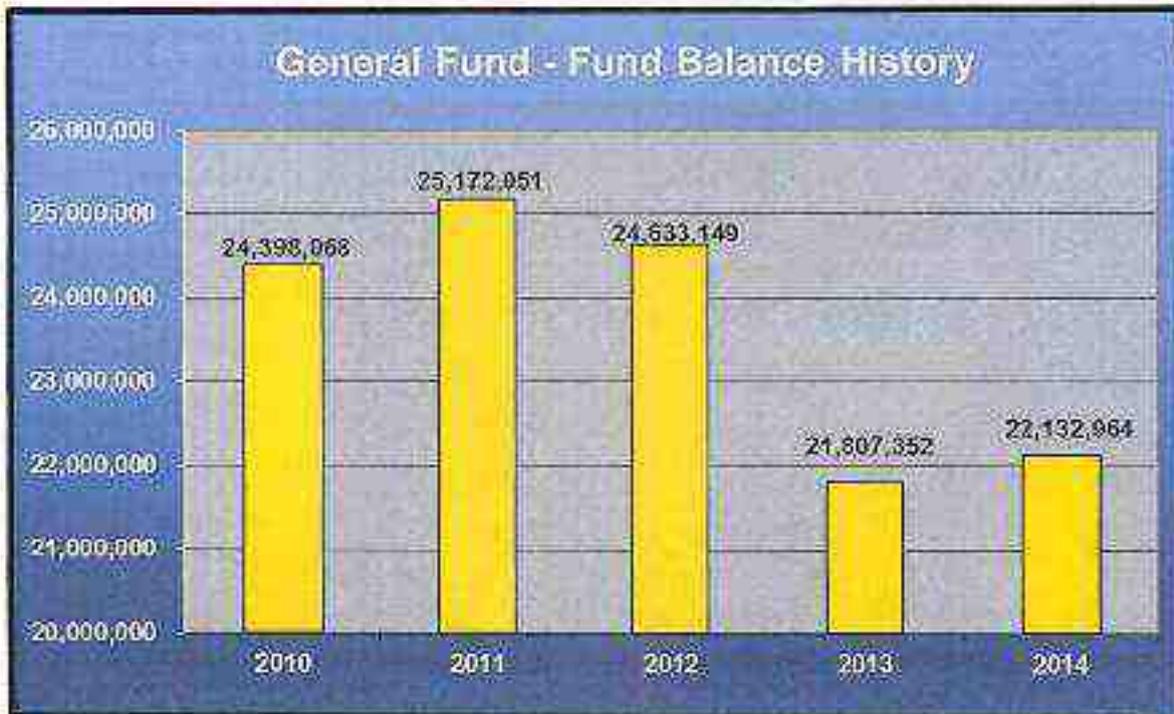
Total fund balance of the General Fund at June 30, 2014, was a positive \$22,132,964. Fund balance does not necessarily equal cash on hand and available to spend. Fund balance is the difference between assets and liabilities, only a portion of which is cash available to be spent. While the General Fund has cash and cash equivalents on hand at June 30, 2014, of \$6,418,825, the General Fund also has \$2,319,204 in current liabilities due to outside parties and employees. The County's General Fund also has at June 30, 2014, deferred inflows of resources totaling approximately \$1.1 million in unearned/unavailable revenues. Additionally, the General Fund incurs expenditures of approximately \$3.3 million per month.

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The following is a history of the total ending fund balance of the General Fund over the past five years:



## Other Governmental Funds

The County also maintains twelve (12) special revenue funds (Emergency Services Protection District, Sheriff's Victim Assistance, Miscellaneous Special Revenue, Solicitor's Victim Assistance, 911, State Accommodations Tax, Local Accommodations Tax, Library State Aid, Tri County Tech, Duke Energy Grant, Road Maintenance, and DSS Title IV Child Support Funds), three (3) capital projects funds (Capital Projects, Economic Development and Bridge and Culvert Capital Projects Funds) and a debt service fund. These funds account for revenues derived from specific sources which are legally restricted to finance particular functions or activities.

# Oconee County, South Carolina

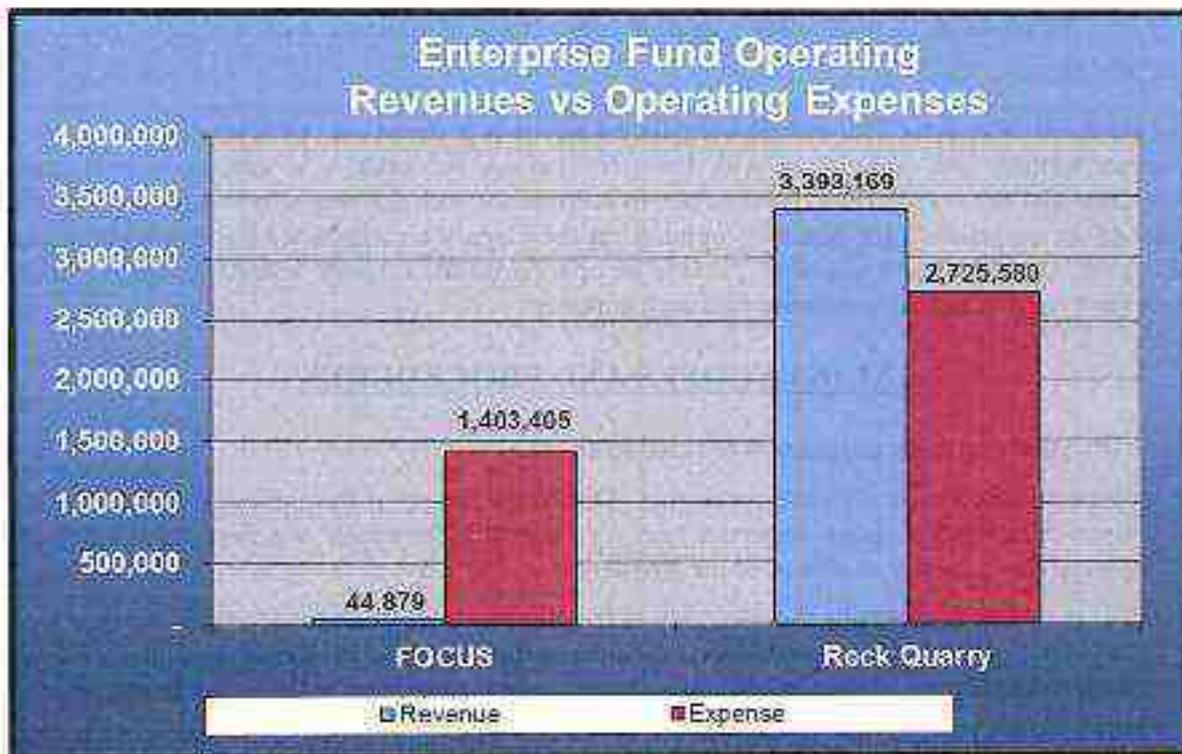
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## Enterprise Funds

The County maintains two enterprise funds which are used to account for operations in a manner similar to private business enterprises – where the intent is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. These include the FOCUS Fund and the Rock Quarry Fund.

Both of the County's enterprise funds generated revenues sufficient to cover the costs of operations for the year ended June 30, 2014 as reflected in the following graph.



## Fiduciary Funds

The County maintains the following agency funds – School District of Oconee County (SDOC) General Fund, SDOC Debt Retirement, Fireman's Insurance and Inspection, Municipal Tax, Keowee Key Fire District, Delinquent Tax, Sheriff's Office, Clerk of Court, Family Court, Magistrate Funds, Probate Court, Register of Deeds, Solicitor's Worthless Check Program, Retiree Health Reimbursement, Employee Health Flexible Spending, Pickens County, and Williamsburg County – which are used to account for the collection and disbursement of funds by the County on behalf of other governments and individuals.

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## COMPLIANCE REPORTS

The financial report package contains two (2) compliance reports.

**Yellow Book Report** - The first compliance report is a report on our tests of the County's internal controls and compliance with laws, regulations, etc. The tests of internal controls were those we determined to be required as a basis for designing our financial statement auditing procedures. Such tests also considered the County's compliance with which could have a direct and material effect on the determination of financial statement amounts. In accordance with the respective standards, the report is not intended to provide an opinion, but to provide a form of negative assurance as to the County's internal controls and compliance with applicable rules and regulations.

**Single Audit Report** - The second compliance report is a report on our tests of the County's internal controls and compliance with laws, regulations, etc. relative to certain Federal grant programs and the respective expenditures. In accordance with the respective standards, we did provide an unqualified (or positive) opinion on the County's compliance based on our audit. However, we were not required to provide an opinion on the relevant internal controls, but to provide a form of negative assurance on such controls.

## AUDIT SCOPES AND PROCEDURES

1. Governmental audit programs were used in all areas.
2. We confirmed trade accounts receivable. Due to the timing of the audit as compared to the fiscal year end, a poor response rate was noted. Therefore, we performed alternate procedures to verify existence of the amounts.
3. For purposes of assessing the adequacy of the allowance for doubtful accounts, we reviewed the aging of accounts receivable, and considered the current economic environment coupled with recent history of the County. We also reviewed subsequent collection activity.
4. We reviewed supporting documentation for a sample of additions to capital assets during the year ended June 30, 2014.
5. We performed a search for unrecorded liabilities via review of unpaid vouchers and subsequent disbursements.

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## REQUIRED COMMUNICATIONS

### The Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of the County for the year ended June 30, 2014, was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the County's internal control or compliance with laws and regulations.

### Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the County. In considering the qualitative aspects of the County's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The County's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

### Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the County's significant accounting estimates. Estimates significant to the financial statements include such items as the estimated allowance for uncollectible accounts receivable and the estimated claims payable.

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## Financial Statement Disclosures

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements and the accounting policies described above are included in these disclosures. The overall neutrality, consistency, and clarity of the disclosures was considered as part our audit and in forming our opinion on the financial statements.

## Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

## Audit Adjustments

During our audit of the County's basic financial statements as of and for the year ended June 30, 2014, there were several adjustments proposed to the funds of the County. The detail of all audit adjustments for each fund are included with our Audit Agenda package of information for your review and discussion. All adjustments have been discussed with management.

## Uncorrected Misstatements

We had no passed adjustments.

## Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

## Representation from Management

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.

## Management's Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

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## Significant Issues Discussed with Management

There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

## Independence

We are independent of the County, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the County.

## ACCOUNTING RECOMMENDATIONS AND RELATED MATTERS

### RECOMMENDATIONS FOR IMPROVEMENT

During our audit of the financial statements as of and for the year ended June 30, 2014, we noted several areas within the accounting and internal control systems that we believe can be improved. We noted certain items management should consider as part of its decision making process. Our recommendations (also commonly referred to as management points) are presented in the following paragraphs. We believe consideration of these recommendations will help provide proper control over financial activities, and add effectiveness and efficiency to overall operations.

### Management Points for Communication to the Board

#### 1) Grant Accounting Structure and Cross-training

During our audit of the County's grant programs, we noted that the County personnel with direct responsibility for Federal and State grant activity were not directly supervised by the Administrative Services Department. Based on the predominantly financial nature of grant administration and accounting, we recommend that the County assign the associated responsibilities of grant administration to County employees within the Administrative Services department, while maintaining an appropriate level of cross training, so as to strengthen internal controls in order to foster open lines of communication, as well as compliment the reporting and reconciliation aspects of grant accounting and administration.

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## 2) Schools and Roads Grants to States Program

During our audit of the County's grant programs, we noted that the County did not have a 45 day public comment period prior to spending the Federal Title III funds and did not submit a proposal to any resource advisory committee established under 16 USC 7125 prior to using the Federal Title III funds as outlined in the grant award. We recommend the County strengthen internal controls related to grant compliance so as to ensure that the requirements set forth in the grant award requiring a 45 day public comment period prior to the use of Federal Title III funds as well as the requirement to submit a proposal to a resource advisory committee in a timely manner prior to the use of Federal Title III funds are appropriately followed.

## 3) Unrecorded Bank Accounts

During our audit of cash, County officials brought to our attention that three accounts relating to the Detention Center had been previously unrecorded in the County's general ledger system. We recommend the County strengthen controls related to cash reconciliation and reporting so as to mitigate the possibility for the misappropriation of County assets.

## Other Matters for Communication to the Board and Management

During our audit of the financial statements as of and for the year ended June 30, 2014, we noted other matters which we wish to communicate to you in an effort to keep the County abreast of accounting matters that could present challenges in financial reporting in future periods.

### 1) New Governmental Accounting Standards Board (GASB) Pronouncements



As has been the case for the past 18 years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards:

- a) **Statement No. 66, *Technical Corrections – 2012*** was implemented during the year ended June 30, 2014. This pronouncement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type.

This Statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (1) operating lease payments that vary from a straight-line basis; (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and, (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of Statement No. 13.

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*Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues* and *Intra-Entity Transfers of Assets and Future Revenues*, respectively.

- b) **Statement No. 67, *Financial Reporting for Pension Plans*** was implemented during the year ended June 30, 2014. This pronouncement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria.

Statement No. 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement No. 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

- c) **Statement No. 68, *Accounting and Reporting for Pensions*** will be effective for fiscal years beginning after June 15, 2014 resulting in the County's fiscal year ending **June 30, 2015**. This pronouncement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria.

Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

**Defined Benefit Pension Plans.** Statement No. 68 requires governments that participate in defined benefit pension plans to report in their statement of net position a net pension liability. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries.

Statement No. 68 calls for immediate recognition of more pension expense than is currently required. This includes immediate recognition of annual service cost and interest on the pension liability and immediate recognition of the effect on the net pension liability of changes in benefit terms. Other components of pension expense will be recognized over a closed period that is determined by the average remaining service

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period of the plan members (both current and former employees, including retirees). These other components include the effects on the net pension liability of: (1) changes in economic and demographic assumptions used to project benefits; and, (2) differences between those assumptions and actual experience. Lastly, the effects on the net pension liability of differences between expected and actual investment returns will be recognized in pension expense over a closed five-year period.

Statement No. 68 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. The Statement also will improve the comparability and consistency of how governments calculate the pension liabilities and expense. These changes include:

- **Projections of Benefit Payments.** Projections of benefit payments to employees will be based on the then-existing benefit terms and incorporate projected salary changes and projected service credits (if they are factors in the pension formula), as well as projected automatic postemployment benefit changes (those written into the benefit terms), including automatic cost-of-living-adjustments (COLAs). For the first time, projections also will include ad hoc postemployment benefit changes (those not written into the benefit terms), including ad hoc COLAs, if they are considered to be substantively automatic.
- **Discount Rate.** The rate used to discount projected benefit payments to their present value will be based on a single rate that reflects (a) the long-term expected rate of return on plan investments as long as the plan net position is projected under specific conditions to be sufficient to pay pensions of current employees and retirees and the pension plan assets are expected to be invested using a strategy to achieve that return; and (b) a yield or index rate on tax-exempt 20-year, AA-or-higher rated municipal bonds to the extent that the conditions for use of the long-term expected rate of return are not met.
- **Attribution Method.** Governments will use a single actuarial cost allocation method – “entry age,” with each period’s service cost determined as a level percentage of pay.

**Note Disclosures and Required Supplementary Information.** Statement No. 68 also requires employers to present more extensive note disclosures and RSI, including disclosing descriptive information about the types of benefits provided, how contributions to the pension plan are determined, and assumptions and methods used to calculate the pension liability. Single and agent employers will disclose additional information, such as the composition of the employees covered by the benefit terms and the sources of changes in the components of the net pension liability for the current year. A single or agent employer will also present RSI schedules covering the past 10 years regarding:

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- Sources of changes in the components of the net pension liability
- Ratios that assist in assessing the magnitude of the net pension liability
- Comparisons of actual employer contributions to the pension plan with actuarially determined contribution requirements, if an employer has actuarially determined contributions.

Cost-sharing employers also will present the RSI schedule of net pension liability, information about contractually required contributions, and related ratios.

**Defined Contribution Pensions.** The existing standards for governments that provide defined contribution pensions are largely carried forward in this new statement. These governments will recognize pension expenses equal to the amount of contributions or credits to employees' accounts, absent forfeited amounts. A pension liability will be recognized for the difference between amounts recognized as expense and actual contributions made to a defined contribution pension plan.

**Special Funding Situations.** Certain governments are legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another government. For example, a state is legally required to contribute to a pension plan that covers local school districts' teachers. In specific circumstances called special funding situations, the Statement requires governments that are non-employer contributing entities to recognize in their own financial statements their proportionate share of the other governmental employers' net pension liability and pension expense. The changes noted above by Statement No. 68 are significant to Governments who sponsor retirement plans, and we strongly encourage County officials to review the actual pronouncement and consider the potential effects on the financial reporting of the County.

- d) **Statement No. 69, *Government Combinations and Disposals of Government Operations*** will be effective for periods / fiscal years for years beginning after December 15, 2013 resulting in the County's fiscal year ending June 30, 2015. This pronouncement primarily applies to governments involved in some form of mergers, acquisitions, transfers of operations or disposal of operations. Unless the County enters into any agreements whereby such actions are anticipated, this pronouncement should not affect the County.

# Oconee County, South Carolina

*Annual Audit Agenda*

June 30, 2014

- e) **Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees** was implemented during the year ended June 30, 2014. While this statement did not have an impact on the County for the current year, County officials should review the provisions of this new pronouncement and determine if the County is a party to any form of non-exchange guarantees in the future. If the County enters into any active guarantee agreements, the County may be required to record certain accounting entries and, or disclose relevant details surrounding the guarantees.

## 2) Other Matters Currently Being Considered by GASB

- a) Conceptual framework and current measurement focus considerations:
- Revenue recognition / 60 days rules;
  - Consumption vs. purchases method for expensing inventories.
- b) Financial reporting model (is GASB 34's model the right model today).
- c) Economic condition reporting and possible presentation of information on fiscal sustainability (including projections, etc.).
- d) Methods of determining fair value (relating to investments, donated assets, etc.).
- e) Leases (do operating leases meet the definitions of being an asset or liability?).
- f) Other Post-Employment Benefits (OPEB) exposure drafts issued by GASB on May 28, 2014. Follows similar methodology as the new pension standards.

### Summations of Thoughts Noted Above

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures.



