

GREENWOOD CITY COUNCIL

October 17, 2016 - 5:31 p.m.

**MINUTES**

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PRESENT Council Members: Mayor D. Welborn Adams, Niki Hutto, Linda Edwards, Betty Boles, Kenn Wiltshire, Johnny Williams, And Ronnie Ables; Assistant City Manager Julia Wilkie, City Clerk Steffanie Dorn, Fire Chief Strange, Police Chief Gerald Brooks, Personnel Specialist Lynn Walker, Public Works Horticulturist Ann Barklow, Sanitation Superintendent Robert Anty, Kelly McWhorter, Regional Tourism & Visitors Bureau Director, and City/County Planning Director Phil Lindler; Adam Benson from The Index Journal.

ABSENT City Manager Charles Barrineau.

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CALL TO ORDER Mayor D. Welborn Adams called the meeting in Council Chambers to order at 5:31 p.m.

Councilor Linda Edwards gave the invocation.

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QUARTERLY NEW STAFF INTRODUCTIONS The following staff were introduced to Council:  
Lara Hudson, Uptown Greenwood Development (Manager)  
Dwayne Laster, Finance Department  
Elliott Layne, Fire Department  
(Larry) Chez Gosnell, Fire Department  
Sarah Bradley, Public Works Department  
Raymond Durant, Sanitation Department  
(absent) Reynolds Satterfield, Police Department

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STATEMENT AND QUORUM Mayor Adams read the following statement, "In accordance with the Freedom of Information Act, Chapter 4, Title 30, Code of Laws of South Carolina, 1976, an agenda has been posted on the front door of City Hall and notification of this meeting has been given to the news media."

City Clerk Steffanie Dorn confirmed that a quorum was present.

APPROVAL OF Mayor Adams asked for a motion to approve the consent  
 CONSENT AGENDA agenda.

A motion to approve the consent agenda was made by Betty Boles, seconded by Kenn Wiltshire.

The motion passed unanimously.

RECOGNIZE Under the only Public Appearance, Assistant City Manager  
 Kelly McWhorter, Regional Tourism & Visitors Bureau Director, who thanked Council for their approval and endorsement of the City's participation in the America In Bloom program. She informed Council that the City of Greenwood received four out of five blooms for their first year in competition and the Uptown's topiary display project won the Signature Achievement Award for Floral Display. Kelly then recognized Ann Barklow, Public Works Horticulturist, thanked over 600 volunteers that worked on the project, discussed plans for improving the City's chances next year, and took a picture of the award with City Council.

CONSIDER Under the only Public Hearing, Assistant City Manager  
 Ordinance No. 16-019 Amending the proposed budget amendment to  
 Ordinance 15- reflect funds given by the State and line items of  
 040, the City of expenses for body-worn cameras and equipment.

No one spoke for or against the proposed ordinance.

Greenwood Fund There was no discussion from Council.  
 General Fund  
 Budget for 2016.

(2<sup>nd</sup> reading) A motion to accept Ordinance 16-019 was made by Johnny Williams, seconded by Niki Hutto.

The motion passed unanimously.

CONSIDER Under Old Business, Assistant City Manager Julia Wilkie reviewed the GIS Department's request to rename Andrews Avenue to Andrews Avenue North and South.

Ordinance No. 16-018  
Authorizing the Renaming of Andrews Avenue to Andrews Avenue North and Andrews Avenue South.

There was no discussion from Council.

A motion to approve Ordinance 16-018, was made by Betty Boles, seconded by Niki Hutto.

The motion passed unanimously.

(2<sup>nd</sup> reading)

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CONSIDER Under New Business, Assistant City Manager Julia Wilkie discussed annexing land belonging to School District 50, adjacent to Springfield Elementary School, for a transportation center/bus facility. They're requesting to annex the public road to keep consistency with service delivery, but will continue to maintain it. She noted that School District 50 plans to begin grading that site the week of October 24th and CPW will provide electricity.

Ordinance No. 16-020 Annexing Property Owned by Greenwood School District 50.

There was no discussion from Council.

A motion to annex property owned by Greenwood School District 50 was made by Johnny Williams, seconded by Ronnie Ables.

The motion passed unanimously.

(1<sup>st</sup> reading)

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CONSIDER Assistant City Manager Julia Wilkie discussed accepting property owned by Greenwood School District 50 located at Magnolia Park and a strip of land adjacent to the Grace Street Park. With the acceptance of these properties, the City will be adding some buildings on the Magnolia Park property site to the City's insurance.

Resolution No. 16-007 to Accept Property from Greenwood School District 50.

There was no discussion from Council.

A motion to accept Resolution No. 16-007 was made by Kenn Wiltshire, seconded by Betty Boles.

The motion passed unanimously.

CONSIDER

Resolution No. 16-008 to Reaffirm the Importance of On The Job Safety for the City of Greenwood.

Assistant City Manager Julia Wilkie discussed the requirement from the City's insurance company that a resolution regarding job safety be approved annually. She then provided a brief comparison of the City's incidents and liability costs of 2016 to 2015. The Safety Committee is working to update risk management policies and focus on staff training related to specific accidents.

There was no discussion from Council.

A motion to accept Resolution No. 16-008 was made by Niki Hutto, seconded by Kenn Wiltshire.

The motion passed unanimously.

CONSIDER

Consider Resolution No. 16-009 to Request the South Carolina Department of Transportation Install an Exclusive Pedestrian Phase Countdown at US 25 Main Street and SC 10 Maxwell Avenue.

Assistant City Manager Julia Wilkie informed Council of requests for a 40-second pedestrian crosswalk at the corner of Main Street and Maxwell Avenue because of several inquiries from the public regarding the crossing being a little dangerous. The SCDOT required Council to endorse an exclusive 40-second pedestrian phase by resolution.

**DISCUSSION:**

Julia confirmed to Mayor Adams that the crosswalk at the corner of Main Street and Maxwell Avenue, on the McCaslan's side, is the SCDOT's main concern from other crosswalks.

There was no further discussion.

A motion to accept Resolution No. 16-009 was made by Kenn Wiltshire, seconded by Niki Hutto.

The motion passed unanimously.

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**CONSIDER**

Authorizing  
Mayor and Police  
Chief to Sign  
Agreement for  
Victim's  
Services with  
the County of  
Greenwood.

Assistant City Manager Julia Wilkie recognized City Clerk Steffanie Dorn who updated Council on the staffing issue in the City's Victims Assistance Office. Because Greenwood County's Victims Assistance Office staff backs up the City's on occasion, and vice versa, she asked for Council's positive consideration to move their cases and funding to the County who provides the same service for Ninety Six and Ware Shoals. She informed them that there will be no added costs to the City.

**DISCUSSION:**

Steffanie Dorn confirmed to Councilor Wiltshire that it will be easier for everyone to have only one Victims Assistance Office in a centralized location.

There was no further discussion.

A motion to authorize the Mayor and Police Chief to sign an agreement for Victims Services with the County of Greenwood was made by Kenn Wiltshire, seconded by Niki Hutto.

The motion passed unanimously.

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**CITY  
COMMENTS**      **MANAGER**

City Clerk Steffanie Dorn updated Council on the Police Department body-worn camera software status. Most funds from the State were spent on software that's scheduled to be installed the first week of November. There are 10 body cameras and 10 in-car cameras that were ordered and will be synced for a seamless picture. An additional 6 in-car and body cameras, with their equipment, will be installed by the end of October and operational by the end of the year.

Assistant City Manager Julia Wilkie reminded Council of the Safety Dinner, 6 o'clock tomorrow evening, at the Greenwood County Farmers Market. Oktoberfest is Thursday, October 20 on Oregon Avenue, and the final public forum on the proposed Capital Sales Tax will be 11 a.m., October 22<sup>nd</sup>, at Fire Station 1.

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CITY COUNCIL      Councilor Betty Boles polled Council Members for their  
COMMENTS           attendance to the GLEAMNS 50<sup>th</sup> Anniversary program on  
                         Thursday, October 20, starting at 5:30 p.m.

The meeting recessed at 6 p.m., and reconvened at 6:30 p.m.

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HEARING            FOR            Mayor Adams said, "Let's call this, um, here in order.  
BUSINESS LICENSE      Mr. Crowe and Mr. Wise; Mr. Wise, Mr. Crowe, will  
APPEAL OF SHRED      stipulate the South Carolina rules of procedure and  
WITH US, LLC.           evidence?"

RAUCH WISE            "Will do."

MAYOR ADAMS         "Right."

RAUCH WISE            "As, um, as Tripp said, as nearly as we can in a  
situation such as this..."

MAYOR ADAMS         "Yes..."

RAUCH WISE            "Well, at least we'll abide by it in spirit."

MAYOR ADAMS         "There we go. That's all we ask. Um, and, let's see,  
Mr. Wise, you, you'll be bearing the burden of the  
preponderance of the evidence as proof. And, um, I don't  
know how you want to- if you want to start it with an  
opening statement, or do you want to present your case?"

