

AGENDA
COUNTY COUNCIL OF BEAUFORT COUNTY
Monday, May 10, 2010
4:00 p.m.
Council Chambers, Administration Building

Citizens may participate in the public comment periods and public hearings from a telecast site at the Hilton Head Island Branch Library.

4:00 p.m.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. INVOCATION
4. REVIEW OF MINUTES – [April 12, 2010](#)
5. PROCLAMATIONS
 - Stroke Awareness Month
 - Older Americans Month
 - Public Works Week
6. PUBLIC COMMENT
7. COUNTY ADMINISTRATOR’S REPORT ([report](#))
 - Mr. Gary Kubic, County Administrator
 - The County Channel / Broadcast Update
 - Two-Week Progress Report
 - Presentation / Noise Education Brief
 - Col. John Snider, Commanding Officer, MCAS Beaufort
 - Mr. Fred Pierson, Encroachment Program Manager
 - Air Installations Compatible Use Zones (AICUZ) Center of Excellence
 - Stormwater Best Management Practice (BMP) Manual Modification for Volume Runoff Control
 - Mr. Dan Ahern, Manager, Stormwater Management

Over



- Animal Shelter Improvements
Mr. William Winn, Division Director, Public Safety
 - Certificate of Recognition - 2009 South Carolina Environmental Awareness Award
8. DEPUTY COUNTY ADMINISTRATOR'S REPORT
Mr. Bryan Hill, Deputy County Administrator
- Two-Week Progress Report ([report](#))
 - Construction Project Updates:
One Cent Sales Tax Referendum Projects:
New Bridge over Beaufort River / US 21 / SC 802 Construction Project
SC Highway 802 Roadway Construction Project
Mr. Robert McFee, Division Director, Engineering and Infrastructure

CONSENT AGENDA
Items 9 through 13

9. FOOD SERVICE PROGRAM FOR DETENTION CENTER ([backup](#))
- Public Safety Committee discussion and recommendation to approve occurred May 3, 2010 / Vote 7:0
 - Contract award: ABL Management, Inc. Baton Rouge, Louisiana
 - Contract amount: \$386,307
 - Funding source: Account 23170-52100, Meals/Contracted Services
10. PUBLIC WORKS TIRE/BALER BUILDING DESIGN BUILD PROJECT ([backup](#))
- Public Facilities Committee discussion and recommendation to approve occurred May 3, 2010 / Vote 7:0
 - Contract award: Beaufort Construction, Inc., Beaufort, South Carolina
 - Contract amount: \$491,022
 - Funding source: Account 33390-54600, Tire Bale Facility, \$5,808 and Account 22660, Tire Fund, \$485,214
11. FORM-BASED CODE CONSULTANT ([backup](#))
- Natural Resources Committee discussion and recommendation to approve occurred May 3, 2010 / Vote 7:0
 - Contract award: Opticos Design, Inc., Berkeley, California
 - Contract amount: \$550,000; County portion \$350,000
 - Funding source: Account 13340-5160, Professional Services FY 2001 and 2010
 - Council Policy Agenda 2010 / Top Priority: Countywide Form-Based Code
12. TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE V, SECTION 106-1098 GENERAL USE

TABLE (TO ALLOW A SMALL TOWING BUSINESS TO BE ABLE TO DO BUSINESS IN COMMERCIAL REGIONAL ZONING) ([backup](#))

- Consideration of first reading.
 - Natural Resources Committee discussion and recommendation to deny occurred May 3, 2010 / Vote 7:0
13. HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT AUTHORIZATION TO ISSUE GENERAL OBLIGATION BOND DEBT IN AN AMOUNT NOT TO EXCEED 4 MILLION FOR THE PURPOSE OF CONSTRUCTING POTABLE WATER STORAGE AND TRANSMISSION IMPROVEMENTS, INCLUDING AN AQUIFER STORAGE & RECOVERY WELL, AS A KEY PART OF ITS EFFORTS TO REPLACE DRINKING WATER SUPPLY LOST TO CONTINUING SALTWATER INTRUSION INTO ITS GROUNDWATER SOURCE ([backup](#))
- Consideration of first reading, by title only.
 - Finance Committee discussion and recommendation to approve occurred May 3, 2010 / Vote 7:0
14. PRESENTATION / FY 2010 / 2011 SCHOOL DISTRICT BUDGET PROPOSAL
- Consideration of first reading, by title only.
 - Finance Committee discussion May 14, 2009
 - Chambers of the Administration, 100 Ribaut Road, Beaufort Public hearing to occur Monday, May 24, 2010, beginning at 6:00 p.m. in Council Chambers
15. PRESENTATION / FY 2010 / 2011 COUNTY BUDGET PROPOSAL
- Consideration of first reading, by title only.
 - Finance Committee discussion and recommendation May 3, 2009 / Vote 7:0
 - Finance Committee discussion and recommendation April 12, 2009 / Vote 7:0
 - Chambers of the Administration, 100 Ribaut Road, Beaufort Public hearing to occur Monday, May 24, 2010, beginning at 6:00 p.m. in Council Chambers

