

## **I Can See Clearly Now© August 14, 2023**

**Randy Vaughn**

You have not heard from me in quite some time and that is a good thing. Why is it good? It is because currently, we have some very capable people minding the business of Hampton County. The important two attributes of the MRB group now managing Hampton County are transparency and accountability. Heather Simmons Jones is serving as the Interim County Administrator and has been very open and honest in performing her day-to-day management of the County. Melissa Harrill has the task of acting as the Interim Finance Director and is clearing up many questions citizens have posed to the Council and the Administrator over the past several years frequently with little to no response. Matt Horn is the Director of Municipal Services and has been key in helping the Council identify critical issues related to the successful operation of a County. Britton Corbin as Senior Project Manager is assisting to review the management of airport property and assessing the possibility of converting the Wade Hampton campus into a recreation complex. Together, this team is moving Hampton County in a positive direction.

So, why am I writing this article? Without a news reporter being able to attend every Council meeting, it is important for the public to know and understand not only what is happening now but the citizens need to know and understand what has transpired in the past. The past actions being shared are critical to know because perhaps, we can prevent history from repeating itself and the negative actions from reoccurring such as mispending \$5.1 million of restricted funds and very importantly extraordinary mismanagement that has caused Hampton County to have a negative net position or negative net worth which means the County has liabilities that exceed its total assets. There is a lot of money that has been spent by the previous Administration that needs to be accounted for and reconciled. Thomas Jefferson said, "***To compel a man to furnish funds for the propagation of ideas he disbelieves and abhors is sinful and tyrannical.***" I believe when our citizens realize the amount spent on pet projects, and/or perhaps waste of County funds, by the former Council and Administration, they will agree with Jefferson that those spending decisions were sinful. We should also recognize and acknowledge that all members of the past Council were not in favor of said spending but lacked enough votes to prevent it.

I am reminded of the old hit by Johnny Nash, I Can See Clearly Now. The first couple of lines are:

**I can see clearly now the rain is gone  
I can see all obstacles in my way  
Gone are the dark clouds that had me blind**

**It's gonna be a bright (bright)  
Bright (bright) sunshiny day  
It's gonna be a bright (bright)  
Bright (bright) sunshiny day**

Sunshine is all we have asked for since my first meeting with the former Administrator in June of 2018. Let us be honest. There are still obstacles in our way. All you need to do is attend a Council meeting and you will recognize foot dragging when you see it. We have begged for transparency in the County operations. I would be remiss if I did not give credit to some members of the Council who are steadfast in providing transparency and accountability. I wish I could say all members are championing transparency and accountability but that would not be accurate. It is interesting to hear certain Council members lambast decisions they were a part of as they sat on the former Council. I guess they think we forget things they voted for. Citizens tell me they are pleased to see the new Council embrace their oversight duties, a valuable function that seemed to be lacking in years past. I believe some prior and newly elected members have learned valuable lessons in overseeing tax dollars. However, oversight cannot be accomplished until all audit information is available including the forensic audit that some members of Council do not want. If transparency is an objective of Council members, each will embrace and encourage a forensic audit to ensure the County learns from history and to develop a clean, zero-based budget for the future.

The MRB group has outlined the systemic issues that have to be addressed immediately for the County to move forward. At the Hampton County Retreat at Lake Warren State Park on August 7, 2023, the MRB group outlined the following financial impact issues the County is facing:

- 1. Expenses have continuously outstripped revenues resulting in both negative fund balance and negative net position;**
- 2. Council has not received adequate financial information necessary to execute its oversight role;**
- 3. Overspending has seriously impacted liquidity – limiting County operations; and,**
- 4. There remain a series of critical financial matters to be addressed.**

Let us take a deep breath here before we pass out. Why would any elected officials continuously overspend the taxpayer's checking account? Was the money spent on pet projects and "like-to-haves," and/or were financial controls not in place and the funds consumed frivolously? The very sad point in all of this is #2 where the Council disregarded its duty to oversee the performance of key employees. Evidently, Council leadership and the majority did not spend time asking questions, ensuring controls were in place, how money was being spent, or if budgets were accurate and managed appropriately. Neglecting to oversee employee performance has parlayed a small problem into a giant one. Why did the Council allow key employees to perform in

a lackadaisical way, without oversight and real evaluation? Myopic decisions by the former Council and the prior Administration have handicapped the current Council in being able to perform important County functions. The former Council Chairman admitted he did not realize money was being misspent. Sad, isn't it? This is exactly why the citizens of Hampton County need to be vigilant and proactive in keeping informed of Council actions now so this does not occur again in a few years.