# Oconee County, South Carolina

*Annual Audit Agenda*

June 30, 2014

## FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

**Free Continuing Education.** We provide free quarterly continuing education for all of our governmental clients. Each quarter we pick a couple of significant topics tailored to be of interest to governmental entities. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals. We hope County staff and officials have been able to participate in this opportunity, and that it has been beneficial to you. Examples of subjects addressed in the past few quarters include:

1. American Recovery & Reinvestment Act (ARRA) information and issues;
2. GASB updates (several sessions);
3. Internal Controls Over Revenue and Cash Receipting;
4. Collateralization of Deposits and Investments;
5. SPI/OST Accounting, Reporting and Compliance;
6. Internal Controls Over Accounts Payable, Payroll and Cash Disbursements;
7. Capital Asset Accounting Processes and Controls;
8. Grant Accounting Processes and Controls;
9. American Recovery & Reinvestment Act (ARRA) Updates;
10. Policies and Procedures Manuals;
11. Segregation of Duties;
12. GASB No. 51 – Intangible Assets;
13. Single Audits for Auditees;
14. GASB No. 54 – Governmental Fund Balance (subject addressed twice);
15. Best Budgeting Practices, Policies and Processes;
16. Internal Revenue Service (IRS) Compliance Issues, Primarily Payroll Matters;
17. CAFR Preparation (several times including a two (2) day hands-on course);
18. GASB No. 60, Service Concession Arrangements (webcast)
19. GASB No.'s 63 & 65, Deferred Inflows and Outflows (webcast)
20. GASB No. 61, the Financial Reporting Entity (webcast)

**Governmental Newsletters.** We produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mandlin & Jenkins partners and managers, and are not purchased from an outside agency. The newsletters are produced and delivered periodically, and are intended to keep you informed of current developments in the government finance environment.

# Oconee County, South Carolina

*Annual Audit Agenda*

June 30, 2014

**Communication.** In an effort to better communicate our free continuing education plans and newsletters, please email Lauren Payne at [lpayne@mjcpa.com](mailto:lpayne@mjcpa.com) (send corresponding copy to [mjward@mjcpa.com](mailto:mjward@mjcpa.com)), and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.

## CLOSING

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures. If you have any questions regarding any comments, suggestions or recommendations set forth in this memorandum, we will be pleased to discuss it with you at your convenience.

This information is intended solely for the use of the County's management, and others within the County's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve Oconee County, South Carolina and look forward to serving the County in the future. Thank you.



## Exhibit A

### Sec. 34-1. Infrastructure Advisory Commission.

#### (a.) Membership and Term of Office

The Membership in the Oconee County Infrastructure Advisory Commission shall be seventeen (17) in number.

The municipalities of Salem, Seneca, Wallsalla, Westminster and West Union shall each appoint one member to the Advisory Commission. The person appointed by each respective municipality shall serve on said Commission until replaced by said respective municipality.

The Oconee Joint Regional Sewer Authority, Pioneer Rural Water District, Blue Ridge Electric Cooperative, Inc., Duke Energy, AT&T and Fort Hill Natural Gas Authority, shall each appoint one person to serve on the Oconee County Infrastructure Advisory Commission. The persons selected by the Oconee Joint Regional Sewer Authority and Pioneer Rural Water District, Blue Ridge Electric Cooperative, Inc., Duke Energy, AT&T and Fort Hill Natural Gas Authority shall serve on the Commission until they are replaced by their respective selecting entity.

The County Infrastructure Advisory Commission shall include six (6) members of the Oconee County Government to include the Director of the Oconee County Economic Development Commission, the County Administrator, the Oconee County Information Technology Director, and the Director of the Oconee County Roads Department. One member shall be a member of County Council selected by County Council and shall serve until replaced by County Council. One member shall be appointed by the Oconee County Planning Commission and shall serve until replaced by the Planning Commission.

#### (b.) Organization, Meetings, Officers

The Oconee County Infrastructure Advisory Commission shall meet quarterly at a time and place selected by the membership thereof. The commission may meet more often as the Commission deems necessary.

The Commission shall select a Chairman, Vice-Chairman and such other officers as the Commission may deem necessary and these officers shall serve for a period of one year or until their successors are duly elected and qualified. The Chairman and Vice-Chairman shall not serve more than three (3) consecutive terms. Vacancies in any office by reason of death, resignation, or replacement shall be filled for the unexpired term of the officer whose position becomes vacant. The election of officers shall take place at the first meeting in January of each year. The Commission Secretary office shall be served by the Oconee County Clerk to County Council with approval by the Council.

In addition, the Commission may adopt such By-laws as may be necessary for the orderly performance of its duties and functions. Any By-laws which may be adopted by the Commission for the orderly performance of its duties shall comply with all of the provisions of the general laws of the State of South Carolina and this ordinance, and all other Ordinances of Oconee County, including, but not limited to, the Freedom of Information Act.

(c.) Powers and Duties

The duties of the Oconee County Infrastructure Advisory Commission shall be as follows:

(1) To advise and make recommendations to Oconee County Council concerning the County's role in the building, operation and maintenance of the infrastructure in Oconee County. The Commission shall submit its advice and recommendations in written form to the Administrator of Oconee County, or his/her designee.

(2) To provide a liaison between Oconee County and the Infrastructure entities in Oconee County.

(d.) Salaries and Funding

Member of the Oconee County Infrastructure Advisory Commission shall not be compensated for service on the Commission. Any expenses for out-of-county travel or other items pertaining to the business of the Oconee County Infrastructure Advisory Commission or claim for same shall first be approved by the Chairman of the Commission and then submitted for approval and payment to County Council. In no event shall any member of the Commission be entitled to any other compensation, direct or indirect, for services on the Commission and such member shall not provide any services, materials, products, goods or equipment to the County unless the same is sold or offered for sale in accordance with existing county and state purchasing procedures.

Exhibit A

**DIVISION 8. CAPITAL PROJECTS ADVISORY COMMITTEE**

**Sec. 2-391. Purpose.**

The purpose of this division is to create the Oconee County Capital Projects Advisory Committee.

**Sec. 2-392. Definitions.**

For purposes of this Division, the following terms shall have the following meanings:

(1) "*capital asset*" shall mean any asset, including, but not limited to, land, improvements to land, fixtures, equipment and other items of personal property, owned or to be owned by the county, in whole or in part, having a value of not less than \$250,000 and a useful life of not less than three years, the acquisition, development, construction, improvement or installation of which is to be funded or financed by the county in whole or in part.

(2) "*capital project*" shall mean the acquisition, development, construction and improvement of any capital asset. For purposes of this Division, the term "*capital project*" shall not include routine maintenance or repair of existing capital assets, but shall be interpreted to include only new acquisition, development, construction, improvement or installation of a capital asset or capital assets.

**Sec. 2-393. Creation; Membership; Terms of Membership.**

There is hereby created, as an advisory committee for the county, a committee to be known as the Oconee County Capital Projects Advisory Committee, the same being referred to in this Division as the "committee". Except as otherwise provided in this Division, the committee shall consist of nine (9) members to be composed of the following representatives appointed by county council:

(1) One (1) member of the committee shall be a member of county council unless compelling reasons justify an alternate appointment methodology. The county council shall appoint one of its members to serve as the member of the committee for a one-year term, or until a successor is appointed and qualified. No member of county council may be appointed as a member of the committee for more than three (3) consecutive terms. The member of county council so appointed shall also serve as the chair of the committee. The member of the committee appointed pursuant to this subsection (1) shall be entitled to one vote on all committee matters required to be, or which are, submitted for a vote of the committee members.

(2) One (1) member of the committee shall be the county administrator unless compelling reasons justify an alternate appointment methodology. The county administrator shall also serve as the vice-chair of the committee. The member of the committee appointed pursuant

to this subsection (2) shall be entitled to one vote on all committee matters required to be, or which are, submitted for a vote of the committee members.

(3) One (1) member of the committee shall be the county planning director unless compelling reasons justify an alternate appointment methodology. The member of the committee appointed pursuant to this subsection (3) shall not be entitled to vote, but shall participate in committee affairs in an advisory and support role.

(4) One (1) member of the committee shall be a member of the county planning commission unless compelling reasons justify an alternate appointment methodology. The county planning commission shall appoint one of its members to serve as the member of the committee for a one-year term, and until a successor is appointed and qualified. No member of the county planning commission may be appointed as a member of the committee for more than three (3) consecutive terms. The member of the committee appointed pursuant to this subsection (4) shall not be entitled to vote, but shall participate in committee affairs in an advisory and support role.

(5) One (1) member of the committee shall be the county finance director unless compelling reasons justify an alternate appointment methodology. The member of the committee appointed pursuant to this subsection (5) shall not be entitled to vote, but shall participate in committee affairs in an advisory and support role.

(6) One (1) member of the committee shall be the county facilities maintenance director unless compelling reasons justify an alternate appointment methodology. The member of the committee appointed pursuant to this subsection (6) shall not be entitled to vote, but shall participate in committee affairs in an advisory and support role.

(7) One (1) member of the committee shall be a member of the county infrastructure advisory commission unless compelling reasons justify an alternate appointment methodology. The county infrastructure advisory commission shall appoint one of its members to serve as the member of the committee for a one-year term, and until a successor is appointed and qualified. No member of the county infrastructure advisory commission may be appointed as a member of the committee for more than three (3) consecutive terms. The member of the committee appointed pursuant to this subsection (7) shall be entitled to one vote on all committee matters required to be, or which are, submitted for a vote of the committee members.

(8) Two (2) members of the committee shall consist of members of the public at large having their primary residences in the county and having professional backgrounds or experience in planning, funding or constructing public or private sector capital projects. Such members may not be employees of the county, or any municipality or other political subdivision, or any department or agency, of the State of South Carolina or the United States. Application for committee membership under this subsection (8) shall be made in connection with the county's general committee application process conducted and maintained by the clerk to county council. The county council shall appoint such members of the committee by official council action, in open session, and each such member so appointed shall serve until the last

day of his or her primary residency within the county or until the date which is one (1) year from the date of his or her appointment by county council, whichever first occurs, and until a successor is appointed and qualified. No person appointed by county council as a member of the committee under this subsection (8) may be appointed as a member of the committee for more than three (3) consecutive terms. The members of the committee appointed pursuant to this subsection (8) shall be entitled to one vote each on all committee matters required to be, or which are, submitted for a vote of the committee members.