PUBLIC HEARING

Item 16

- 6:00 p.m.** 16. AMENDMENT TO THE VILLAGE AT LADY'S ISLAND PLANNED UNIT DEVELOPMENT (PUD) TO EXTEND THE SUNSET DATE TO JANUARY 1, 2011
- Consideration of third and final reading.
 - Second reading approval occurred April 26, 2010 / Vote 11:0
 - First reading approval occurred April 12, 2010 / Vote 11:0
 - Natural Resources Committee discussion and recommendation to approve occurred April 5, 2010 / Vote 6:1
17. [COMMITTEE REPORTS](#)

18. PUBLIC COMMENT

19. EXECUTIVE SESSION

- Receipt of legal advice relating to pending and potential claims covered by the attorney-client privilege
- Discussion of negotiations incident to proposed contractual arrangements and proposed purchase of property

20. ADJOURNMENT

County Council Meeting Location Changes

May 24, 2010
 From: Hilton Head Island Branch Library
 To: Council Chambers, Administration Building

June 14, 2010
 From: Council Chambers, Administration Building
 To: Hilton Head Island Branch Library

County TV Rebroadcast	
Wednesday	11:00 p.m.
Friday	9:00 a.m.
Saturday	12:00 p.m.
Sunday	6:30 a.m.

Cable Casting of County Council Meetings <i>The County Channel</i>	
Charter Cable	CH 20
Comcast	CH 2
Hargray Cable	CH 252
Hargray Video on Demand	600
Time Warner Hilton Head Cable	CH 66
Time Warner Sun City Cable	CH 63

Official Proceedings
County Council of Beaufort County
April 12, 2010

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The regularly scheduled meeting of the County Council of Beaufort County was held at 4:00 p.m. on Monday, April 12, 2010, in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Weston Newton, Vice Chairman D. Paul Sommerville and Councilmen Steven Baer, Rick Caporale, Gerald Dawson, Brian Flewelling, Herbert Glaze, William McBride, Stu Rodman, Gerald Stewart and Laura Von Harten were present.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance to the Flag.

INVOCATION

Councilman Gerald Dawson gave the Invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD MARCH 29, 2010

It was moved by Mr. Baer, seconded by Mr. Caporale, that Council approves the minutes of the regular meeting held March 29, 2010. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Rodman, Mr. Stewart and Ms. Von Harten. ABSTAINED – Mr. Dawson, Mr. Newton and Mr. Sommerville. The motion passed.

PROCLAMATIONS

Child Abuse Prevention Month

The Chairman proclaimed April 2010 as Child Abuse Prevention Month. The Chairman congratulated and commended Mrs. Susan Cato on her 25 years of faithful service to the citizens of Beaufort County. Mrs. Susan Cato and Mrs. Deloris R. Mack accepted the proclamation.

Zero Tolerance for Litter Camping

The Chairman proclaimed April 15 through April 18 as Zero Tolerance for Litter Weekend and asked all of law enforcement officers to work together this weekend and throughout the year for a cleaner community in Beaufort County, our state and country. Lt. Col. Neil Baxley and Litter Control Officers Corporal Richard Black and Corporal John Eckard accepted the proclamation.

Sexual Assault Awareness Month

The Chairman proclaimed April 2010 as Sexual Assault Awareness Month in Beaufort County and encouraged all citizens to make this the beginning of the end of sexual violence in our lives.

PUBLIC COMMENT

There were no requests to speak during public comment.