RAUCH WISE            "Well, I wanna, I really want to start with an opening  
statement. That's when I'll start presenting some items  
to them, um, the body. Um, first of all, let me just  
pass these- these around; we have one for everybody. Uh,  
that is a copy of his, uh, certificate we will testify on  
momentarily. Then, I want to pass around a copy of the  
statute involved that we claim exempt, um, from the  
business license, uh, fee. And then I want to pass  
around the Attorney General's opinion, and hopefully  
there will be one left over on the far end for me. The  
Attorney General's opinion interpreting that statute, um,  
in a request from Richland County where Richland County  
asked about taxing a business that had a certificate such  
as this and the Attorney General, um, op(inion) said  
essentially that, um, you can't do it. And that states  
our position.

The South Carolina statue involved has no exception,  
except one, and that one exception is that his home  
county of his operation does, is, permitted to tax him.  
That's the only exception.

It doesn't say, 'if you do some other residuary work with your Class E Certificate, um, you- you can tax that'. It essentially says you that, (...you have one left over?) um, at any rate, that's basically our position of his taxes exemption. The Attorney General's Office says it's exempt. Um, I understand Ms. Dorn's position is. There are some services involved, um, you know, how you value that, or tax that, um, wouldn't go anyway. Um, I will have, um, Mr. Ragsdale testify basically about his business. So, when you get a report, I'll give the body this background on this statute for when he testifies, so you can listen to his testimony on the statute, right? So, we hope you respond(inaudible)"

MAYOR ADAMS

"Yes, sir."

DANNY CROWE

"Do you want me to use this microphone? I feel, I feel like a lounge singer with this microphone in my hand.

Under Mr. Wise's theory, under the Shred With US theory, they can operate a food truck out of the back of their, um, transportation vehicle and not have to pay a City business license because they had this Certificate E. Um, under Mr. Wise's theory, under the Shred With US theory, they can sell clothes out the back of their truck and not have to have a separate business license. I don't think that was ever the intent of the General Assembly when they authorized these kinds of Certificate E's.

The City acknowledges that Shred With Us does not owe the City a business license tax for the portion of its business that is a transportation activity, that's covered under the certificate. But the rest of the business activity, the collection and shredding of paper on site in the City, is a separate, independent business activity for which Shred With Us should pay the City a business license. That's our case, pure and simple, and that's what we hope to show.

This business has two principle business activities, or business operations. One is the collection and shredding of paper onsite at his jobs in Greenwood. The other is transporting that shredded paper back to West Columbia, its home office. The, um, Greenwood agrees that they don't owe a business license tax on the portion of their income from their customers that's related to transportation, and they get to apportion it, but we do say that they owe business license tax on their portion of their income that's related to the collection and shredding of the paper. So, that's what we're really talking about here; how far can this certificate logically go?

We think, and we think got support from the Attorney General's opinion that I attached to the memorandum that says, '...unless the activities are directly related...', they're not all the activities are not excused by the Certificate E. That was (a) 1962 opinion of the Attorney General. The Attorney General's opinion, that Mr. Wise handed up to you, doesn't deal with this issue of multiple business operations. It just has a transportation company that took the position its activities were protected by Certificate E. There are no facts in there from Richland County that say it was doing any other type of activity.

So, that's a different situation that we have here. Um, so I, I don't want to repeat myself, but that is our case, simply stated. Thank you."

RAUCH WISE "I'd like to call Mr. Ragsdale to speak. Thank you. Please give us your full name."

ERIC RAGSDALE "um, Erick Ragsdale."

RAUCH WISE "And where do you live?"

ERIC RAGSDALE "Um, West Columbia, South Carolina."

RAUCH WISE "And, um, what business are you in?"

ERIC RAGSDALE "Um, we're in document destruction."

RAUCH WISE "Alright. And what business is it again?"

ERIC RAGSDALE "Document destruction."

RAUCH WISE "You'll have to move that mic a little closer to you."

ERIC RAGSDALE "Document destruction industry."

RAUCH WISE "Let's do it a little closer."

ERIC RAGSDALE "Let's do this. (moving the microphone stand closer to him) How about that? There you go."

RAUCH WISE "Yeah, document destruction industry, right? How did you get in that business?"

ERIC RAGSDALE "Um, we seen a need for economics, um, for the service. As far as what it would provide for the communities that we serve, as well as having a footprint of being to provide over our national competition for different municipalities and states, so that, um, it wouldn't be a, a service, it would be high for those, those, those businesses."

RAUCH WISE "So basically, what do you add and what, how many communities do you operate in?"

ERIC RAGSDALE "We service every county and city in South Carolina."

RAUCH WISE "Thank you. Um, your home office is where?"

ERIC RAGSDALE "West Columbia."

RAUCH WISE "And pay, yourself, a license fee in West Columbia?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "And it's based upon what?"

ERIC RAGSDALE "Gross."

RAUCH WISE "Gross income statewide?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Okay. Then tell us, if you would, um, how, basically, your business works."

ERIC RAGSDALE "Well, basically, what we do is, we provide a receptacle which we upfront the cost, which is about \$120. Um, we set that receptacle and the client or the customer..."

RAUCH WISE "And issue what size?"

ERIC RAGSDALE "It can be anywhere from a 45 to a 98 gallon."

RAUCH WISE "Okay."

ERIC RAGSDALE "Um, we put that in there and we put that customer on a schedule..."

RAUCH WISE "Well, let me backup. I don't know if anybody can relate that quick. How big is a 45 gallon?"

ERIC RAGSDALE "A 45 gallon would be 3 foot by 12 foot by 19 inches."

RAUCH WISE "Right."

ERIC RAGSDALE "And so a 98, so the broad spectrum, the biggest would be a Herbie Curbie that you see on the side of the road, which is about a 300-pound receptacle."

RAUCH WISE "Okay. And how does, how does that, how does your business works?"

ERIC RAGSDALE "Well, as far as, we put the customer on a schedule, which is irregular based on their needs. Um, we go in, we provide their receptacle for free, um, which costs us upfront about \$120. Um, and at that point, when they're scheduled to go in and we collect it, bring it down to the truck, we can shred it, or we can move off. But we shred it and then we take it back to the facility, um, recycling center, and we sell for the proceeds."

RAUCH WISE "You can, the capability of shredding in the truck?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "And some customers prefer shredding and some customers, they don't care?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Alright. Um, any particular group that prefers your shredding on their premises?"

ERIC RAGSDALE "Um, well, mainly it would be people like the Secret Service, the FBI, people who have a tendency to want things done in a more classified manner. Um, we have the capability to do a reduction where they can be completely abbreviated, um, based off these..."

RAUCH WISE "And, in what do you do with the, with what you have once it's shredded, or transported, back to um..."

ERIC RAGSDALE "...it is recycled."

RAUCH WISE "Recycled?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "So, do you, have any impact in, um, the local landfill?"

ERIC RAGSDALE "We do."

RAUCH WISE "And what is that impact?"

ERIC RAGSDALE "Um, impact is probably about 60, 60,000 pounds, probably, in a quarter. So, we probably, we probably save in the landfill, we probably save, probably, a million tons."

RAUCH WISE "And that's statewide?"

ERIC RAGSDALE "Statewide."

RAUCH WISE "Okay. So, and that would be true for all the communities you're in?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "And how long you been in the business?"

ERIC RAGSDALE "Um, since 1999; about 17 years."

RAUCH WISE "And we shown the Class E Certificate that you have?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "And you got that for what reason?"

ERIC RAGSDALE "Well, when we started, it was very disadvantageous because everywhere we going, everybody was hitting us for a business license. So we contact the Attorney General's office, explained our circumstances, and they recommended..."

DANNY CROW "Your Honor, I object because the Attorney General..."

RAUCH WISE "That would be hearsay."

ERIC RAGSDALE "Okay."

RAUCH WISE "You ultimately decided to go get a Class E Certificate?"

ERIC RAGSDALE "Correct. Yes, sir."

RAUCH WISE "Alright. And, um, are you paying a license fee anywhere else?"

ERIC RAGSDALE "Um, for the Department of Transportation. Correct."

RAUCH WISE "Yeah, um, are you paying a business license fee outside of West Columbia?"

ERIC RAGSDALE "No, sir."

RAUCH WISE "Alright. This is the first place that has come up as an issue?"

ERIC RAGSDALE "No, sir."

RAUCH WISE "Um, this is the first place we've gone this far with this?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Okay. Um, so, what do you, what do you primarily do in your business?"

ERIC RAGSDALE "Primarily?"

RAUCH WISE "Yes."

ERIC RAGSDALE "Um, primarily, we do destruction."

RAUCH WISE "Alright. And, um, how do you, um, how do you get it back to you, to, um, where you are in West Columbia?"

ERIC RAGSDALE "Um, transportation."

RAUCH WISE "And, what kind of trucks do you use?"

ERIC RAGSDALE "Um, CDL, non-CDL, 30 feet, 30 GBWs and, um, 26 GBW."

RAUCH WISE "Um, (they will probably be disappointed with this question) but how much business you actually have in Greenwood this present time?"