**Sec. 2-394. Appointment and Removal of Committee Members.**

Notwithstanding anything in this Division to the contrary, county council may, by official council action, in open session, appoint or remove members of the committee at any time for any reason in such numbers and by such method as therein approved by county council.

**Sec. 2-395. Meetings; Rules of Order.**

The chair shall have the authority to appoint one or more sub-committees comprised of the members of the committee as he or she deems necessary. Meetings of the committee will be scheduled by the chair, but shall be held at least once per calendar quarter, and held at times and places to be designated by the chair. If the chair shall be temporarily absent or unable to serve, the vice-chair shall serve as chair in his or her stead. All such meetings shall be noticed and held in conformity with the South Carolina Freedom of Information Act. The committee shall at all times conduct its meetings and public hearings pursuant to the rules of order and procedure being then adopted by and in effect for county council.

**Sec. 2-396. Duties and Responsibilities of Committee Officers.**

- (1) The chair shall preside over each regular meeting and public hearing of the committee, or, in the chair's absence from a meeting or public hearing, the vice-chair shall preside over such meeting.
- (2) It shall be incumbent on the chair to notify the council clerk when any member of the committee has been absent at three consecutive regular meetings.

**Sec. 2-397. Powers, Duties and Responsibilities of Committee.**

The committee shall have the following duties and responsibilities in addition to other functions as may, from time to time, be assigned to it by the county council:

- (1) Except as otherwise provided in subsection 8 below, the committee shall, prior to consideration by council or the planning commission, review, evaluate and score, based on fixed criteria and procedures to be established by the committee, all proposed capital projects.
- (2) Upon completion of the committee's review, evaluation and scoring of each proposed capital project, the committee shall communicate its findings relating to such proposed

capital project, including any recommendation of the committee relating to the manner and time frame in which such capital project be completed, to the county planning commission. It shall be the responsibility of the county planning director to promptly communicate the committee's findings to the county council, and to the planning commission for consideration and recommendation or submission to county council pursuant to the provisions of Chapter 32, Article I, Sec. 32-4 of this code of ordinances.

(3) The committee, by and through the chair of the committee, shall at least bi-annually report on the state of all capital projects in the county, whether completed, in process or proposed. The chair's reports shall be given in regularly scheduled council meetings to be selected by the chair of the committee, in conjunction with the chair of council. The committee shall provide copies of all information or materials in its possession regarding any capital project to council or any member thereof upon request.

(4) The committee shall hold at least two public hearings per year, noticed and held in conformity with the South Carolina Freedom of Information Act, to allow the citizens of the county an opportunity to be heard concerning capital projects in the county, whether completed, in process or proposed.

(5) The committee shall from time to time meet with the officials of the various municipalities, the county school district and the various utility providers or other entities the input and cooperation of which may be beneficial to the committee in its efforts under this Division.

(6) The committee may adopt additional rules or bylaws relating to the governance and operation of the committee not in conflict with the provisions of this Division or the purpose for which the committee is formed as provided in this Division; provided, however, that county council may by resolution, void or amend any such rules or bylaws adopted by the committee.

(7) The county administrator may adopt and distribute such policies relating to the coordination of efforts between the committee and the planning commission relating to capital projects as he or she may deem appropriate from time to time to give effect to the purposes of this Division; provided, however, that such policies must not be contradictory to the provisions of this Division or any additional rules or bylaws adopted by the committee as provided in this Division, or state law.

(8) Nothing contained in this Division shall preclude county council from considering or taking action on any capital project at any time, regardless of whether such capital project has been first considered by the committee or planning commission as otherwise required by this Division, where county council determines, in its sole discretion, that expedited consideration or action is reasonably necessary given the facts and circumstances related to the capital project in question. Where, and if, county council makes such a determination, it shall put such determination on the record as part of the minutes of its consideration of or action on such capital project.

## Beth Hulse

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**From:** Richard Blackwell  
**Sent:** Wednesday, December 31, 2014 11:27 AM  
**To:** Beth Hulse  
**Cc:** Scott Moulder; Amanda Brock  
**Subject:** MEMO - OEA Board Member Slot to fill by Council  
**Attachments:** OEA Board Calender 2015.pdf

Beth –

On behalf of the Oconee Economic Alliance and its' board of directors, I wanted to notify you that the Oconee County Council has an appointed slot to fill due to the "end of tenure" of Mr. Corbeil on the Oconee County Council.

As you know, the County receives three appointments to the Board due to the gracious support provided to the organization and dictated in the interlocal agreement. The current appointed slots are filled by Mr. Moulder (acting in capacity as Oconee County administrator) and Mr. Sam Dickson (citizen appointment of Council). In the past, the Council voted to have a sitting member of Council to fill the third slot but continuing this tradition is solely up to Council. Nowhere does it say it has to be a Council member. At the time of appointing Mr. Corbeil, the thinking was that he was the Chair of the Planning and Economic Development Committee so it made good sense at that time but Council can appoint whomever they choose. I would advocate have a member of Council is good on many different levels but this is up to Council.

Beth, the next OEA board meeting is Jan. 16. Do you feel that Council could appoint someone by then so that person can begin service right away? I have attached a schedule of board meetings in 2015 in case a member of Council asks.

Thanks and an early Happy New Year to ya,

**Richard K. Blackwell**, SCCED  
*Executive Director*  
Oconee Economic Alliance  
528 Bypass 123, Suite G  
Seneca, SC 29678 U.S.A.  
Main: (864) 638-4210  
Direct: (864) 364-5552  
Cell: (864) 784-5736  
InvestOconeeSC.com



### Dates of 2015 OEA Board Meeting

The OEA board of directors must meet at least six times each year. All meetings, except the Annual meeting, will be held at 9:00am and will last approximately a hour and a half. Locations will vary.

Here is the proposed slate of meetings in 2015:

- January 16th
- March 20th
- May 22nd
- August 21st
- October 16th
- November 13th \*

\* Annual Meeting and will be held over lunch with a 11:30am start time.

AGENDA ITEM SUMMARY  
OCONEE COUNTY, SC

COUNCIL MEETING DATE: January 20, 2015  
COUNCIL MEETING TIME: 6:00 PM

**ITEM TITLE [Brief Statement]:**

**Second Reading of Ordinance 2014-33** "AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AGREEMENT BETWEEN OCONEE COUNTY, SOUTH CAROLINA AND **PROJECT CONTROL**, AND OTHER MATTERS RELATING THERETO INCLUDING, WITHOUT LIMITATION, PAYMENT OF A FEE IN LIEU OF TAXES RELATED TO THE PROJECT"

**BACKGROUND DESCRIPTION:**

The Oconee Economic Alliance, on behalf of the County, has worked with this company's leadership to win this capital investment for our location. *Ordinance 2014-33* puts into place an agreed upon "fee-in-lieu" (FILOT) tax agreement between the company and the County.

**SPECIAL CONSIDERATIONS OR CONCERNS [only if applicable]:**

N/A

**FINANCIAL IMPACT [Brief Statement]:**

Check Here if Item Previously approved in the Budget. No additional information required.

Approved by: Finance

**COMPLETE THIS PORTION FOR ALL GRANT REQUESTS:**

Are Matching Funds Available: Yes / ~~No~~

If yes, who is matching and how much:

Approved by: Grants

**ATTACHMENTS**

**STAFF RECOMMENDATION [Brief Statement]:**

It is the staff's recommendation that Council approve Ordinance 2014-33 on second reading.

Submitted or Prepared By:



Department Head/Elected Official

Approved for Submittal to Council:



T. Scott Moulder, County Administrator

*Council has directed that they receive their agenda packages a week prior to each Council meeting; therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.*

*A calendar with due dates marked may be obtained from the Clerk to Council.*

**STATE OF SOUTH CAROLINA  
COUNTY OF OCONEE  
ORDINANCE 2014-33**

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AGREEMENT BETWEEN OCONEE COUNTY, SOUTH CAROLINA AND PROJECT CONTROL; AND OTHER MATTERS RELATING THERETO INCLUDING, WITHOUT LIMITATION, PAYMENT OF A FEE IN LIEU OF TAXES RELATED TO THE PROJECT

WHEREAS, Oconee County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 (the "Act") of the Code of Laws of South Carolina, 1976, as amended (the "Code"), to acquire, construct, or cause to be acquired or constructed by lease or otherwise, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry or business providing for the construction, operation, maintenance and improvement of such projects; to enter into or allow financing agreements with respect to such projects; to provide for payment of a fee in lieu of taxes pursuant to the Act; and, to accept any grants for such projects through which powers the industrial development of the State of South Carolina (the "State") and will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products and natural resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; and

WHEREAS, the County is authorized by the Act to execute a fee in lieu of tax agreement, as defined in the Act, with respect to any such project; and

WHEREAS, Project Control, a company duly incorporated under the laws of the State of Delaware (the "Company"), has requested the County to participate in executing an Inducement Agreement and Millage Rate Agreement, and a Fee Agreement pursuant to the Act for the purpose of authorizing and of acquiring and expanding, by construction and purchase, certain land, a building or buildings, and machinery, apparatus, and equipment, for the purpose of the development of a facility for the purpose of the manufacturing natural gas vehicle components and products in which the minimum level of taxable investment is not less than Two Million Five Hundred Thousand Dollars (\$2,500,000) in qualifying fee in lieu of tax investment by the end of the fifth (5<sup>th</sup>) year following the year of execution of the Fee Agreement, all as more fully set forth in the Fee Agreement attached hereto; and

WHEREAS, the County has determined that the Project would benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and, that the purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes; and, that the inducement of the location or expansion of the Project within the County and State is of paramount importance; and, that the benefits of the Project will be greater than the costs; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Company that the Project would be a "project" as that term is defined in the Act and that the Project would subserve the purposes of the Act; and

WHEREAS, the County Council has previously determined to enter into and execute the aforesaid Inducement Agreement and Millage Rate Agreement, and a Fee Agreement and to that end has, by its Resolution adopted on December 16, 2014, authorized the execution of an Inducement Agreement, which included a Millage Rate Agreement, and, will by this County Council Ordinance, authorize a fee in lieu of tax agreement (the "Fee Agreement"); and

WHEREAS, the Company has caused to be prepared and presented to this meeting the form of the Fee Agreement by and between the County and the Company which includes the agreement for payment of a payment in lieu of tax; and

WHEREAS, it appears that the instrument above referred to, which is now before this meeting, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended; and

WHEREAS, the Project is located in a joint county industrial and business park with Pickens County.