COUNTY ADMINISTRATOR'S REPORT

The County Channel Update

Mr. Gary Kubic, County Administrator, remarked through Council investments and throughout staff we have made a major contribution in transparency as we talk about The County Channel. We are making progress with the military. Soon Mr. Kubic hopes to have a contract that will allow the County to piggyback with the military and Hargray, and announce to the public a lower channel number of our broadcasting. The piggyback and partnership with the military expands our opportunities for both of us – to reach a larger audience and to have a valued content on The County Channel. Hopefully, within the next four weeks Mr. Kubic will be standing before Council with the positive announcement.

The County is also investing in some new technologies -- time lapse photography. The picture displayed on the monitor is a time lapse of a tide moving in the Spring Island and Callawassie Island area. In the effort to promote ecology and marshes it is interesting to be able to document the actual tidal movements that are very drastic in Beaufort County.

Four-Week Progress Report

Mr. Gary Kubic, County Administrator, circulated copies of his Four-Week Progress Report, which summarized his activities from March 15, 2010 through April 9, 2010.

Presentation / Building Inspection and Code Enforcement Department Accreditation

Mr. Gary Kubic, County Administrator, announced the County Inspection and Code Enforcement Department is the first building department in South Carolina to earn Building Department Accreditation from the International Accreditation Service (IAS). The accreditation is based on the IAS Accreditation Criteria for Building Department / Code Enforcement Agencies (AC251). The accreditation verifies the Department is operating at the highest legal, ethical and technical standards.

Mr. Arthur Cummings, Building Inspection Director, explained IAS accreditation provides national recognition that a building department is professionally qualified to serve its jurisdiction. Accreditation of the building department provides independent third-party recognition the organization fulfilled specified requirements and is competent to carry out

specific code enforcement tasks. Benefits of an IAS accreditation include: Recognition a building department has demonstrated it is technically competent to administer an effective system of code enforcement that is fair, equitable and benefits the community it serves. The accreditation verifies the Beaufort County Inspection and Code Enforcement Department is operating at the highest legal, ethical and technical standards. There is increased department efficiency, fewer complaints from the public and potential for lower insurance premiums (The County is hopeful this accreditation will lower the flood insurance rating and discount wind insurance). It preserves property values. It improves consumer confidence.

Many steps are involved in the accreditation process. Every aspect of the department operation was scrutinized by IAS – issuance of permits, mobile home registrations, field inspections, employee training and education and review of building plans. As a result, the department developed a 220-page Quality Control Manual. The process takes between 18 to 24 months. Staff hoped to have it completed by November 2009, but the lead evaluator was out of the country and that extended the process an additional four months. The Board hearing was on March 19, 2010. It was a teleconference hearing and several county officials participated in the hearing. Final accreditation was received April 6, 2010. The cost of the accreditation was \$18,224 and all invoices have been paid. The final cost associated with the process is a \$1,500 surveillance fee. At the end of calendar year 2010, IAS will evaluate and ensure all policies and procedures are in place and followed.

The Department views the accreditation as the benchmark of excellence. By achieving accreditation, county residents and builders can have confidence in our ability to carry out our mission at the highest level of public service. The process helped us become more efficient, demand more of ourselves and always seek new ways to improve the delivery of our service. We are the first Building Inspection Department in South Carolina to achieve this accreditation. Beaufort County is 1 of 13 in the country to have this accreditation.

Click2Enter Follow-up Report

Mr. Timothy Ogden, Fire Code Official/Building Codes Department, reported effective April 12, 2010 18 existing gates have complied with the Click2Enter Program / Gate Access Ordinance (hereinafter “Program”). There are 56 gates outstanding and needing to comply by the October 2010 deadline. Two new gates have been installed and are in compliance with the ordinance. As Fire Code Official, Mr. Ogden works closely with all county fire districts, EMS, Sheriff’s Office, Emergency Management, Town of Bluffton Building Codes, City of Beaufort and Town of Port Royal Fire Department, Town of Hilton Head Island and the Town of Yemassee.

The Program is being used as a model throughout the State of South Carolina. The Program has been a topic of discussion at State Communication Committee meetings. The department has been contacted by other counties and agencies throughout the state interested in mirroring our ordinance. Regarding program maintenance, gate owners are responsible for maintaining the gates. As part of the permitting process, gate owners are required to routinely inspect their gates and report to the Program Coordinator when any gate will be out of service. Emergency Services will randomly test devices countywide and report any defects to the Program Coordinator. The Department implemented a Volunteer Program – Knox pad lock. It can be

used on manual gates in lieu of a lock and chain. It allows Emergency Service personnel to access locked gates without having to damage the lock.