ERIC RAGSDALE "Um, probably, um, I would say we might net \$200 a quarter."

RAUCH WISE "Thanks. So how many customers does that involve?"

ERIC RAGSDALE "Um, probably 11 or 12 irregularly; mainly State customers."

RAUCH WISE "And what's the fee that you have on your business?"

ERIC RAGSDALE "\$35."

RAUCH WISE "Of what?"

ERIC RAGSDALE "It's per service when we actually service that facility."

RAUCH WISE "So, it's \$35 every time you come pick it up?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Is that correct?"

ERIC RAGSDALE "That's correct."

RAUCH WISE "Thank you. Um, and, you haul all those back to Columbia?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Thank you. Some shredded and some not?"

ERIC RAGSDALE "Mmm, yes, sir."

RAUCH WISE "That would be correct?"

ERIC RAGSDALE "Correct."

RAUCH WISE "Is there any realistic way of apportioning any of this into different divisions like collection, or shredding, and transportation?"

ERIC RAGSDALE "Generally, because, not..."

RAUCH WISE "Generally?"

ERIC RAGSDALE "Well..."

RAUCH WISE "Tell me what you mean by that."

ERIC RAGSDALE "So, if, if, if our fee is \$35 (I'll use the State; we have a State contract), we charge a rental for that bin, which should be for a small, medium, or large. It can be anywhere from \$5.50 to \$6."

RAUCH WISE "You charge the State a rental?"

ERIC RAGSDALE "Yes, sir. Rental flat fee."

RAUCH WISE "Alright."

ERIC RAGSDALE "We upfront the cost for that bin which is \$120. It takes us 12 months to recoup what we put upfront. There's \$25 that comes out from our transportation fee. So, all said and done, we're relying on the back end of the recycling material which comes, starts from whether, say the daily route starts in Saluda..."

RAUCH WISE "um, hmmm..."

ERIC RAGSDALE "...we finished the route up in Clinton. Whatever's collected, whether it's a ton, if we can sell that paper for a ton, and it brings in that market at that particular month that we drop it, would be \$80. So, that \$80 is really where we banking on our commodity of, of, of profit."

RAUCH WISE "You hope to collect this paper for resale?"

ERIC RAGSDALE "Correct."

RAUCH WISE "Thank you. Um, and you get only paper products?"

ERIC RAGSDALE "Pretty much."

RAUCH WISE "Thank you. You don't do any shoes out of the back of your truck?"

ERIC RAGSDALE "No, sir."

RAUCH WISE "So, you you don't have any meals or anything like that?"

ERIC RAGSDALE "No, sir."

RAUCH WISE "Okay. Um, you don't dump any of it in Greenwood?"

ERIC RAGSDALE "No, sir."

RAUCH WISE "Um, you don't use the landfill at all here?"

ERIC RAGSDALE "No, sir."

RAUCH WISE "Thank you. Or any of the green boxes anywhere?"

ERIC RAGSDALE "No, sir."

RAUCH WISE "You, you want to carry it back to Columbia where you are?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Okay. Is that, which you would resale that?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Okay. You said earlier that the boxes are free. What do you mean by that? (inaudible)"

ERIC RAGSDALE "Where there's, like, there's two different customers. Mainly, 90% of the customers are going to get that box for free. Okay?"

RAUCH WISE "Is the bigger volume (inaudible)?"

ERIC RAGSDALE "Well, no, it's not necessarily that. It's just how you negotiate the contract."

RAUCH WISE "Okay."

ERIC RAGSDALE "For the State, for example, the...it was agreed upon, rather than charging them for the shredding, they just charged for the rental of the receptacle which..."

RAUCH WISE "So the boxes in Greenwood are what? In the City of Greenwood, are there any charges for those?"

ERIC RAGSDALE "No. No customer gets charged."

RAUCH WISE "Not at all?"

ERIC RAGSDALE "...except in the State."

RAUCH WISE "They're all free...?"

ERIC RAGSDALE "Free zone..."

RAUCH WISE "Category?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "So there's no, no..."

ERIC RAGSDALE "Well, I would say that there is probably a customer, State customers that would fall right inside the City limits, maybe one or two, that would be, have a rental fee. Yes, sir."

RAUCH WISE "Alright. I'd like you to answer any questions Mr. Crowe may have."

DANNY CROWE "Mr. Ragsdale, Imma- Imma sit down, if that's alright, so that I'm not standing right over him."

MAYOR ADAMS "Yes, sir."

DANNY CROWE "Um, (I have) a couple of questions about, um, your activity in the City of Greenwood, based on what you just said. So, I understand it you said you have 11 or 12 customers inside the City limits of Greenwood?"

ERIC RAGSDALE "Approximately."

DANNY CROWE "Alright. And who are these customers, typically?"

ERIC RAGSDALE "Um, it would be business to business customers."

DANNY CROWE "Alright. And you have some government, State government, customers I think you said?"

ERIC RAGSDALE "Yes, sir."

DANNY CROWE "And for the State Government customers, and perhaps others, if I understood you, you charge a rental bin fee?"

ERIC RAGSDALE "For the State."

DANNY CROWE "The State. So somewhere in the City you are charging the State government offices here a rental bin fee, right?"

ERIC RAGSDALE "Um, hum."

RAUCH WISE "You, you, you have to speak up and say..."

ERIC RAGSDALE "I'm sorry, yes, sir..."

RAUCH WISE "...and not nod your head..."

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Okay. No problem."

DANNY CROWE "Alright. And the other customers in the City of Greenwood, um, whether or not, you charge them a rental bin fee, you are charging them \$35 every time you come for a pickup. Is that right?"

ERIC RAGSDALE "It varies. The price varies. Yes, sir."

DANNY CROWE "Alright. And how many times would you pick up, let's say, during a month, or during a year?"

ERIC RAGSDALE "Um...varies. Um, customers need to be anywhere from a week to up- to up 12 weeks. There's some customers (that)can be at 6 months; one time."

RAUCH WISE "Alright. So, some customers that are 12 week customers, you can pick up 4, maybe 5, times a year? Is that what you're saying?"

ERIC RAGSDALE "Four. Yes, sir."

DANNY CROWE "Four. And you said you netted probably \$200 a quarter?"

ERIC RAGSDALE "No, sir. He asked me what was probably the most we made out of Greenville."

DANNY CROWE "Greenwood?"

ERIC RAGSDALE "Yeah, Greenwood."

DANNY CROWE "For a particular customer?"

ERIC RAGSDALE "No, for- as a whole."

DANNY CROWE "Alright. So, as a...you're saying you netted \$200 a quarter?"

ERIC RAGSDALE "No. I'm not saying I netted. He asked me how much volume we probably do out of Greenville. And, probably out of that, would be about \$200 and that's a speculation based of the \$35 calculation I have in my head."

DANNY CROWE "Alright. So, six, or seven, times you come and charge \$35?"

ERIC RAGSDALE "I charge- we charge \$35 for the customer, which is in a conglomerate of many customers within a region from West Columbia, up to, um, Clinton, because we have irregular routes. And we may come to Greenwood every two weeks, but we might only pick up one customer out the City of Greenwood; maybe two in the County of Greenwood."

DANNY CROWE "If your net is \$200, what's your gross?"

ERIC RAGSDALE "Well, I'm, I'm not saying it's net. I didn't say my net. I said the conglomerate of business would be about \$200 and that's a calculation off...now, if you start taking away the expenses, you're going to get net, which is far less because..."

DANNY CROWE "I thought you said net, that's why I said net..."

ERIC RAGSDALE "No, sir. No, sir."

DANNY CROWE "Alright. What's the gross then?"

ERIC RAGSDALE "Um, about \$200 of the customers on a quarterly basis."

DANNY CROWE "Now, as I understand, you have these bins, so you...for the- for your Greenwood customers, these are 11 or 12. You supply a bin, you may or may not charge a fee, depending on whether they're at the State or not, and you periodically collect paper from those bins; is that right?"

ERIC RAGSDALE "Mmm, yes, sir."

DANNY CROWE "So, to collect the paper, you drive your truck into Greenwood to that business, go in the business, roll out the bin, roll it to your truck, put it on this little elevator, and it goes up and gets shredded, or not?"

ERIC RAGSDALE "Or not, yes, sir."

DANNY CROWE "Alright. If it's not shredded, what form is it in?"

ERIC RAGSDALE "It is a whole."

DANNY CROWE "But you collect it from all your customers in Greenwood?"

ERIC RAGSDALE "Correct."

DANNY CROWE "Right? And you may or may not shred it?"

ERIC RAGSDALE "Correct."

DANNY CROWE "But do you admit that you do business in the City of Greenwood?"

ERIC RAGSDALE "Oh, yes, sir."

DANNY CROWE "You're just saying, as I understand it through Mr. Wise, that this Certificate E protects you from having to pay a business license, right?"

ERIC RAGSDALE "I don't know about protection; I believe it precludes."

DANNY CROWE "Thank you. That's all I have."

RAUCH WISE "I don't have any reservations, if Council have some other questions also."