We all are aware that \$1.5 million of fire fund money and \$3.6 million of the CPST funds were misspent by the former Council. Where that money was spent is still a mystery. However, recent FOIA requests have shed some light on exorbitant spending by the former Council in certain areas. The public not only has the right to know of these decisions with their tax dollars, but it is imperative the public knows how and why this money was misspent.

Some people have stated that the airport is self-sustaining and the Arts program makes more than it spends. Audit reports for 2019-2020, the few County budget reports during fiscal 2021-2022, budget workshop records, and more recent records obtained via FOIA requests do not support those comments. According to the records we have reviewed, total expenditures exceed grant dollars plus any income generated for the county.

The County currently has an outstanding loan for the airport of \$2.66 million. The principal amount on this loan is not required until 2026. For the years 2023 through 2025, the only payment due is the interest payment which is \$59,998.95 per year. However, in 2026, the loan calls for the payback of interest at \$59,998.95 PLUS the principal payment of \$72,879.05 for a total yearly payment of \$132,878. That will be due from the taxpayers of Hampton County each year until the year 2052. Maybe things are getting a little clearer for you now.

Because the audit for the prior FY21-22 year has not been published and another fiscal year has ended (June 30, 2023), for which an audit is not expected for several months, nailing down the exact expenditures in Hampton County is a difficult task. Based upon documents from the airport consulting firm and documents from the County, between April 2017 and February 2022, the County committed \$784,932.65 to MaesAwyer Consulting (pronounced Maze-Hour) for the airport engineering consulting services. Cash disbursement journals reflect that \$719K of the \$784k has been paid through February 2022. What this expensive consulting fee is for is not completely clear. You might think that if our County is going to spend almost a third of a million dollars on one project, we would know precisely what the expenditure is for. I am wondering if possibly that consulting fee might have been associated with the \$5.1 million, we know was misspent. It is also not completely clear how much of the \$784K was reimbursed via the South Carolina Aeronautics Commission grants. Grant documents obtained from SC Aeronautics reflect hangar and taxiway projects were estimated at \$2,744,198 and those documents also reflect grants covering only \$871,794.00 of the total cost. Additionally, files obtained via FOIA from the SC

Aeronautics Commission reflect that taxpayers paid a total of \$743K to match SC Aeronautics grants. Keep in mind that even funds reimbursed by grants are spent PRIOR to receiving the grant funds and only reimbursed when receipts and other specific grant requirements are fulfilled whether for the airport or other grants. Therefore, the taxpayers are cash-flowing the grant dollars. Was cash flow planned to support those expenditures before the money was spent? Just a thought as I am beginning to see clearly now.

Finding out about these and other expenditures is why we need to continue to demand a forensic audit. The citizens who paid for these excesses are certainly entitled to see where their hard-earned tax dollars were spent and exactly who did the spending. A forensic audit is the only way to expose the truth. When you mispend \$5.1 million of the CPST and Fire funds, and worse, consume MORE THAN \$10 MILLION in County assets/net worth during a seven-year period, the public has every right to know what that money was spent on. Otherwise, you give Council the authority to run a slush fund to spend any way they feel the need. Listen closely to the current Council members as to who is in favor of a forensic audit and who believes an expert government management team should be retained to further develop a path out of this severe crisis. It is clear some are not interested in a forensic audit even though the vote to get a quote on a forensic audit was unanimous by those present. Council members who oppose a forensic audit are telling you they are not in favor of transparency and accountability. Also, listen closely to any Council member wishing to bring back former employees who helped get us into this mess. Listen a little closer and you might hear a Council member or two who want MRB to leave. One must wonder why.

Yes, we can See Clearly Now, but we have many issues to unravel before we can feel comfortable. One of the most pressing is to learn if the 3 million Federal Grant initiated by Congressman Clyburn can be used for the Wade Hampton site and whether environmental concerns might derail using that site. Hopefully, we will learn of the fate of the Wade Hampton site soon. Hampton County is emerging out of the fog. New leadership on the Council coupled with new leadership from the MRB Group mean brighter days ahead. Gone are the obstacles of preferential treatment and ignoring areas that need attention. I believe with the possibility that the Council allows MRB to develop a solid financial plan, financial controls, and best practices, assist in placing new personnel in key positions, and the possibility of a recreation complex, Hampton County is on the verge of seeing some Bright Sunshiny Days!!!