Online Material Exchange – 2Good2Waste

Mr. Jim Minor, Solid Waste/Recycling manager, introduced the new 2Good2Waste – online swap shop program. Over the last eight years, he experienced a variety of challenges operating the county's 12 convenience centers. One recurring challenge has been reusable items – where to take them and what to do with them. In many cases they are perfectly good items. The Department attempted many ways to solve this issue such as swap shops and brochures. In many cases when citizens arrive at the convenience center with their reusable items they are informed they have to take their items elsewhere. Unfortunately, many perfectly good reusable items are destroyed. There are between 130,000 and 140,000 citizens monthly using any one of 12 convenience centers. Since convenience centers are a disposal activity, reusable items have to be put in a container.

Staff continued its research efforts regarding disposal of reusable items and identified a new program -- 2Good2Waste.org. 2Good2Waste is a proprietary program started by a State of Washington business owner.

Next, Mr. Minor clicked on the website for the County of Grays Harbor, Washington. This county used 2Good2Waste a number of years. Their site maintains 1,370 listings. It has approximately 5,000 members in the exchange. More than 12,525 exchanges between the members have taken place. That is a lot of material diverted from the landfill. This is the kind of activity staff is hoping Beaufort County will eventually realize on its site. Beaufort County is the first and only county in South Carolina to become part of the exchange.

Mrs. Beth Lewis, Department Data Analysis and Information Coordinator, is credited with laying the foundation and developing the program and website. The purpose of the site is to provide a virtual market place where two parties can meet and work out the details of the exchanges themselves. The website is off line and is maintained by the company that maintains the website for all organizations. The website is free to all residents. All that is needed to get involved is an internet account to become a member and to post a listing. Staff asked all area thrift shops, reuse charities and businesses if they want to be linked on the County site for the purpose of providing information about their particular organization. Another helpful tool is Recyclepedia, the encyclopedia for recycling things.

Summary / FEMA Sponsored Beaufort County Hurricane Recovery Course, Emmitsburg, Maryland

Mr. William Winn, Division Director – Public Safety, gave an overview of the FEMA sponsored Beaufort County Hurricane Recovery Course held in Emmitsburg, Maryland. As Emergency Management Director for 30 years, it has always been his concern what would happen in Beaufort County if a major storm came in. Are we ready or are we not? One of things he learned working with FEMA, as an analyst who looks at a hurricane 30 to 50 days after the storm, is communities that responded well are communities that had preplanned, had a sense of

community and had the ability to make a decision. One of the challenges of an Emergency Management Program is not only to prepare your community to respond, but to prepare your community to be a better place. What a great opportunity a hurricane can be. If you suffer through one and if you have to go through destruction, there ought to be something on the other side when you get through the storm. We can say, “We made it better.” For many years in Emergency Management, he tried to obtain the integrated emergency management course in Emmitsburg, Maryland, which is the national training center. In his final year as Emergency Management Director, Beaufort County was awarded the grant and selected to attend the National Training Academy. FEMA annually makes ten awards nationally. The county was allocated a course (IEMC – E930) of its choosing and chose hurricane recovery.

A total of 73 people attended the training. There were 36 from the County, 7 from various Public Services Division, 14 municipalities, 2 military (MCAS Beaufort and MCRD Parris Island), 8 state agencies (National Guard, Emergency Management Division, DHEC), and 6 from other agencies (Beaufort Memorial Hospital, Chamber of Commerce, Palmetto Breeze, Red Cross and United Way). The purpose of the course was to provide the County Recovery Team, in cooperation with our state and community partners, an opportunity to work through recovery issues in an exercise environment. It provided a review of areas of concern from past disaster experiences to allow team members a chance to apply our operational plans with incidents from other governments. The course provided team members four days of working together on recovery issues. It provided a better understanding of the complexity and enormity of recovery operations to our managers. It highlighted three areas of needed intense planning – debris management, temporary housing and local government cooperation and coordination.