COUNSELOR WILTSHIRE "What percentage is shredded, against unshredded?"

ERIC RAGSDALE "Percentage wise? As a whole? As in Greenwood?"

COUNSELOR WILTSHIRE "Generally."

ERIC RAGSDALE "Generally? Um, for us as a company, or for...in, in, industry?"

COUNSELOR WILTSHIRE "You, specifically?"

ERIC RAGSDALE "Um, probably, it would be 98% that we do shred. And the reasons for it is logistics of the cost to collect is far more, um, cumbersome and costly for...I see my competitors who they'll walk in and grab the stuff and put it back of a box truck and swap (the) bin around. It takes that operator 15 to 30 minutes per stop, where it would cost us probably 6 minutes, average, for the time we pull up, time we go in the business, time we come out, time we pull off."

COUNSELOR WILTSHIRE "Well it's basically a roll cart, like our big blue recycling..."

ERIC RAGSDALE "Yes, sir."

COUNSELOR WILTSHIRE "...roll cart, isn't it?"

ERIC RAGSDALE "Yes, sir."

COUNSELOR WILTSHIRE "Is that the biggest item?"

ERIC RAGSDALE "Yes, sir."

COULSELOR WILTSHIRE "Is that the biggest?"

ERIC RAGSDALE "Yes, sir. So, if(you)roll into that customer, and it's \$35, and you're waiting on the back end for the recycling, and they got this much paper in there, but they're on a schedule that they predetermine, then the profits start minimizing because we do rely heavily on recycling it."

COUNSELOR WILTSHIRE "And the recycling people pay you, if it's mixed colors, grey, beige, or white? Or do you get more money if you..."

ERIC RAGSDALE "No. It's..."

COUNSELOR WILTSHIRE "...sort them...?"

ERIC RAGSDALE "It's pretty much assorted office paper which is volatile. In other words, it's- it can based on the market and how much contamination would be in it because we don't sort."

COUNSELOR WILTSHIRE "Right."

COUNSELOR HUTTO "Do you charge more to shred from your truck than just to pick up?"

ERIC RAGSDALE "No, sir. No, ma'am."

COUNSELOR HUTTO "So, it's the same flat fee, no matter whether..."

ERIC RAGSDALE "Yes, ma'am."

COUNSELOR HUTTO "...it's shredded..."

ERIC RAGSDALE "Yes, ma'am."

COUNSELOR HUTTO "...or unshredded?"

ERIC RAGSDALE "Yes, ma'am."

COUNSELOR WILTSHIRE "And the end user of the recycling make more paper out of it, alright? Just turn- turns it into pulp?"

ERIC RAGSDALE "Correct."

COUNSELOR BOLES "Did I understand you to say you- you do not take anything to the landfill?"

ERIC RAGSDALE "No, ma'am."

COUNSELOR BOLES "But you said, you save the landfill \$X00, or something like that...?"

ERIC RAGSDALE "Landfill..."

COUNSELOR BOLES "...what you stated about the landfill?"

ERIC RAGSDALE "We saved, um, so many tons every year in recycling because everything that we do gets recycled back, even though we're making a commodity, or a financial gain, off of it..."

COUNSELOR BOLES "umm, hum..."

ERIC RAGSDALE "...it is put back into a tissue product."

MAYOR ADAMS "Alright. Any more questions?"

RAUCH WISE "Particularly, from that standpoint, um, (inaudible) so you found it easier to, to shred at the place, or on the go, as opposed to hauling the paper product back to Columbia, and loading off and shredding it again?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Alright, and did you say that you roughly half the time of your competitors?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "And that's basically more efficient for you?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "As much as it is convenient for your customers, it's also very convenient for you?"

ERIC RAGSDALE "Yes, sir."

RAUCH WISE "Okay. Thank you."

MAYOR ADAMS "Alright. Are there any more witnesses?"

RAUCH WISE "That's all the witnesses we have."

MAYOR ADAMS (Speaking to Mr. Ragsdale) "You can be excused, unless Mr. Crowe has another question?"

DANNY CROWE "I do not."

MAYOR ADAMS "Okay. You can come down."

DANNY CROWE "Umm, Mr. Mayor, the City would call Steffanie Dorn as our first witness. Do you mind if I sit down?"

MAYOR ADAMS "Not at all."

DANNY CROWE "(inaudible) I'm gonna ask you some questions, Ms. Dorn, for the record because we're trying to..."

MAYOR ADAMS "Mr. Crowe, let me, let me just...we didn't swear that witness- that in, would you?"

RAUCH WISE "All that testimony was true and correct, Mr. Ragsdale?"

ERIC RAGSDALE "Yes, sir."

MAYOR ADAMS "Do you want to swear her in?"

DANNY CROWE "You want me to swear her?"

MAYOR ADAMS "Yeah."

DANNY CROWE "Ms. Dorn, do you swear that the testimony you shall give shall be the truth, the whole truth, and nothing but the truth, so help you God?"

STEFFANIE DORN "I do."

DANNY CROWE "Ms. Dorn, Imma ask you some questions; some for the record. I think Council knows the answers to some of these questions but, just for the record, in case this case goes any higher, umm, into the court system. What is your full name?"

STEFFANIE DORN "Steffanie Campbell Dorn."

DANNY CROWE "And what is your position with the City of Greenwood?"

STERFFANIE "Finance Director."

DANNY CROWE "Do you also function as the license official for the City, as that term is used in the business license section of the City code?"

STEFFANIE DORN "Yes, I do."

DANNY CROWE "Are you responsible for administration of the business license and business license tax?"

STEFFANIE DORN "Yes, I am."

DANNY CROWE "Um, are you familiar with a business called Shred With Us?"

STEFFANIE DORN "Yes, sir."

DANNY CROWE "Let me ask you, what are, in the business licensing world, what are multiple business operations, or multiple business activities?"

STEFFANIE DORN "They are, um, multiple types of business that are conducted, um, at one location. For example, um, we have a business in town...is it okay if I use a specific business name?"

DANNY CROWE "Sure."

STEFFANIE DORN "Citizens Trust. They, um, sell insurance, they sell real estate, and they conduct property management operations. So, all of those are multiple business operations that are being conducted in one place, and they have different classifications for audit purposes."

DANNY CROWE "Alright. How does the business license of provisions of the City Code address these multiple business operations, or multiple business activities?"

STEFFANIE DORN "Our ordinance requires that a separate license is requ(ired)- is, must be obtained for each place of business and for each classification for business conducted at one place. And so, they're requ(ired)- each business (a business like Citizens Trust), is either required to obtain three separate business license, um, at each separate rate, or they can choose to obtain one license and pay at the highest rate."

DANNY CROWE "Is that section 10-51b of the City Code?"

STEFFANIE DORN "Yes, sir, it is."

DANNY CROWE "What is, um, NAICS Code? What is NAICS? N-A-I-C-S?"

STEFFANIE DORN "It is the North American Industrial Classification System and we use it to determine what rate we put a business in. Um, it's a system used across, obviously, North America to classify all industries and it's, um, standardly used by the IRS on tax return forms."

DANNY CROWE "Does the, um, City of Greenwood Business License Ordinance use the NAICS system?"

STEFFANIE DORN "Yes, sir, we do.'

DANNY CROWE "Is that in, um, Section 10-53 of the...?"

STEFFANIE DORN "Yes, sir, it is."

- DANNY CROWE            "...the City Code?  Alright.  Um, can you tell the Council really how NAICS works?  What, what, what are the classifications?  How that works?"
- STEFFANIE DORN        "Businesses are classified, um, in similarly situated businesses.  Um, for example, contractors are all in one particular NAICS Code and then they're broken down.  They, they have a general code, um, that's a two-digit code, and then they go up as much as six different digits to further classify the businesses based on what type of construction.  They, um, they do- and um, this is, um, like I said, a standard system used across- to classify all industries to be able to report information, um, on those industries."
- DANNY CROWE            "And then on our City Code... how'd, how does that code use the classifications?"
- STEFFANIE DORN        "So the classifications system is then converted to determine what rate a business must, um, obtain their business license at.  And, um, those rates are based on IRS classification, um, statistical information based on profit margin.  So, the theory is that the more, the higher a business' profit margin, the higher their business license rate classification are.  And we have seven standard rates and one, um, an eighth rate that catches some of our odd businesses, or businesses that have rates that are set by State Code."
- DANNY CROWE            "Um, the case of a business that's in the document shredding service, what would be the classification under the NAICS Code?  Do you know?"
- STEFFANIE DORN        "Under our, um, classification system, which is the NAICS, we would classify that particular business as a, um- excuse me while I get my reference in front of me.  Um, it is- it is under classification of '...all other support services'.  Um, specifically, they have a, um, listing of document shredding services.  And this is code, um, rate class- uh oh, I'm sorry- NAICS Code 561990."
- DANNY CROWE            "And is this, um, what you're reading from, is that reproduced in, in the memorandum that we prepared for the Council?"
- STEFFANIE DORN        "Yes, sir, it is."
- DANNY CROWE            "Is that under, um, attachment number 2?"
- STEFFANIE DORN        "Attachment 2."