NOW, THEREFORE, BE IT ORDAINED by Oconee County, South Carolina, as follows:

Section 1. In order to promote industry, develop trade and utilize and employ the manpower, agricultural products and natural resources of the State by assisting the Company to expand a manufacturing facility in the State, and acquire by acquisition or construction a building or buildings and various machinery, apparati, and equipment, all as a part of the Project to be utilized for the purpose of a facility for the manufacturing natural gas vehicle components and products, the execution and delivery of a Fee Agreement with the Company for the Project is hereby authorized, ratified and approved.

Section 2. It is hereby found, determined and declared by the County Council, as follows:

(a) Based solely upon representations of the Company, the Project will constitute a "project" as said term is referred to and defined in the Act, and the County's actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

(b) The Project and the payments in lieu of taxes set forth herein are beneficial to the County;

(c) The terms and provisions of the Inducement Agreement and Millage Rate Agreement are hereby incorporated herein and made a part hereof;

(d) The Project will benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally;

(e) The Project and the Fee Agreement give rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either;

(f) The purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes;

(g) The inducement of the location or expansion of the Project within the County and State is of paramount importance; and,

(h) The benefits of the Project will be greater than the costs.

Section 3. The form, terms and provisions of the Fee Agreement presented to this meeting and filed with the Clerk of the County Council be and they are hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Fee Agreement were set out in this Ordinance in its entirety. The Chairman of County Council and the Clerk of the County Council be and they are hereby authorized, empowered and directed to execute, acknowledge and deliver the Fee Agreement in the name and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Company. The Fee Agreement is to be in substantially the form now before this meeting and hereby approved, or with such minor changes therein as shall not be materially adverse to the County and as shall be approved by the officials of the County executing the same, upon the advice of counsel to the County, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Fee Agreement now before this meeting.

Section 4. The Chairman of the County Council and the Clerk of the County Council, for and on behalf of the County, are hereby each authorized and directed to do any and all things necessary to effect the execution and delivery of the Fee Agreement and the performance of all obligations of the County under and pursuant to the Fee Agreement and this Ordinance.

Section 5. The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provisions shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 6. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

Section 7. The County hereby agrees to waive, to the full extent allowed by law, the requirements of Section 12-44-55 of the Act with regard to the Fee Agreement for the Project, to the extent and so long as the Company makes and continues to make all filings required by the Act and provide copies thereof to the County.

Passed and approved this 17th day of February 2015

OCONEE COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
Wayne McCall, Chairman of County Council  
Oconee County, South Carolina

ATTEST:

By: \_\_\_\_\_  
Elizabeth Hulse, Clerk to County Council  
Oconee County, South Carolina

First Reading:           December 16, 2014  
Second Reading:       January 20, 2015  
Public Hearing:           February 17, 2015  
Third Reading:          February 17, 2015

STATE OF SOUTH CAROLINA  
OCONEE COUNTY  
**ORDINANCE 2015-04**

**AN ORDINANCE AUTHORIZING THE TRANSFER OF CERTAIN OCONEE COUNTY REAL PROPERTY (OLD CORONER'S OFFICE, 60 SHORT STREET); AUTHORIZING THE EXECUTION AND DELIVERY OF A REAL PROPERTY DEED; AND OTHER MATTERS RELATED THERETO.**

WHEREAS, Oconee County, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), is the owner of that certain tract of land situate in Oconee County, consisting of some .07 acres, more or less, located at 60 Short Street, Walhalla, South Carolina, and having Oconee County TMS# 500-15-12-005, which previously housed the County Coroner's Office ("County Property"); and,

WHEREAS, Museum of the Cherokee in South Carolina, Inc., a South Carolina Nonprofit Corporation ("Museum of the Cherokee") wishes to acquire from the County, and so long as the Premises is used as a non-profit museum or for activities related to and consistent with use as, or in direct support of, a non-profit museum, the Oconee County Council desires to transfer the County Property to Museum of the Cherokee; and

WHEREAS, Section 4-9-30(2) of the Code of Laws of South Carolina, 1976, as amended, (the "Code") authorizes the County to transfer or otherwise dispose of interests in real property.

NOW, THEREFORE, be it ordained by Oconee County Council, in meeting duly assembled, that:

1. The Oconee County Council hereby approves the transfer of the County Property by and through the deed attached hereto as Exhibit A and incorporated by this reference ("Deed"), so long as the Premises is used as a non-profit museum or for activities related to and consistent with use as, or in direct support of, a non-profit museum.
2. The Oconee County Administrator is hereby authorized and directed to execute and deliver the Deed in the name of the County, and to take all other steps and actions as are necessary or appropriate to transfer the County Property to Museum of the Cherokee.
3. Should any portion of this Ordinance be deemed unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such determination shall not affect the remaining terms and provisions of this ordinance, all of which are hereby deemed separable.
4. Any ordinance, order, resolution, or parts thereof in conflict herewith are to the extent of such conflict, only, hereby repealed. No act or action previously undertaken pursuant to authority valid at the time shall be considered revoked by this Ordinance however.
5. This ordinance shall take effect and be in full force and effect from and after third reading and enactment by Oconee County Council.

**ORDAINED** in meeting, duly assembled, this \_\_\_ day of \_\_\_\_\_, 2015.

**ATTEST:**

\_\_\_\_\_  
Elizabeth Hulse,  
Clerk to Oconee County Council

\_\_\_\_\_  
Wayne McCall,  
Chairman, Oconee County Council

First Reading: January 6, 2015 [title only]  
Second Reading: January 20, 2015  
Public Hearing:  
Third Reading:



WITNESS GRANTOR'S hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Witnesses:

OCONEE COUNTY, SOUTH CAROLINA

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF SOUTH CAROLINA     )  
  )  
COUNTY OF OCONEE            )

**ACKNOWLEDGMENT**

I, the undersigned, a Notary Public for the State of South Carolina, do hereby certify that \_\_\_\_\_ appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of Oconee County, South Carolina.

Witness my hand and seal this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Notary Public for \_\_\_\_\_ (SEAL)  
My Commission Expires \_\_\_\_\_

**AGENDA ITEM SUMMARY  
OCONEE COUNTY, SC**

COUNCIL MEETING DATE: January 20, 2015  
COUNCIL MEETING TIME: 6:00 PM

**ITEM TITLE [Brief Statement]:**

**First Reading of Ordinance 2015-05 [Title Only]** "AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE AMENDED FEE AGREEMENT BETWEEN OCONEE COUNTY AND GREENFIELD INDUSTRIES, INC., TO INCLUDE THE ADDITION OF TDC GREENFIELD PROPERTIES LLC, AS A CO-SPONSOR, AMENDING THE AMENDED FEE AGREEMENT DATED AS OF OCTOBER 1, 2013; AND OTHER MATTERS RELATED THERETO"

**BACKGROUND DESCRIPTION:**

*Ordinance 2015-05* is an amendment to the agreed upon "fee-in-lieu" (FILOT) tax agreement between the company and the County. This amendment adds an additional business unit to those listed in the document. As you will recall, TDC Cutting Tools, Inc. is in the process of establishing its overseas headquarters in Oconee County at the same site as its subsidiary, Greenfield Industries, resulting in an additional 38 new positions in Seneca. The company, which is based in China, will invest \$8.2 million in the construction of the new TDC Overseas campus, including a 32,000-square-foot office building and a 10,000-square-foot recycling center added to the existing 168,000-square-foot facility. Greenfield Industries recently consolidated its U.S. manufacturing operations and both its U.S. and Canadian headquarters at the Davis Creek Road site in Seneca. Due to the nature of this being a headquarters location, there are a number of subsidiaries in place and the company desires to ensure all are represented in the "FILOT" with the County to allow for future planned future growth.

**SPECIAL CONSIDERATIONS OR CONCERNS [only if applicable]:**

N/A

**FINANCIAL IMPACT [Brief Statement]:**

Check Here if Item Previously approved in the Budget. No additional information required.

Approved by: Finance

**COMPLETE THIS PORTION FOR ALL GRANT REQUESTS:**

Are Matching Funds Available: Yes / **No**

If yes, who is matching and how much:

Approved by: Grants

**ATTACHMENTS**

None

**STAFF RECOMMENDATION [Brief Statement]:**

It is the staff's recommendation that Council approve Ordinance 2015-05 on first reading in Title Only.