Debris management - Public Works Director Eddie Bellamy and Solid Waste/Recycling Manager Jim Minor did an excellent job putting together the contracts to pick up and move the debris management (as well as most of our municipalities). The problem is what do you do next? Where do you put it? As of today, we do not have the problem resolved. As of today, we do not have a dedicated land site. No matter how fast we return to Beaufort County, no matter how fast Mr. Bellamy picks up debris, the issue remains what happens after he picks it up. The issue hounded us during the exercise. It is an issue that is not going away. It is one we are eventually going to have to bite the bullet, identify the debris sites and protect them. Horry County was in the same situation and they finally bought land for their debris management sites.

Temporary housing – We cannot get our community back up and running if we cannot get our workers home. We cannot rebuild the community if we cannot get our construction workers to Beaufort County. What is going to be needed is temporary housing. Even though FEMA has the ability to bring in temporary housing, it does not have the legal authority to override local zoning or local laws. FEMA is hamstrung in many occasions of trying to provide temporary housing because of local laws. The issue comes down to everyone wanting temporary housing, but no one wanting it in their neighborhood. Once again, the County is going to have to identify the places, based on utilities available.

Local government cooperation and coordination – Some of our municipalities do not have space for debris management sites. They have no place to put temporary housing. It is going to default

to the County. The County is going to have to work out intergovernmental agreements with them to specify how this is going to be handled.

The public has little desire to wait. They do not understand the bureaucratic process of what it takes to get it done. They expect the storm to be over by Noon. Between 1:30 p.m. and 2:30 p.m. Mr. Bellamy has picked up all of the debris. By 6:00 p.m. power service is restored, the television is on and dinner is cooking.

Discussion / Small Title Creeks

Mr. Ladson Howell, Staff Attorney, gave a brief synopsis of the dock ordinance adopted May 2000. Up until that time, the County did not have a role in the approval of private / commercial / public docks. The State of South Carolina, in fairly recent time, exercised jurisdiction over all of our waterways, as they should. Basically, the State owns all of our tidal waterways and tidal marshes. The State created first through the Legislature an organization we commonly knew as Coastal Council. Later they changed that name and combined it under the auspices of the S.C. Department of Health and Environmental Control (DHEC). Today the organization is an agency of DHEC and is commonly referred to as OCRM. That is the agency that generally has jurisdiction over the approval of private docks on all our waterways.

Beaufort County felt it needed to be involved to the extent of approval of dock permits in small tidal creeks. Beaufort County is, of course, inundated with small tidal creeks. Most of our creeks in this County fit the definition of small tidal creeks. There is a map in the Zoning Director's office which delineates each one of these creeks. Of course, 99% of them have no name. They are simply little tributaries or what local folks refer to as, slues or gutters, which run from the main rivers out into the spartina marsh into the sanctuary where most of the shrimp and fish are actually raised. For that reason a former Council saw a need to pass an ordinance dealing with docks applied for in small tidal creeks. Beaufort County has such an ordinance. It is pretty simple. There is some duplicity with respect to construction requirements the State has. An applicant, who is building a dock in one of these creeks, is sent to Beaufort County government for a permit before they can construct it even if they have an OCRM permit in hand. In discussing the number of docks with Zoning Director Hillary Austin today, the County issued approximately 400 in those 10 years, about 40 a year. Interesting enough the County only issued two this year. Mr. Howell assumes it is for a variety of reasons, not the least of which is the economy. There are also some reasons, hopefully, folks are more environmentally aware now of trying to protect the wonderful assets we have in this County. The ordinance is fairly simple. The enabling comments are the protection of our pristine waters, in particular, small tidal creeks.

Mr. Sommerville said one of the hot issues is the pending application for a dock (Broad River) at Lands End beach which abuts Fort Fremont property, which the County owns. Broad River is not a small tidal creek. Where does the county jurisdiction begin and end?

Mr. Howell replied federal and state statutes. The state, of course, is in charge of the protection of the vast saltwater wetlands we have. They have in place statutes which cover the permit (Lands End) and similarly situated permits requested on all the large river courses. The County role is one of niche with the small tidal creeks. State jurisdiction supersedes our ability to pass

even more stringent regulations. The courts have been pretty clear when the State deals with an issue it is very unlikely the county can deal with it on a more stringent basis.