DANNY CROWE "And it's on the page with, um, that has 561990, 'All Other Support Services'?"

STEFFANIE DORN "That's correct."

DANNY CROWE "And is document shredding services, um, specifically listed there?"

STEFFANIE DORN "It is specifically listed as the..."

DANNY CROWE "Where is it on the page? Would you...?"

STEFFANIE DORN "It's the..."

DANNY CROWE "Would you indicate to Council?"

STEFFANIE DORN "It's the next to the last, um, item on that page."

DANNY CROWE "Does transportation have a classification under the NAICS system?"

STEFFANIE DORN "Yes, sir, it does. It was also provided in the memorandum, that the previous page, and it is sector, um, 48, 49 'Transportation and Warehousing'. And, um, specifically, that number has 484 Truck Transportation on it."

DANNY CROWE "So, is it fair to say that the- under the NAICS system, of the United States government, treats document shredding and transportation as completely separate businesses?"

STEFFANIE DORN "Yes, sir, I would think so."

DANNY CROWE "If, um- or as a document shredding service, what is the rate classification for Shred With Us?"

STEFFANIE DORN "They fall..."

DANNY CROWE "Under the City Code?"

STEFFANIE DORN "They fall into a Rate Class 3."

DANNY CROWE "Alright. And what are the charges for a Rate Class 3?"

STEFFANIE DORN "For a Rate Class 3, um, being a business that comes in from the outside, um, the City's ordinance requires a double rate for businesses that don't have a base operation in the City. And so the base fee is, or minimum fee, is \$90 for the first \$2,000 of gross receipts and \$1.25 for each \$1,000 after that."

- DANNY CROWE "Um, can you summarize your understanding of how the NAICS describes the business activities of transport of property and document collection and shredding?"
- STEFFANIE DORN "I believe that the NAICS, umm, clearly designates it as two separate categories and two different areas of the book. Um, there are two different- um, two different sectors; um, transportation as a separate sector from the business of shredding documents."
- DANNY CROWE "And, um, what is your understanding of the business activities of Shred With Us based on your listening to Mr. Ragsdale's testimony here today?"
- STEFFANIE DORN "It's my understanding that, um, within the City of Greenwood, he is bringing bins to a variety of businesses, about 11 or 12, and in some of those cases, he is, um, leasing those bins for, I would presume, a monthly fee; I'm not sure if he exactly said. And then, um, at whatever demand the customer needs, he comes in- goes in and retrieves the bins, dumps them in his truck, shreds the, the documents on site, in most cases, and then, I would assume, res- returns the bin back to the business so that they can, um, continue to use it until they need it emptied."
- DANNY CROWE "Um, in your view, under the business license, um, sections of the City Code, are the business activities of paper collection and shredding and transportation of paper, um, necessarily related businesses?"
- STEFFANIE DORN "I don't think so. Um, I think, obviously, you'd have to do something with the paper once you shred it, but the majority of what he's doing within the City is actually collecting and shredding the documents; that is the main purpose of his business."
- DANNY CROWE "What's your understanding of the Certificate E that was issued by the State?"
- STEFFANIE DORN "My understanding of the Certificate E is that it was issued to ensure that vehicles, um, that are transporting across the State- that are transporting freight, um, within the State of South Carolina, are doing so in a safe manner, and have appropriate insurance on their vehicles."
- DANNY CROWE "Um, what is the position of the City, or you as the City Business Licensing Official, on how this Certificate E relates to any liability of Shred With Us for business license tax?"

STEFFANIE DORN "I believe that the, um, certificate only protects any costs related to transportation and it does not protect the separate business activity of shredding."

DANNY CROWE "Cost or income?"

STEFFANIE DORN "The, um, the income for, um, the gross income related to those services they're providing."

DANNY CROWE "So, in your view, that the, um, activities of shredding would be subject to the business license tax?"

STEFFANIE DORN "Yes, sir."

DANNY CROWE "And are not protected by the Certificate E?"

STEFFANIE DORN "No, they're not."

DANNY CROWE "How would the business determine how much of a flat fee from a customer is attributable to the transportation and how much is attributable to the collection and the shredding, under the Business License Ordinance?"

STEFFANIE DORN "We oftentimes have to ask businesses to apportion their income based on, um, their business information related to what they know about their business and what parts are, um, based on the shred piece of it, and the transportation. Most businesses have cost centers involved, um, in their- in their financial information. And so, we really depend on a business to be able to provide us with some type of basis for a portion of it."

DANNY CROWE "You heard Mr. Ragsdale testify that he did not have to pay a business license to any other municipalities in the State?"

STEFFANIE DORN "Yes, sir, I did."

DANNY CROWE "Um, are there other shredding companies that pay a business license to the City of Greenwood?"

STEFFANIE DORN "Yes, sir, there are several."

DANNY CROWE "Can you name some of those?"

STEFFANIE DORN "I know that Iron Mountain does and I believe one is named, Shred It. Um, I know there's another shred name, maybe, Shred Safe. I would have to, to access my records to give you exact names, but at least those three I know of."

DANNY CROWE "And on what income do they, um, pay a business license tax?"

What is, what is their activity on which they pay a business tax?"

- STEFFANIE DORN "Um, their activity would be based on their shredding services. I have, have not, um, had any of those businesses provide me with a Certificate E, so I would assume that what they're reporting on is their entire gross receipts that they're generating when they come in the City of Greenwood."
- DANNY CROWE "Thank you, Ms. Dorn. Please answer any questions Mr. Wise has, or with Council."
- RAUCH WISE "So, if Mr. Ragsdale picks up the paper and carried it back to Columbia, he would be kept under the, um, transportation...?"
- STEFFANIE DORN "Well, he has some bins he said- stated he was leasing, so I think that would certainly, umm, qualify- still qualify him as needed to buy a business license."
- RAUCH WISE "What if he didn't lease any bins?"
- STEFFANIE DORN "He still coming in and collecting shredded documents..."
- RAUCH WISE "But, what if..."
- STEFFANIE DORN "...documents to shred..."
- RAUCH WISE "...what if, what if he just picks up trash, paper, and carried it to Columbia?"
- STEFFANIE DORN "We would still..."
- RAUCH WISE "With his Certificate E?"
- STEFFANIE DORN "...we will still charge him because he's coming in and doing some type of business activity."
- RAUCH WISE "Um, so you contend that it can only be applied if somebody is going from, um, Clinton to, um, to Abbeville and happens to drive through Greenwood with a, with a, Certificate E, you couldn't impose any tax on them?"
- STEFFANIE DORN "No, sir, I couldn't."
- RAUCH WISE "And that's about the only place it would apply?"
- STEFFANIE DORN "Um, that- off the top of my head that I can think of."

- RAUCH WISE "So, what you're saying is, if anybody stops and does anything in Greenwood, um, they would have to pay some sort of business tax even though the statute exempts Certificate E carriers from a business license?"
- STEFFANIE DORN "If they're conducting business that is separate from transportation, yes, sir."
- RAUCH WISE "You are familiar with the code section we're talking about?"
- STEFFANIE DORN "I think I am; yes, sir. I have, I have a copy of it."
- RAUCH WISE "Okay. Now, 5823620, alright. And you would agree that says '...State charged business license fee if you got a Certificate E?'"
- DANNY CROWE "I, I object. It's the same sheet. That's argumentative."
- RAUCH WISE "(inaudible) argumentative."
- DANNY CROWE "And the ultimate issue..."
- RAUCH WISE "What are the- can you read, read the statute?"
- STEFFANIE DORN "That the entire statute, Mr. Wise?"
- RAUCH WISE "That'll be fine. It's not long."
- STEFFANIE DORN "Okay. 'No city, town, or county in this State shall impose a license fee, or license tax, upon a holder of a Certificate A, or a Certificate B, and no city, town, or county shall impose a license fee, or license tax, on a holder of a Certificate E, or a Certificate F, Certificate of Compliance, or a common or contract motor carrier of property except the city or town of such carrier's residence or the location of his principle place of business. However, the fee required of the holder of a Certificate C is an addition to any license tax, or license fee, charge by a municipality.'"
- RAUCH WISE "Does there have any exceptions in there other than the home base for his company?"
- STEFFANIE DORN "No, sir."
- RAUCH WISE "Um, and you have no reason to dispute, um, Mr. Ragsdale's testimony that he has learned that its more convenient to, to shred the product after it is put into his truck?"
- STEFFANIE DORN "I certainly can't dispute his business."

RAUCH WISE "And therefore if its more convenient for him then certainly, um, a benefit for him to be able to shred at the location?"

STEFFANIE DORN "I presume so, but that's not really relevant."

RAUCH WISE "Well, it, ahem, so you would agree then, so- for that...never mind; you already answered that question. Um, as these companies you named, they never presented to you a certificate that would prevent them from a second- um, a City sales tax, a City business license?"

STEFFANIE DORN "No, sir."

RAUCH WISE "They, they have not?"

STEFFANIE DORN "No, sir."