Submitted or Prepared By:



Department Head/Elected Official

Approved for Submittal to Council:

  
T. Scott Moulder, County Administrator

*Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 13 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.*

*A calendar with due dates marked may be obtained from the Clerk to Council.*

**AGENDA ITEM SUMMARY  
OCONEE COUNTY, SC**

**COUNCIL MEETING DATE: January 20, 2015**

**COUNCIL MEETING TIME: 6:00 PM**

**ITEM TITLE [Brief Statement]:**

**Second Reading of Ordinance 2015-06 [Title Only]** "AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND BETWEEN OCONEE COUNTY, SOUTH CAROLINA (THE "COUNTY") AND CASTO SOUTHEAST REALTY SERVICES, LLC OR ITS ASSIGNEE (THE "COMPANY") INCLUDING AN INFRASTRUCTURE IMPROVEMENT CREDIT RELATING TO THE FEES IN LIEU OF TAXES THEREUNDER PURSUANT TO TITLE 12, CHAPTER 44, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED AND THE PLACEMENT OF RELATED PROPERTY IN A MULTICOUNTY INDUSTRIAL BUSINESS DEVELOPMENT PARK ESTABLISHED BY THE COUNTY; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF SENECA RELATED TO THIS MATTER; AND OTHER MATTERS RELATING THERETO."

**BACKGROUND DESCRIPTION:**

The company involved is Casto Realty Services. The location of this economic development project is the former DeFore Milliken Plant property on the corner of SC Hwy 123 and SC Hwy 93. In late 2013, NewSpring Church bought this roughly 60 acre tract. They have since sold roughly 42.6 acres to Casto and will retain 17.4 acres for their use. This Casto Tract will be taxed and will encompass nearly 350,000 square feet of commercial (both retail and restaurants) space. This acreage fronts SC Hwy 123 and SC Hwy 93. It is estimated by the developer that this project will result in a total capital investment of between \$35,000,000 and \$45,000,000. It will also result in 300-400 new jobs for the County once full build-out has occurred.

*Ordinance 2015-06* does the following: establishes an agreed upon "fee-in-lieu" (FILOT) tax agreement between the County and the Company; includes an infrastructure improvement credit between the company and the County; it places the property into the multi-county industrial park (MCIP) and establishes an intergovernmental agreement that includes the City of Seneca.

**SPECIAL CONSIDERATIONS OR CONCERNS (only if applicable):**

N/A

**FINANCIAL IMPACT [Brief Statement]:**

Check Here if Item Previously approved in the Budget. No additional information required.

Approved by:                                  Finance

**COMPLETE THIS PORTION FOR ALL GRANT REQUESTS:**

Are Matching Funds Available: Yes / **No**

If yes, who is matching and how much:

Approved by:                                  Grants

**ATTACHMENTS**

None

**STAFF RECOMMENDATION [Brief Statement]:**

It is the staff's recommendation that Council approve Ordinance 2015-06 in Title Only.

Submitted or Prepared By:



Department Head/Elected Official

Approved for Submittal to Council:



T. Scott Moulder, County Administrator

*Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.*

*A calendar with due dates marked may be obtained from the Clerk to Council.*



**NOTES**  
**TRANSPORTATION COMMITTEE MEETING**  
**January 13, 2015**

**COMMITTEE MEMBERS**

Mr. Joel Thrift, District IV, Chairman  
Ms. Edda Camrick, District I  
Mr. Wayne McCall, District II

**Roads to be Considered for New Construction Projects**

**Motion Needed to Affirm Committee Recommendation to:** Add Edgewater and Wild Fern to the new construction projects list as funding becomes available.

**Moccasin Flower Road**

**Motion Needed to Affirm Committee Recommendation to:** Recommend to full Council the Committee's support for closure and to direct staff to prepare a Resolution for County Council to consent to the abandonment and closure of Moccasin Flower Road.

**Stone Pond Special Tax District**

Mr. Moulder & Mr. Kelly addressed the Committee highlighting progress on this project. Mr. Thrift reiterated the importance of notifying all new property owners regarding this special tax as property is sold and/or changes ownership. No action was taken by the Committee regarding this matter.

**Buffalo Road**

**Motion Needed to Affirm Committee Recommendation to:** [1] recommend to full Council to improve the Buffalo Road railroad crossing by allowing Norfolk Southern Railroad to construct an improved grade crossing at a not to exceed amount of \$38,107, and [2] to authorize the Administrator to execute any agreements required with Norfolk Southern Railroad.

**Hitec Road**

Mr. Moulder & Mr. Kelly addressed the Committee highlighting progress and issues related to moving forward with this project. Mr. Thrift reiterated the importance of notifying all new property owners regarding this special tax as property is sold and/or changes ownership. No action was taken by the Committee regarding this matter.

**Department Activity Update:**

Mr. Kelly provided the Committee with a written report outlining the department activity and special project.



**NOTES**  
**LAW ENFORCEMENT, PUBLIC SAFETY, HEALTH &**  
**WELFARE COMMITTEE MEETING**  
**January 13, 2015**

**2014 Fire Service Year End Update / Chief King**

Chief King addressed the Committee highlighting the successes from 2014 and establishing goals for 2015. Highlights from the 2014 Year End Report:

- 4,129 call for service – 20% increase over 2013
- Response Time reduced by 75 seconds from 2013 to 8:44
- Flow Tested and Inspected more than 1,800 hydrants and water points
- In-house testing of equipment for more than 51,000' of fire hose
- Continue to build out Emergency Report Software Database [cloud based, allow for submittal and sending of reports, etc.]
- Instituted Active911 System – puts critical information into hand of 436 staff
- Revamped Medical Evaluation Program
- Life Safety: provided education to citizens – 2014 191 man hours at events in OC
- Smoke Detectors: estimate that 50% of homes and businesses do not have WORKING smoke detectors
- Pre-Incident Planning: conducted 948 commercial businesses in unincorporated areas
- ISO Evaluation: County wide ISO Rating of 4 for property within five [5] miles of a fire station

**Mosquito Pointe**

Dock permit has been received from Duke Energy

Discussion followed regarding next steps.

**Feasibility Report re: County replacing service related to the Municipal Fire Contracts**

Mr. Dexter asked Mr. Moulder to provide a feasibility report [including cost estimates] for the Committee's review/recommendation at a future meeting regarding doing away with the municipal fire contracts and the county providing those services.

Mr. Moulder noted that a report has been drafted and after it has been reviewed by the County Attorney that it will be presented to this committee as part of the Phase II Fire Plan.

## **Status of Cheohee Valley Fire Station**

Mr. McCall asked Mr. Moulder & Chief King for an update regarding the status of this fire station. Mr. Moulder noted that they have to date worked with three property owners [noting the last backed out at closing] in an attempt to locate this fire station. Chief King stated that they are in discussion with two property owners and will report back as the project moves forward.

## **Emergency Surplus Equipment**

Mr. McCall asked Mr. Moulder & Chief King for an update regarding the status of obtaining surplus equipment for use by the Fire Service. Chief King noted that he routinely reviews the listings but that to date the equipment available has not be appropriate for the department's needs. Discussion followed with options offered to obtain equipment through the Forestry Service.

## **Cost of Housing Prisoners in the Detention Center**

Mr. Dexter asked Mr. Moulder to provide the following information at the next Committee meeting:

- [1] Cost Per Day to house an inmate
- [2] Cost Per Day to house an inmate without medical/psychological issues
- [3] Cost Per Day to house an inmate WITH medical/psychological issues
- [4] Reimbursement received from the state for housing inmates
- [5] Average stay for inmates without issues vs. with issues

## **Boating Safety Update**

Mr. McCall noted that Mr. Ray Lewis, DNR, was not able to attend the meeting so this matter needs to be rescheduled for a meeting in February, 2015.

## Oconee County Detention Center Questions

1. Average daily costs per inmate: The estimated daily cost per inmate is \$45.00. This figure comes from budgetary cost such as; staffing, food, medical, electricity and water, fuel, and maintenance. This figure can only be an estimate due to fact that inmate stays vary from a couple of hours all the way up to years.
2. Has the Oconee County Detention Center incurred any extra cost due to state cut backs in mental health? Currently under state guidelines mental health patients cannot be housed in a detention center due solely to mental health commitments. The state will grant an exception to this in extreme cases, but it must be done under court order and only until a state bed comes available. This has happened once in the past two years at Oconee. The Oconee Detention Center does get inmates with mental health issues but only if they have committed a crime. The state sends a mental health counselor twice a week to the Oconee Detention Center to see any inmates that staff may think has mental health issues. If the counselor finds cause to believe that the inmate is a danger to themselves or others due to mental illness then they will have the inmate transferred to a state mental health facility for treatment. This is usually done in a matter of days. The answer to the question is no due to current restrictions on mental health patients being housed in jail solely because they have a mental illness. It would be hard to estimate if jail population would go down if the state would put more funds toward mental health because there are many factors into why people committed crimes.
3. Does it cost more to house an inmate who has mental health issues? There is currently no significant extra cost on the average.



Oconee County  
Administrator

T. Scott Moulder  
Administrator

Oconee County  
Administrative Offices  
415 South Pine Street  
Walhalla, SC 29691

Phone: 864-638-4245  
Fax: 864-638-4246

E-mail:  
[smoulder@occonee.com](mailto:smoulder@occonee.com)

COUNCIL

Edda Curran  
District I

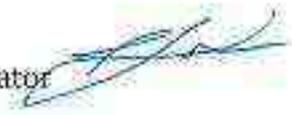
Wayne McCool  
District II  
Chairman

Paul A. Cain  
District III

Joel Thrift  
District IV

Reginald T. Dexter  
District V

January 20, 2015

From: T. Scott Moulder, Administrator 

To: Oconee County Council

Re: ***Council action regarding request for un-redacted Electronic Communications, Records and Attachments previously requested by the Daily Journal in June, 2011***

On January 6, 2015, Oconee County Council approved a motion to release to Council members un-redacted emails related to the Jennings/McMahan litigation and the ARD zoning classification with the understanding that the emails will be maintained by Council members only thereby maintaining attorney/client privilege.