Mr. Sommerville asked if the best we can do on rivers, oceans is an *amicus* type situation. Mr. Howell agreed. The County can certainly show support for its citizens and Mr. Kubic has done that. A letter was written, on behalf of the County, with respect to that particular issue at Lands End.

Ms. Von Harten stated the County small tidal creek ordinance was created to protecting water quality and access of other marine traffic through those tributaries. The issue at Lands End is public access for recreation on the beach. What kinds of state laws relate to public resources such as a beach or public access on that beach?

Mr. Howell replied the state does not so much deal with public access as it deals with protection of public beaches. All land below the mean high tide mark is public. That is what the issue is in that situation. The access, as Mr. Howell understands it, is probably granted through Beaufort County public property it owns at Lands End. The State, of course, has jurisdiction to protect the beaches, dunes, waterways and marshes all of it below mean high tide.

Ms. Von Harten asked would not the County have similar discretion if the State has discretion to protect a beach and public recreational uses of a beach. Mr. Howell said State rules and regulations supersede any we could pass. We are a political subdivision of the State of South Carolina. State statutes have priority over local ordinances.

Ms. Von Harten inquired why it is different for small tidal creeks. Mr. Howell replied the State has not exacted the same amount of regulation over those creeks. There is some duplicity. The State does not define the creeks we define in the same manner.

Ms. Von Harten asked if we could define the beach at Lands End in a particular way so it has a very specific definition. Mr. Howell replied the county would be on a very slippery slope in order to try to pass an ordinance which would somehow increase the rules and regulations a citizen would have to go through just to make him do it for duplication purposes. It would be very difficult to do that.

Ms. Von Harten replied it may be worth doing that to protect to public beach. Mr. Howell said maybe it would not stand up but about 30 days until you got to court. That is the problem. The courts would probably not allow you to do it. There are certainly sufficient rules and regulations and tools that OCRM has to deal with that issue. We should be confident that our state agencies are going to deal with that one.

Mr. McBride asked if it is too late to take up a formal position in opposition to the request for the dock at Lands End. Mr. Howell replied regrettably the period of public comment ended last Friday. Council could write a letter but it would not be officially a part of the public comment documents. Mr. Kubic's letter is a part of the public comment already.

Ms. Von Harten attended the public meeting held a few weeks ago and made comment.

Resolution / St. Helena Penn Center Library Development

Mr. Gary Kubic, County Administrator, said Council endorsed through its annual planning process both the St. Helena Penn Center Library and County Campus Building Renovation project as management agenda 2010 top priorities.

The proposed resolution, if approved tonight, recognizes not only Council's goal to build a library but does a few other things at the same time. The resolution starts to create a pathway for funding opportunities. The resolution combines and allows for the acceptance of the project as a priority, as indicated by prior Councilmatic endorsement. It also acknowledges the generous offer by the Penn Center Board of Directors for the donation of approximately ten acres of property on its campus for library development. It then continues the pursuit of federal funding as we initially started in May 8, 2006.

Without issue of the ongoing work in progress, the original intent of Council in 2006 was to develop a cultural resource center, a library and to look at this site as a potential hurricane recovery center. The County has been told over and over by FEMA any chance you have to mitigate and prepare for hurricane recovery you should do so. In 2006, Council put together a general obligation borrowing in the amount of \$5 million with instructions to apply for a \$1 million state grant, which we did and was initially awarded, and to seek approximately \$4 million as a funding opportunity recognizing you have a lengthy process to go through for development of the actual library itself. Unfortunately, during that process the federal dollars, which were requested in May 2007, did not materialize. It created a retraction of the \$1 million from the grant and the county was left with \$5 million in general obligation funds.

At that point a portion of that \$5 million was used to develop other capital improvement projects. Most recently Council restored the use of a portion of that \$5 million to create a general obligation bond for the library project of \$5 million. During this period of time, however, we have had different opportunities to apply for other grant prospects. Under Community Development Block Grants, *i.e.*, community enrichment program, Council voted to pursue a \$500,000 grant toward this project as a funding opportunity on September 14, 2009. What happened with the \$500,000 application? Through the efforts of staff and Mr. Kubic the federal government took the application and moved it from \$500,000 to \$1.5 million as a Community Development Block grant towards this project. The American Recovery & Reinvestment Act *a.k.a.* stimulus funds, came available so staff decided to pursue an application to see what we qualified for under the Act. As a result of that application all of this is now in a package of grants and loans. U.S. Department of Agriculture (USDA) representatives visited with staff and said they have money dedicated for rural library development under the American Recovery & Reinvestment Act which they can offer towards this project. The result of that application and negotiating with the federal government, the funding opportunity is now at a level, as outlined in the proposed resolution -- the American Recovery & Reinvestment Act is a \$2.5 million grant, a \$6 million loan for a 40-year period as well as a \$500,000 community enrichment grant.