RAUCH WISE "Okay. So, you, you don't know if they have it, or don't have it?"

STEFFANIE DORN "No, sir, I do not."

RAUCH WISE "Okay. Thank you. Thank you."

MAYOR ADAMS "Any redirect, Mr. Crowe?"

DANNY CROWE "Um, yes, sir. Ms. Dorn, um, in light of that section that Mr. Wise had you read, which is in our memo, um, as well, um, how do you explain the City's position about seeking a business license tax against Shred With Us?"

STEFFANIE DORN "Well, I would explain it in, in two circumstances. I think it's, um, a little unclear because the Office of Regulatory Service issues a Certificate E. He has a Certificate E-L, which is issued by the Department of Motor Vehicles, so it quest- it brings to mind the question of me- of whether his Certificate E-L is actually what the law is referring to. Additionally, there is an Attorney General's opinion from 1962, which we previously referred to and which is also in the memorandum, and I will point out and read the last sentence: '...It is the opinion of this office that such business tax may not be imposed if the activity of the holder of the Certificate is restricted to work related directly to transportation, in this situation, a building on a highway from one point to another...'."

DANNY CROWE "So, how, how would you interpret that if, if there is no direct relationship between the collection and shredding, and the transportation?"

STEFFANIE DORN "I interpret that, that the protection of the, the, umm, Class E Certificate does not hold, based on that Attorney General's opinion."

DANNY CROWE "Thank you, Ms. Dorn. Please answer any questions from Council."

RAUCH WISE "Let me- if I could get one question to redirect, if I may. Um, so it's economically more efficient for him to shred, that certainly would go along with the best- to do it, wouldn't it?"

STEFFANIE DORN "But that's not relevant to what he's doing in the City. It's not my concern if, if it's economically feasible or not."

RAUCH WISE "But, whether he shreds or not, it's really not irrelevant?"

STEFFANIE DORN "No, I didn't say that. What I'm saying- about if, if it's economically feasible or not, it's not my business because it's his business. But the fact that he is doing work in the City is what invokes the need for a business license."

RAUCH WISE "If it's economically feasible to him to shred, or economically feasible for him to shred, you would agree that, that would make it more incidental to his transportation business than it would be otherwise?"

STEFFANIE DORN "I don't think he would be, um, be doing the shredding business if that's not where he was making money. He, he did say in his testimony that he depends on the sale of the recycled product to be profitable, which he would not have if he didn't come into the City and get the recycled documents and then shred them on site."

RAUCH WISE "Do you see where the Attorney General's opinion, um, issued on, um, November 14<sup>th</sup> of 1989, involving, the um, Richland County, um, request for classification of whether or not they can issue a- um, require a business license for someone with a Class E, Class E Certificate?"

STEFFANIE DORN "I have it in front of me; yes, sir."

RAUCH WISE "And have you read it before today?"

STEFFANIE DORN "No, sir. I haven't."

RAUCH WISE "If she hasn't read it, I won't attempt to ask you about it. Council has a copy. Thank you."

STEFFANIE DORN "Yes, sir."

DANNY CROWE "No other questions."

MAYOR ADAMS "Thank you, Ms. Dorn. You may be excused. Do you have any other witnesses, Mr. Crowe?"

DANNY CROWE "Yes, sir; um, very briefly, Mr. David Price. Mr. Price, do you solemnly swear the testimony you shall give shall be the truth, the whole truth, and nothing but the truth, so help you God?"

CAPTAIN PRICE "I do."

DANNY CROWE "Um, again, for the record, and I know that Council knows you, but for the record, what is your name sir?"

CAPTAIN PRICE "I'm David Price."

DANNY CROWE "And before you were one of those fortunate persons who could retire, um, from employment, what is your position with the City of Greenwood?"

CAPTAIN PRICE "I was the Business License Officer."

DANNY CROWE "And what did that involve? What were your duties?"

CAPTAIN PRICE "I, patrolled the City and, um, check, um, any, um, business, or anyone working and, um, felt like if they needed a business license, then I would talk to them and, um, issue them a warning, um, after I talked to them. If they did not have a license and, um, advise them they did need one."

DANNY CROWE "In the course of your activities, as a Business License Officer of the City, did you ever have the occasion, um, in this calendar year, 2016, to observe the business activities of Shred With Us within the City?"

CAPTAIN PRICE "Yes, I did."

DANNY CROWE "Could you explain to the Council what you saw in connection with the activities of Shred With Us in the City?"

CAPTAIN PRICE "Okay. On that particular day, I was on South Main Street and I observe the truck 'Shred With Us', um, headed south on South Main Street. We have several businesses in the City, um, I think three maybe four of them have some type of 'shred' in them. Um, I called into the office and, um, talked to my Supervisor, Ms. Dorn, to see if, check and see if, you- Shred With Us had a business license. And, um, while talking with her on the phone, she stated that, um..."

DANNY CROWE "Well without getting into what she told..."

CAPTAIN PRICE "Okay."

DANNY CROWE "...but did you determine from that conversation whether or not Shred With Us had a license at that time?"

CAPTAIN PRICE "At that time, um, I determined it did not have a business license."

DANNY CROWE "And what did you do after you determine that?"

CAPTAIN PRICE "I followed the vehicle, um, they turned right on Epting Avenue, and um, went to, um Liner Street, which is down near the Genetic Center; um, I call it 'The Lab' where he stopped. It's a building separate from the Genetic Center and I think they do the lab work there. Um, he pulled up at sort of a side entrance there and I just backed in a parking space to see what he- what kind of business he was gonna do. And, um, Mr. Ragsdale was the driver of the vehicle. And he went into the building and stayed a little bit. Then he came out. I don't know with- if it was one or two containers, but he had something similar to one of our City, umm, canisters that we use as residences. And, you- he walked up to his truck, and... Um, I think it has a hoist on the side, that um, hoist it up, or dumped it into the truck. So, I got out of my vehicle and I approached Mr. Ragsdale. I identified myself, that I worked the City, and I advised him that, according to what I could determine, he did not have a City business license."

DANNY CROWE "And did you observe any other activities, um, from Shred With Us at that time?"

CAPTAIN PRICE "Um, not at that time. We was involved in talking at the container there and the truck was making a lot of noise, um, after he dumped it in there and I assume, at that time the way the truck sped up and noise it was making and shaking, that it was shredding at that time."

DANNY CROWE "Alright. Mr. Price, thank you very much. Please answer any questions Mr. Wise has, or the Council may have."

RAUCH WISE "I don't have any questions for Mr. Price."

MAYOR ADAMS "Mr. Price, you're excused."

DANNY CROWE "Mr. Mayor, those are all the City's witnesses."

MAYOR ADAMS "Okay. Is there anyone...We can limit the closing remarks to three minutes please. It would be great."

RAUCH WISE

"Mr. Ragsdale's business is a convenience to many people because it does shred, no questions about it. So, he's primarily in the business of transporting paper products from Point A to Point B, anyway he picks it up, back to Columbia. Picking up is pure- purely incidental to his business- to transporting the paper waste; it's purely incidental. I mean, you got to pick it up somewhere; so picking up is purely incidental to his primary business of getting the paper waste back to Lexington where he can resell it.

He went and applied for Class E Certificate, which he got, um a Class E Certificate says, 'you're exempt'. I handed you the body of evidence of the Attorney General opinion. Um, and if you read it, it say- it doesn't- it says the statue is being interpreted as written. It's exempt, except for one roof; that's were his home office is and he has to pay there.

And you talk about shoes being sold, or a meal being sold, that's not what we have here. We have here a man who is transporting paper waste. Who picks it up- as you transport paper waste, you got to pick it up. The shredding is simply incidental to that; anything that saves him money. If it's also a convenience to his customer, it's a double win for the both them. But he finds it more efficient to shred it there and move on because, when it gets to West Columbia, its shredded and he can deal with it then; don't have to off load it, reload it, and then deal with it again. So clearly, I think what he does is incidental.

The statute does not have any exceptions. It doesn't say, '...a Class E, except if you pick something up...'. It doesn't say, '...a Class E, except if you shred it...'. It doesn't say, '...a Class E, except if engage in another activity...'. It has one exception, and one exception only, and that is, the home county your business is and that's what it is. If it needs to be changed, that's a question for the legislature to do, not this body. It's a question for the legislature. The legislature can change it. This, this body can only enact laws that are conformed with the State Law. You can't change the State Law. You can't enact something that's contrary to it. And when you have a State Law that says, '...a holder of a Class E Certificate is exempt...', then it means it's exempt. Period.

Umm, and I'm think what he's doing is purely incidental to his primary business, which is transporting paper waste from Point A to Point B and, um, in Columbia, um in West Columbia.

And that's why I think it purely comes up in the statutes. (It) is not doing anything except, in most cases, donating a box and putting in, um, and that the whole incidental picking it up. He doesn't have an office here. He doesn't maintain an office here. If he did that, clearly, he would owe some business license tax. He would love nothing better than to have an office because he has so much business, but, unfortunately, at this time, he doesn't. But, um, the, the statute..."