When it was realized that some of the documents had attachments, and that those attachments would need to be provided, those were generated and printed separately from the original set of emails. Therefore, there may be some confusion. All of the attachments are provided, although they may not be located with the corresponding email.

Some of the emails have "images" of varying types, including but not limited to "jpps," "tifs," and "gifs," - those are a manner of file which the current software system utilizes to display certain types of electronic stationary, permanent attachments or in some cases, permanent signatures. It may appear as though those emails have "attachments," please be assured the images attached are not documents of any relevance.

Enclosed, you have been provided every email, attachment and relevant document to our knowledge and in our possession regarding the referenced matter. The information provided to you should remain confidential.



# OCONEE COUNTY BOARD / COMMISSION / COMMITTEE CANDIDATE LISTING

	DX	AT LARGE	Reappoint Request	AERONAUTICS	PUBLIC SAFETY	REGULATORY	PLANNING	EDUCATION	TOURISM & REC.	Questionnaire Received Date
Brightwell, Albert	1			x						November 2014
Faisla, John A.	1								x	July 2014
Lockhart, Raymond	1					x	x		x	July 2014
McMahan, Marie	1	Yes	Yes					LIB		September 2014
Medford, Allen	1	Yes	Yes				BZA			November 2014
Renz, Randy	1	Yes	Yes	AERO						October 2014
Smith, George S.	1			x		x	x			November 2014
Lacey, Rick	2								x	January 2015
Marcengill, Richard	2					x	x			December 2014
Nichols, Berry	2	Yes	Yes				BZA			November 2014
Holleman, Kelly	3							x		November 2014
Lange, Amber	3				x		x	x		November 2014
Perry, Edward	3		Yes	AERO						December 2014
Corn, Richard	4		Yes				CONSERV			December 2014
Jacobson, Maria	4		Yes					LIB		October 2014
Pearson, Frankie	4				x		x		x	June 2014
Blair, Gene	5	Yes		x		x	x		x	August 2014
Guster, William	5		Yes					LIB		September 2014
Jimenez, Jennie	5						x	x	x	December 2013
Wallace, Mike	5								x	January 2015
Walker, William	5						x			July 2014
Wise, Becky	5								x	January 2015

*Questionnaires are maintained on file for one year then removed from consideration unless updated by candidate.*

Areas of Interest (please check one or more)	Board/Commissions Applicable to Interests
Aeronautics	Aeronautics Commission
Public Safety / Health & Welfare	Anderson-Oconee Behavior Health Services Commission Emergency Services Commission
Regulatory	Building Codes Appeal Board Parks, Recreation & Tourism Commission Board of Zoning Appeals
Planning Activities	Appalachian Council of Governments Board of Directors Board of Zoning Appeals Capital Project Advisory Committee Conservation Bank Board Economic Development Commission Planning Commission Scenic Highway Committee
Education	Arts & Historical Commission Library Board
Tourism & Recreation	Arts & Historical Commission Parks, Recreation & Tourism Commission Scenic Highway Committee

\*\* Mr. Guster would like to be considered for the Board of Zoning Appeals as his first choice and reappointment to the Planning Commission as his second choice.



# Boards & Commissions

Boards & Commissions	State / OC Code Reference	Reps [DX-At Large]	Co-Terminus	Term Limits	4 Year Term	Meeting Date to Appoint	Edda Cammick	Wayno McCall	Paul Cain	Joel Thrift	Reg Dexter				
							2010-2014	2013-2016	2010-2014	2013-2016	2013-2016	2010-2014	2013-2016		
							District I	District II	District III	District IV	District V	At Large	At Large		
Aeronautics Commission	2-262	5 - 2	YES	2X	YES	Jan - March	Randy Renz [1]	David Bryant [1]	Edward Perry [1]	Dan Schmeidt [2]	Ronald Chiles [1]	Thomas Luke [2]	Michael Gray [1]		
Arts & Historical Commission	2-321	5 - 2	YES	2X	YES	Jan - March	VACANT	Luther Lyle [2]	Mariam Noorat [1]	Barbara Waters [2]	H. Richardson [2]	VACANT	Jean Dobson [2]		
Board of Zoning Appeals	38-6-1	5 - 2	YES	2X	YES	Jan - March	Allen Medford [1]	Sammy Lee [2]	Bill Gilsier [1]	Marty McKee [2]	Dick Hughes [2]	Berry Nichols [1]	Paul Reckert [2]		
Building Codes Appeal Board		5 - 0	YES	2X	YES	Jan - March	Roger Mize [2]	Matt Rochester [1]	Bob DuBose [1]	Mike Willimon [2]	Harry Tolison [2]				
Conservation Bank Board	2-381	Appointed by Category		2X	YES	Jan - March	Shea Airey [1]	Andy Lee [2]	VACANT	Marvin Prater [2]	Frank Ables [1]	Richard Cain [1]	Glenn Buddin [1]		
PRT Commission (members up for reappointment due to odd stagger)	6-4-25 2-381	Appointed by Industry		2X	YES	Jan - March	Brian Greer [2], Rosemary Balles [2], JoAnne Blake [2]			Becky Wise [1], Rick Lacey [1], David Lavere [1], Mike Wallace [1]					
Scenic Highway Committee	26-151	0 - 2	YES	2X	YES	Jan - March						Allen D. Boggs [1]	Staley Powell [1]		
Library Board	4-9-35 / 18-1	0 - 9	YES	2X	YES	Jan - March	Daniel Day [2], Ellis Hughes [2], B Heithington [1], H McPheeters [1], A Champion [1], VACANT				William Caster [1], Maria Jacobson [1], Marie McMahon [1]				
Planning Commission	6-29-310 32-4	5 - 2	YES	N/A	YES	Jan - March	Brad Kisker	C. W. Richards	David Owensby	Bud Childress	Ryan Honea	Gwen McPhail	John Lyle		
Behavioral Health Services Commission	2-291	0 - 7	YES	2X	3 yr	N/A	Steve Jenkins [1], Harold Ailey [1], Louie Holleman [1], Wanda Long [1], Priscilla Taylor [1], Joan Black [1], Jere DuBois [1]							BHS contacts Council w/ recommendations when seats open	
Capital Project Advisory Committee	2-391	CC, PC, Infra, 2 @ La.	NO	3X	1 yr	January	Council Representative VACANT, Planning Commission GMcPhail [1], Infrastructure Advisory Representative Bwinchester [1]					Randy Abbott [1]	VACANT		
Infrastructure Advisory Commission	34-1	N/A	NO	N/A	NO	January	Council Representative Appointed Annually								
Ten At The Top (TATT)				NO	NO	January	Council Representative Appointed Annually								
ACOG BOD				N/A	NO	January	Council Rep: CC CHAIR or designee [yearly]; 2 yr terms Citizen Rep: Bob Winchester, Minority Rep: Bennie Cunningham								
Worklink Board						N/A	Worklink contacts Council w/ recommendations when seats open								

[ # ] - denotes term. [ <2 ] denotes a member who has served one term and less than one half of an additional term making them eligible for one additional appointment.  
 [SHADING] = reappointment requested - questionnaire on file  
 [Red shading] = denotes individual who DOES NOT WISH TO BE REAPPOINTED  
 Bold Italic TEXT denotes member ineligible for reappointment - having served or will complete serving max # of terms at the end of their current term.

# OCONEE COUNTY



## LEGAL COUNSEL ANALYSIS

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January 2015



# LEGAL COUNSEL ANALYSIS

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## OCONEE COUNTY REQUIREMENTS AND COSTS

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In February of 2012, I presented the first Legal Counsel Analysis Report to Oconee County Council. At that time, there seemed to be no significant interest or consideration for hiring an in-house attorney. Recently, Council requested an update to that report based on current data and trends to determine if hiring in-house legal counsel could benefit the County.

Oconee County currently contracts its legal representation and professional legal-related services with McNair Law Firm, PA, predominately utilizing the expertise and service of Mr. Tom Martin, Esq., who works out of the firm's Greenville office. While Mr. Martin is the Council-appointed and "assigned" primary legal counsel, McNair Law Firm is quite sizeable with a notable reputation throughout the state. The firm employs attorneys with a wide range of expertise in various specialized practices that provide Oconee County with an arsenal of legal assistance regardless of the situation or topic.

It was recently reported that Mr. Martin billed the County for more than 2,000 hours for legal services he provided. My staff reviewed the McNair Law Firm invoices, and found that 2,666 hours were billed for Legal Services through McNair Law Firm. The billings also included more than Mr. Martin's services. Mr. Martin, serving as the Council-appointed County Attorney, billed just over 1,000 hours, which is less than half of the total billed hours. This is evidence that the County utilized multiple McNair staff attorneys, with different fields of expertise, more than the services provided by Mr. Martin.

McNair Law Firm has been instrumental in resolving numerous past legal issues for the County, and has provided the framework for continued improvements to our organization and processes. Exhaustive initial effort was required when McNair Law Firm was initially hired in 2009. Due to the diligence, hard work and experience of the McNair staff attorneys, coupled with the efforts put forth by the County, most of those legal matters have been successfully resolved and we are in a position to prepare for future opportunities.

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## OCONEE COUNTY'S LEGAL SERVICES EXPENSES

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The table below represents the County's significant investment in professional legal services for Fiscal Years 2011 to 2015 (partial). Though justified, the County required an extenuating amount of legal counsel for over five (5) years, totaling approximately \$3,150,000.