The proposed resolution indicates an endorsement of a funding opportunity for Beaufort County of \$4 million in grants and then a \$6 million loan over a 40-year period. Staff thought it would

propose to Council reallocating the original \$5 million general obligation borrowing toward the courthouse renovation. The courthouse renovation is also a priority Council identified at its annual planning session. The estimated cost of that project, which includes the courthouse, administration building and a very small portion of the detention center, is in excess of \$12 million. The funds available toward that \$12 million project at present are \$6 million on-hand in our settlement fund from the litigation filed and award received. Staff was thinking, in combination with this type of funding opportunity for the library, we would create another door to also repair and renovate this campus as described at the annual planning meeting.

The essence of this project as we described with the grants and the loan puts the effective percentage of this 40-year loan at about 2.4% interest. We believe this presents a great opportunity for Beaufort County to do several things. Develop a library, cultural resource center, a community room perhaps, build the library and potential hurricane recovery center and raise the current elevation from 23 feet to 25, which we have been told by the model that would surpass any high rise flood at high tide on a Category 4 storm for St. Helena Island. That would mean, in essence, this project would then provide a recovery center so we would have our communications, fiber optics, and generator area built into this facility as well. But, primarily, it is an educational tool for our children. We are also trying to satisfy ways to get a couple of things done. Construction and how all this works out in terms of the actual total cost when we get through the vetting process should be within the amount of money we are packaging today.

As an update on what staff is doing in the development of this project, Mr. Kubic authorized a small contract, under his authority, to do a topography analysis on the site, a specimen tree count on the areas at Penn Center, a wetlands survey and an archeological survey. Once this material is together, staff is proposing a series of community meetings which involves three days of focus groups and community forums that will take place on the Penn Center campus beginning April 26 from 7:00 p.m. to 9:00 p.m. as well as Tuesday and Wednesday. Council received a chronology of all the focus groups that will be involved in these meetings along with our designated architect.

What we are trying to do is to become innovative in community outreach. We are running advertisements in the *Island Packet*, *Beaufort Gazette*, *Island News*, *Bluffton Today* and *Beaufort Tribune*, as well as a series of press releases throughout the upcoming days. We had a Sunday story from *The Beacon*. There were 500 flyers distributed from the St. Helena Island Elementary School so all the parents will have a chance to know we are going to hold these community sessions. There were 500 flyers given to the Penn Center Board of Directors for its distribution. Staff created 1,000 church bulletins that will be distributed to St. Helena Island churches so their congregations will know these community meetings are going forward. We have had a series of posters that we are placing in the commercial businesses along the area. We asked and Penn Center agreed to allow us to email our flyers to its membership. We listed in both the Beaufort High School and St. Helena Island newsletter of this community event. Lastly, we are inviting Council, Penn Center Board of Directors and Legislative Delegation as all of partners in this event.

In addition, when we asked the question what should the library contain in order to better serve our children and residents of St. Helena community? We have an education summit being

conducted with representatives from the Technology College of the Lowcountry, Technology College of Orangeburg/Calhoun. Chancellor Upshaw dedicated the services of USC-B library director and assistant library director, Dr. Truesdale from Beaufort County Schools, Board of Education Chairman Fred Washington and South Carolina State University are involved, as well as Claflin University. That will result in some preliminary design and opportunities for Council to consider.

This proposed resolution has been requested from Community Development Block Grant and the American Recovery & Reinvestment Act.