DANNY CROWE

"Mr. Mayor and Members of Council, in his testimony, Mr. Ragsdale said that he went to the Attorney General to try to find a way to get out of paying business license taxes. The Certificate E, for all he and Mr. Wise would like it to do, does not get him there. A Certificate E, issued by the Public Service Commission, the Office of Regulatory Staff, and the State, that's in my memorandum, all that does is, um, it allows a property carrying vehicle, um, to operate, um, but not on any particular route or schedule. It doesn't authorize that business, or that company, to do any other kind of activity. It doesn't authorize it to collect and shred paper. It doesn't authorize it to sell hamburgers out the back. It doesn't authorize it to sell clothes out of the back.

Now, I used those as extreme examples to illustrate that the General Assembly could not reasonably have intended to allow this as a blanket exemption for any activity of any company that happen to come in and get a Class E. It would- that would just be absurd. It would be illogical. It would be unreasonable. So, what we're doing is taking it back a notch closer to reality and saying that the intent of the legislature, um, which should be determined based on plain meaning, based on logical meaning, based on reasonable meaning of a statute, um, would not protect two separate, not necessarily directly related, business activities like shredding and transportation.

So, that's, that's our argument. Um, and we're not looking to improve a tax on the transportation. As Ms. Dorn testified, many businesses across the spectrum apportion their income, um, based on the activities and pay license tax on that basis. That's what we're asking Mr. Ragsdale and Shred With Us to do because that's what the way we think the General Assembly intended the Certificate E statute to be interpreted. And we believe that we're supported in that by the Attorney General's opinion that I attached to the memorandum. Thank you."

RAUCH WISE

"Can I get a one minute reply?"

MAYOR ADAMS

"One minute (inaudible)."

- RAUCH WISE "Let's do some quick math. If there's one municipality in every county in this State, that would cost Mr. Ragsdale an extra \$4,100 a year to do business in the State of South Carolina. Secondly, the the exemption for Class E Certificates, certainly, has to mean more than you driving your truck through a municipality because, if all you're doing is driving your truck through a municipality, there is no way any person could ever contend you're doing business in that city. (In) no way they could; so, it has to mean more than the right to transport your product along an irregular route. And that's why we say picking up is incidental to transporting, and shredding is a convenience to him as well as his customers. And that's not doing business in such a manner that you don't- or enable to invoke the exemption under the statute."
- MAYOR ADAMS "Do you want to reply?"
- DANNY CROWE "Thirty seconds, Mr. Mayor. If I were hiring Shred With Us to come pick up, um, some old wood from in front of my house, um, to pick up some rocks from in front of my house, and they did that, and they were gone, that would be entirely different than Shred With Us having a regular schedule of customers for whom they regularly collect, provide bins, and pick up, and shred their documents. Those are completely different situations. We think here it's clear that, um, bus- um, Shred With Us should pay a business license for that collection and shredding aspect of his business. Thank you."
- MAYOR ADAMS "Would ya'll consent to questions, if Council ask questions?"
- RAUCH WISE "Sure."
- MAYOR ADAMS "Under oath- questions?"
- COUNSELOR HUTTO "I want some clarific- I'm, I'm thinking this, um, Certificate E is made basically for trucking companies that would deliver goods to different and various areas and does not be charged, except in municipalities where they hold their primary trucking facility stock. Is that correct in my assum- am I correct in that assumption, or not?"
- DANNY CROWE "In our view, yes. Yes. It's hauling."
- COUNSELOR HUTTO "It's hauling?"
- DANNY CROWE "They're, they're a for-hire hauler of property."

COUNSELOR HUTTO "So, this hauler of property, whatever it should be, is different than providing a specific service. I understand hauling: dropping off, picking up, dropping off, picking up, so basically, a freight company is what this should be in reference to; this Certificate E. And what is the difference in- difference between a Certificate E and an E-1?"

COUNSELOR WILTSHIRE "L."

COUNSELOR HUTTO "L, excuse me."

DANNY CROWE "The, the- Um, there is a different code section that describes a Certificate E, it's called a Certificate E, Certificate of Compliance, from the Department of Motor Vehicles of, um which, um, um, was substituted. This, this certificate is from, like, 2003."

RAUCH WISE (inaudible)

DANNY CROWE "Um, subsequently, (the) Department of, um, Public Safety- um, Motor Vehicles was substitute for the Department of Public Safety but it has the same, um, reference point that you mentioned. It is for for-hire motor vehicle carriers of property, except those that carry household goods or hazardous materials."

COUNSELOR HUTTO "Household goods, meaning like, moving companies?"

DANNY CROWE "Yes, ma'am."

COUNSELOR HUTTO "Okay."

DANNY CROWE "And a Certificate E- and from the, um, Office of Regulatory Staff of the Public Service Commission is in the memorandum and that's what I described it. They're issued for property carrying vehicles which will not operate upon any particular route or schedule."

COUNSELOR HUTTO "Okay. I..."

DANNY CROWE "It would be like a contractor hauler."

COUNSELOR HUTTO "...I just, I just wanted to make clear in my mind."

RAUCH WISE "Well my..."

COUNSELOR HUTTO "...of what I thought it would..."

RAUCH WISE "...my interpretation is a little different. I think you're..."

COUNSELOR HUTTO "Yeah. I got, I got your, I got your..."

RAUCH WISE "...I think you're, I think you're halfway right."

COUNSELOR HUTTO "I know. I got your..."

RAUCH WISE "A Certificate E is..."

COUNSELOR HUTTO "...I got it. I got it. I just wanted some clarification, but I got your interpretation."

RAUCH WISE "I was speaking of that a little."

COUNSELOR HUTTO "I do. I, I, I got it."

MAYOR ADAMS "Let me ask, ask you a question."

RAUCH WISE "Um, hum."

MAYOR ADAMS "I did a closing, not long ago, for a dry-cleaning business and, what he does now is he's- He's in Greenwood but he takes all, he- He, everyday, sends all his dry cleaning up to Anderson. He got- he's got several of them. So, all the dry cleaning is actually done in Anderson. So, would it be your position if the- he had a Certificate E, he picked up the dry cleaning, did it in Anderson, brought it back to Greenwood...?"

RAUCH WISE "If all he did was go to people houses and picked it up; but, if he has a place of business here where people dropped it off, then that changes the rules significantly because then you have a, a location with an address and a phone number, and all that. And that, of course, would clearly be a business license type situation; no questions about that."

MAYOR ADAMS "Even though- even if he was able to have the Certificate E?"

RAUCH WISE "Even if he had the Certificate E then, because if he, he, you know- because he- once you maintain a, a, a brick and mortar building, you're gonna pay a business license tax. Even though- I guess it would take another act of legislature to exempt that somehow because um, I don't think that would- you're taxing that business at that location."

DANNY CROWE "Well, not to quarrel with Mr. Wise, but just to argue that point, um, um, Shred With Us, has a place of business really everywhere they have one of those bins. They, they have a presence. They have a physical presence where they collect, um, for a rental fee or not, for paper to be shredded."

So, I, I, I think the analogy about, um, not having a brick a mortar, it falls a little thin when they actually have bins with the words 'Shred With Us' on them that the offices use- businesses use."

COUNSELOR BOLES "Those bins, you call boxes, that's what they consider the box?"

COUNSELOR WILTSHIRE "It's a roll cart."

DANNY CROWE "They're like Herbie Curbies."

COUNSELOR BOLES "Okay. So, they're putting box- the rental boxes, or rental carts, or bins- on, on individual businesses' property?"

DANNY CROWE "My understanding, it's like a Herbie Curbie that you would have..."

COUNSELOR BOLES "Um, hum..."

DANNY CROWE "...or a recycling bin, but it has Shred With Us on it..."

COUNSELOR BOLES "Um, hum"

DANNY CROWE "...they put their paper in that they want, um, shredded. Um, and these people pick it up on a regular schedule, shred it, (and)drive it back to West Columbia; shred 98% of it, according to Mr. Ragsdale's testimony."

RAUCH WISE "And, and for what it's worth, as I did a little research in what, um, (a)License E is, it's a license to run on an irregular route, as opposed to a regular route, mind you, and get another license for a regular route. But that's what..."

COUNSELOR WILTSHIRE "But he has scheduled pickups that he's aware of the year ahead. He knows who's he picking up, (and) when he's picking up."

RAUCH WISE "Right."

COUNSELOR WILTSHIRE "Each of his clients have a schedule."

RAUCH WISE "Yeah, but it still may not be a regular route. Like, if he leave on Mondays here, and Tuesdays here- he may, at times, may go from Saluda to somewhere without stopping through Greenwood, so that's why he doesn't have a regular route."

COUNSELOR WILTSHIRE "Ms. Dorn?"

STEFFANIE DORN "Yes?"

COUNSELOR WILTSHIRE "Would, do you happen to know if Powell's Trash Service has a Certificate E...?"

STEFFANIE DORN "I'm not aware. They- they've never provided us with on or..."

COUNSELOR WILTSHIRE "...or Buzhardts?"