The information in this table below is provided to assist Council in determining which categories [and costs] for professional legal services could possibly be managed by an in-

house staff attorney, thus defraying the costs of paying outside counsel for the those specific categories.

**LEGAL SERVICE EXPENDITURES BY CATEGORY**

	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015 PARTIAL</i>
<i>GENERAL</i>	185,749	158,231	89,250	140,378	86,559
<i>ECONOMIC DEV.</i>	131,685	84,360	121,270	73,973	55,559
<i>AIRPORT</i>	10,696	10,457	6,570	10,066	9,913
<i>LITIGATION</i>	257,986	237,985	143,351	85,999	20,840
<i>PLANNING</i>	13,740	14,500	33,893	39,393	17,895
<i>SEWER</i>	6,617	2,838	12,388	7,280	2,053
<i>PUBLIC WORKS</i>	26,934	22,956	15,280	8,970	2,745
<i>TAX COLLECTOR</i>	12,797	13,328	19,420	13,341	9,357
<i>PERSONNEL</i>	2,135	2,931	9,736	12,364	3,075
<i>BUILDING CODES</i>	0	1,125	1,227	2,334	0
<i>CAPITAL PROJECT SALES TAX</i>	1,308	0	0	49,787	7,689
<i>SHERIFF</i>	1,260	2,366	52,918	15,141	3,051
<i>BONDS</i>	4,037	29,927	32,377	8,313	2,045
<i>COURTHOUSE</i>	11,183				
<i>BROADBAND</i>	27,889	50,864	18,981	123,535	68,773
<i>REAL ESTATE</i>				8,651	1,741
<i>McNAIR MISC.</i>	198,725	39,575	38,550	53,047	37,844
	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015 PARTIAL</i>
<b><i>TOTAL</i></b>	<b>833,246</b>	<b>641,392</b>	<b>624,082</b>	<b>672,520</b>	<b>379,167</b>

*To demonstrate the type of services provided, this table reflects costs separately for the categories listed.*

To simplify the information in the table above, the table below reflects the consolidation of several non-specific services into the "General" category, as those matters could very likely be managed by an in-house attorney.

**CONSOLIDATED LEGAL SERVICES EXPENDITURES**

	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015 PARTIAL</i>
<i>GENERAL</i>	214,544	210,216	168,527	258,269	126,878
<i>ECONOMIC DEV.</i>	131,685	84,360	121,370	13,978	53,559
<i>LITIGATION</i>	237,986	237,985	343,351	85,989	70,840
<i>TAX COLLECTOR</i>	13,795	3,328	39,426	14,341	6,357
<i>PERSONNEL</i>	2,155	2,951	6,776	32,304	3,075
<i>SHERIFF</i>	1,260	2,306	52,218	13,141	3,951
<i>BONDS</i>	4,937	29,827	52,377	6,315	2,845
<i>COURTHOUSE</i>	11,185				
<i>BROADBAND</i>	27,884	30,864	18,991	123,885	68,777
<i>REAL ESTATE</i>				8,651	1,741
<i>McNAIR MISC.</i>	160,738	39,579	38,530	53,647	37,844
	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015 PARTIAL</i>
<b><i>TOTAL</i></b>	<b>833,246</b>	<b>691,392</b>	<b>621,082</b>	<b>672,520</b>	<b>379,167</b>

**NOTES:** 1. The remaining individual categories are specialty areas of practice, which should be handled by an outside attorney with experience in those specific categories. 2. The specialty category totals in both tables above may include invoices for cases that could be managed in-house. No value on either table should be considered absolute.

While unrealistic, let's postulate, for argument's sake, that the staff attorney could handle almost every category in the two tables above, except for just a few specialty services. The table below reflects this assumption.

**HYPOTHETICAL LEGAL SERVICES EXPENDITURES**

	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015 PARTIAL</i>
<i>GENERAL</i>	431,649	258,356	288,383	371,202	190,205
<i>ECONOMIC DEV.</i>	131,683	8,360	121,279	73,978	55,559
<i>LITIGATION</i>	237,986	237,985	143,351	85,989	70,840
<i>BONDS</i>	1,037	29,827	52,377	6,315	2,045
<i>BROADBAND</i>	27,889	30,864	18,990	123,885	66,777
<i>REAL ESTATE</i>				8,651	3,711
	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015 PARTIAL</i>
<i>TOTAL</i>	831,246	641,392	624,082	672,520	379,163

## OTHER COUNTIES IN SOUTH CAROLINA

The table below exhibits data obtained from the SC Association of Counties 2014 Wage and Salary Report regarding South Carolina counties that have an in house attorney, or legal department with staff attorney(s) and/or support staff.

### COUNTY COMPARISON

	POPULATION	ATTORNEY SALARY	PARALEGAL SALARY	DEPT. BUDGET FY 2015	FTE
<i>Greenville</i>	467,605	165,974	unknown	779,108	6
<i>Richland</i>	393,830	73,488	36,931	1,102,829	7
<i>Spartanburg</i>	288,745	142,900	37,480	547,153	4
<i>Horry</i>	282,285	117,715	unknown	840,256	4
<i>York</i>	234,635	133,900	34,552	791,332	unknown
<i>Berkeley</i>	189,781	100,355	37,375	307,598	unknown
<i>Beaufort</i>	168,049	95,900	37,085	319,714	unknown
<i>Aiken</i>	162,812	111,190	39,507	unknown	unknown
<i>Sumter</i>	108,052	86,162	unknown	189,431	1
<i>Dorchester</i>	142,496	63,650	unknown	250,434	2
<i>Laurens</i>	66,223	92,107	20,712	unknown	unknown
<i>Georgetown</i>	60,189	79,926	unknown	131,790	1
<i>Kershaw</i>	62,343	89,436	unknown	151,908	1

Notes: 1. The Dept. Budget may not include fees for professional services, litigation or other specialized matters. These items may be included in a separate non-departmental budget, not reflected in the table above. 2. Only two counties included outside legal service expenses. 3. If the actual salary was not listed, the midpoint salary was used. 4. Some counties also reported a salary for Assistant Attorneys. Those salaries are not included in the salary column, but are in the department budget column.

The data reflects that salary and total budget vary significantly from county to county with no obvious trend based on population versus budgeted amounts. One could assume that each county has structured its legal department based on its specific work load requirements.

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## PROPOSED OCONEE COUNTY STRUCTURE

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In reviewing and analyzing Oconee County's past and present legal requirements, I recommend a two (2) staff member office which would include an attorney and a paralegal. Under the Administrator's direct supervision, the legal department would provide general legal guidance to the County and could manage most administrative support, contractual, and miscellaneous departmental matters. The in-house attorney would also provide support to County Council, attend meetings, and would be responsible for Ordinance development.

I also strongly recommend the County maintain its contract with McNair Law Firm as McNair will be a resource to the in-house legal department, and will continue to manage specialized matters such as bond and litigation cases.

While maintaining the contract with McNair may seem to be counter-intuitive, the firm has an impressive staff of attorneys who specialize in 20+ areas of practice, which will be a substantial benefit to the County when those specialized services are needed. Additionally, the in-house attorney could utilize the firm as a source of historical information, guidance, and, when needed, additional representation in lawsuits. The hourly work load for McNair should decline drastically; as the in-house attorney would assume responsibility for research and development work we currently pay McNair to perform, while McNair could still provide direction and advice to the in-house attorney on necessary matters.

An estimate for the first year's budget for the Legal Department is \$491,000. I expect that amount to decrease to \$481,000 for the years following. The table below indicates the itemized anticipated expenses.

**ESTIMATED LEGAL DEPARTMENTAL BUDGET**

	<i>YEAR 1</i>	<i>YEAR 2+</i>
<i>Attorney</i>	140,000	140,000
<i>Paralegal</i>	40,000	40,000
<i>Benefits</i>	32,400	32,400
<i>Office Supplies</i>	2,500	2,500
<i>Legal Publications</i>	750	750
<i>Training/Travel</i>	4,000	4,000
<i>Computers</i>	4,000	0
<i>Office Equipment</i>	1,500	1,500
<i>Furniture</i>	6,000	0
<i>Professional Services</i>	250,000	250,000
<i>Contingency</i>	10,000	10,000
<b><i>TOTAL</i></b>	<b>491,150</b>	<b>481,150</b>

Based on this estimation, the County could potentially realize an immediate [estimated] \$100,000 savings by establishing an in-house Legal Department. Of course, these savings could be more, or less, depending on actual professional service work needs and any adjustments to the anticipated budget. It should also be noted that the county's annual legal costs could be significantly higher depending on workload, required research and data collection, etc.

	<i>YEAR 1</i>	<i>YEAR 2</i>
<i>Legal Dept. Operations</i>	241,150	231,150
<i>Professional Services</i>	250,000	250,000
<i>Broadband &amp; Others (Bonds, etc.)</i>	100,000	100,000
<b><i>TOTAL</i></b>	<b>591,150</b>	<b>581,150</b>
<i>Fiscal Year 14 Actual</i>	672,520	672,520
<i>Potential Difference</i>	(81,370)	(91,370)

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## OF CONSIDERATION

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As stated, no specific values in this report are absolute. The data was collected through various departments and applications. In order to calculate an exact expense for every category, the individual invoices would have to be reviewed & coded. That process would take months, and I feel the information I have provided here, although not exact, is accurate.

While this proposal is based primarily on financial comparisons, one should thoroughly consider the value of quality, experience and level of expertise needed by the County. We have experience with McNair Law Firm, and there is no question that the McNair attorneys are professional, well-educated and experienced. Until we begin a search for an in-house attorney, there is no way to determine the quality of service the County will receive.