STEFFANIE DORN "No sir. I mean they, they may very well have one, um, the statute says..."

COUNSELOR WILTSHIRE "Powell's operates outside the County."

STEFFANIE DORN "...um, their statutes says 'carrier of property', so I would, I would guess he consider property, um, then..."

COUNSELOR WILTSHIRE "What, it's a similar thing?"

STEFFANIE DORN "...they perhaps do that, (with)those certificates."

COUNSELOR WILTSHIRE "It's a waste product being picked up, and a waste product that has been picked up, except he's adding value to it by shredding."

COUNSELOR HUTTO "But, but the trash people that pick up- it would be their own trash but they will pick- when they do pick up and drop off their bins in the City limits, do you not, don't they have a business license fee?"

COUNSELOR WILTSHIRE "Yeah, they all have a business license."

COUNSELOR HUTTO "They all have a business license fee?"

STEFFANIE DORN "Yes, sir. Yes, ma'am. They do."

COUNSELOR WILTSHIRE "And they're based outside the City. They're all..."

COUNSELOR HUTTO "They're all based outside the City. They still pay a fee."

STEFFANIE DORN "That's correct."

COUNSELOR WILTSHIRE "And all they're doing is picking up trash, that's why I wanted to know about the E thing, because my thinking was that Mr., um, the gentleman is, is adding value by shredding the product so he can then sell it as a profit."

STEFFANIE DORN "Well, the, the Powell's and, if I could expand- Powell's and Buzhardt's, for example; the only containers they can have in the City (other than commercial, because we provide commercial), they have roll offs and they have recycle containers, which is very similar to Mr. Ragsdale's business. They have the containers that people put cardboard in. They come in, pick it up, and, I would presume, that they also then sell it."

MAYOR ADAMS "Any further questions?"

COUNSELOR EDWARDS "But even with those services, don't people pay Powell's, and that's customer pay?"

STEFFANIE DORN "Yes, ma'am, those customers pay..."

COUNSELOR EDWARDS "The same as with his business. He has customers?"

STEFFANIE DORN "Yes, ma'am."

COUNSELOR EDWARDS "And they pay him?"

STEFFANIE DORN "Yes, ma'am."

COUNSELOR EDWARDS "But, just- he's taking off shredded stuff. Like Mr. Wiltshire said, he makes a profit off of, you know. So, I still- I guess my question has been, what's a Class E-L? We just keep talking Class E, but this certificate says Class E-L, and I'm quite sure they wouldn't put a L behind the E if it didn't mean something?"

RAUCH WISE "(Do) you know the answer?"

ERIC RAGSDALE "Well, I, I- As a businessman, I wouldn't put away the things that, um- The interpretation that I think is here today is not- I'm not trying to evade taxes. I'm trying to evade double taxation. I pay gross receipts in where I, in the County that I reside, but when I went to the Regulatory agency to get a Class E-L my business said 'Shred With Us'. The transportation that I use, I don't just have a truck that I go around, but that- what I do is incidental from day one that I started in retaining that Certificate, and did it."

Um, I just wanna say that, you know, basically, the E-L has been, um, interpreted by the legislature that can be taxed only to the County that I reside.

I just think that's the question here. I know the other businesses have trash haulers- have, where they put yard trash in and get charged the customer a fee, a rental fee, a pickup fee, and all these fees. So, when it comes down to it, I might pull out a customer and might, might, make \$3. And my contention is that, you know, for me to pay a business license tax for every city and county, would be a totally disadvantaged and I just wouldn't be able to do business (inaudible). And I just think the interpretation of the statute needs to be left up to- if you don't do it here today, as a court, because it is vague. And when a statutory, um, um, legislation is plain, or ambiguous, then it has to be interpreted as the meaning which is, as it is written."

DANNY CROWE "Counselor Edwards, to respond to your question, um, I do not know what a Class E-L is. I could not find a reference to that. Um, but, the City is giving him a benefit of a doubt on that point and is treating it as a Certificate E. That's the subject of that statute and we're saying- we're not looking for a tax on that income from that transportation. So we're giving him the benefit of a doubt on the E-L, but are looking for the tax on the income from the collection and shredding. Thank you."

COUNSELOR BOLES "I just have one last question. I think I remember you stating that there were other shredding companies coming into Greenwood?"

STEFFANIE DORN "Yes, ma'am."

COUNSELOR BOLES "Are they paying a license?"

COUNSELOR  
WILTSHIRE "Yes."

STEFFANIE DORN "Yes, ma'am."

COUNSELOR BOLES "Okay."

MAYOR ADAMS "Okay. Alright."

COUNSELOR  
WILTSHIRE "Mr. Ragsdale, um, following up on those points, what did you pay under protest?"

ERIC RAGSDALE "Sir?"

COUNSELOR WILTSHIRE "What was the business license you paid, paid under protest, as I'm told?"

RAUCH WISE "How much did you pay before you sent them a check (inaudible)?"

ERIC RAGSDALE "\$90."

RAUCH WISE "Actually, he owes \$100, no he owes another \$90. We had an understanding that he had to pay for two years. So, he owes another \$90."

COUNSELOR BOLES "But these other companies could also have a Certificate E. We don't know that."

STEFFANIE DORN "Well, no ma'am, we, we don't know that. Um, I haven't encountered a different type of business that presented a Certificate E and when I talked to them about the, the different business, mobile business operations, then they agreed to get a business license."

RAUCH WISE "I- I'm going to object to that as being a kind of, you know, hear-say, and everything else."

COUNSELOR BOLES "Oh, I thought it was facts. I'm sorry."

MAYOR ADAMS "Are there any other questions? Alright we'll, we'll close out and deliberate, I guess, now. Thank y'all."

RAUCH WISE "Let me ask you something in the interest- like, one of us got to go back to West Columbia. Y'all want us to wait around, or do you want to send a letter in the mail?"

MAYOR ADAMS "Wait around. We'll make a decision."

RAUCH WISE "Okay. Thank you."

DANNY CROWE "Um, not to knocking off anything, but my understanding is that you need to deliberate in public. There's no executive session (inaudible)..."

MAYOR ADAMS "Okay. Yeah. Yeah, we were- we're..."

DANNY CROWE "Not that we want to intrude, but that's (inaudible)."

MAYOR ADAMS "Right. You guys won't be going anywhere."

City Attorney, Tripp Padgett, asked if opposing counsel wanted to include marked exhibits.

COUNSELOR WILTSHIRE "Alright, Council. Thoughts? Motions?"  
"I, I, I..."

MAYOR ADAMS "Does anyone want make a motion?"

KENN WILTSHIRE "Yeah, I think that- I mean my thoughts, were from the beginning; it's a bit like Powell and Buzhardt's. He's picking up waste and putting- In this case which, as Steffanie say, he would get charged like they get charged for picking up waste for getting- the issue on roll carts, as to whether it's leased, or free. Most of his customers in Greenwood seems to be (inaudible) of the State, if he got State customers in Greenwood. Um, there's also the fact then that he comes along and-

To me, he's a bit like the Uptown Market. You got a farmer who's making a product, growing it, and selling it. But then if somebody takes that product and changes it, like cans it or bottles it, then we call them a producer and we charge them more. And here, he's gotten his waste, and he's changing it right there in our streets by shredding it. So, that, to me, says he's doing a service. He should get charged for it."

COUNSELOR ABLES "He's providing a service. He getting paid for it. He should have a business license."

MAYOR ADAMS "Alright. (inaudible) Y'all want to make a motion?"

COUNSELOR WILLIAMS "I make a motion to uphold... (inaudible)"

MAYOR ADAMS "So your motion is to, umm, have a- to uphold the decision to have a business license?"

COUNSELOR WILLIAMS "That's right."

MAYOR ADAMS "Your motion is that he had- is required to have a business license?"

COUNSELOR WILLIAMS "He needs a business license because Powell's, for every recycling bin he's got inside of the City, he pays for it, and they're doing a service for the City, too."

MAYOR ADAMS "So..."

COUNSELOR WILLIAMS "They're keeping paste board paper out of the landfill."

MAYOR ADAMS "There's a motion that Shred With Us is required to have a business license for shredding activities in the City of Greenwood. So, we have a second?"

COUNSELOR "So moved."  
WILTSHIRE

MAYOR ADAMS "Second by Mr. Wiltshire, motion by Mr. Williams. All in favor, signify by a show of hands. The motion carries."

The motion passed unanimously.

RAUCH WISE "We owe, we owe another \$90, too, in (inaudible) fees."

MAYOR ADAMS "Thank you."

RAUCH WISE "Alright."

MAYOR ADAMS "We need it."

RAUCH WISE "Alright."

MAYOR ADAMS "Alright. Do we have a motion to adjourn?"

A motion to adjourn the meeting was made by Linda Edwards, seconded by Betty Boles.

The motion passed unanimously.

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ADJOURNMENT Mayor Adams adjourned the meeting at 7:40 p.m.

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D. Welborn Adams, Mayor

ATTEST:

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City Clerk and Treasurer