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council adopts a resolution endorsing the St. Helena Island public library project at Penn Center for the children and residents of St. Helena Island area; accepting the generous offer of the Penn Center Board of Directors to use approximately ten acres of the Penn Center campus as the future site for the St. Helena Island public library; and authorizing the County Administrator to submit a request to the United States Department of Agriculture (USDA) to provide \$8,500,000 in a grant and loan combination for the development and construction of the St. Helena Island public library. The USDA grant and loan combination represents \$2,500,000 grant with a \$6,000,000, forty year, 4% loan [EPR of two point four (2.4%)]. Further, Administration will move expeditiously to utilize the donation of the Penn Center property, the \$8.5 million USDA grant and loan and the \$1.5 million Community Enrichment Grant develop and construct the St. Helena Island public library at Penn Center.

Mr. Kubic summarized the funding. The total amount is \$10 million of which \$6 million is a loan and \$4 million is grants (\$1.5 million is from CDBG Community Enrichment and \$2.5 million is from USDA).

Mr. Sommerville asked if Penn Center gifted the ten acres to Beaufort County. Mr. Kubic replied the resolution speaks to intent and desire. We are going to use the property. We are developing a long-term lease arrangement to do that. The final approval is subject to Council review. Staff is trying to outline for the federal government that we have a partner that is also coming to the table. Land has value and Penn Center is going to give us ten acres. The final form and lease is not developed. Mr. Kubic is trying to create a flavor that there are component parts other than the grant to show the federal government that we intend to move forward and complete the project.

Mr. Sommerville said this is not a simple fee simple transfer of ten acres from Penn Center to Beaufort County. Mr. Kubic agreed in the affirmative. The Penn Center Board of Directors wants to retain ownership of the land itself. What we are trying to do is to work out a sufficient number of years.

Mr. McBride understands it is 50-year lease for \$1 and renewable for another 50 years.

Mr. Baer has always supported the St. Helena Island Library at Penn Center. He was a key supporter of Mr. McBride in getting the \$5 million CIP restored for this Library. He may have been the deciding vote. But, this project is proceeding in an unorthodox and worrisome fashion.

It seems as if we are planning by resolution, not by design. After many months we still have no high level plan for this project -- size, construction budget, furnishing and collections budget or operations budget. The minutes of this Council will show for at least the past six months, every time this has come up in discussion he asked for that project view. We also discussed that at length at our retreat in February. It has been continually put off. We have always viewed this as a Library that uses \$5 million of County CIP participation. The County Council minutes of September 25, 2006 clearly state: "Mr. McBride stated that Beaufort County government has already pledged \$5 million for this project. This project is not requiring any additional dollars from Beaufort County. The additional money envisioned will be raised through private donations or foundations. Beaufort County government is not building a \$10 million library. It is building a \$5 million library. It is anticipated the other \$5 million will be raised from other sources."

Now tonight, without any plans, budget views, Finance Committee or County Council discussion or analysis, we have a confusing, poorly worded resolution that says (i) It will encumber us with a \$6 million loan, when we only voted for \$5 million. (ii) It will enhance our 2010 CIP Program." (iii) It intermixes Library, Courthouse, Culture, Hurricane Site goals and funding in a way which seems designed to deliberately obfuscate. Look at the confusion on the podium tonight just about the addition of the numbers.

This has been hinted at in the hallways for months. Why does it come to us now as a Resolution for decision without analysis when there was ample time to do it the right way? This is a complex financing method that increases the budget - Why did it not come through the Finance Committee for analysis and review? We do not do that for parks, roads or other infrastructure. If the School Board did that, we would jump all over them. We owe taxpayers a much better plan, analysis and review of how we spend their money. Rumors of this started around the time of our retreat, almost two months ago. Why did administration not use that ample time to brief us properly?

There are other worrisome aspects of this project that are not getting any review. (i) From the snippets we have heard, this Library's large size and operations cost per user will dwarf everything else in our system. With a finite County budget, that means it is likely to get disproportionate funds and priorities from the other branches. We already saw a hint of that in the first Radio Frequency Identification (RFID) presentation. That raises the question of fairness to the taxpayer, and fairness to other districts.

St. Helena Library at Penn Center should get everything it needs to meet the same standards as our other branch libraries. But its design, size and budget need to be done and reviewed in the standard way, not by resolution or fiat. After many months, he does not know if we have an architect yet - that contract seems stalled. If there is a cultural component it needs to be designed, budgeted and funded as a separate line item. Mr. Baer is highly in favor of funding our rich cultural resources. We talked about that at our retreat. We have many of these such as: Ft. Fremont, Penn Center, Mitchelville, Heritage Cemetery, and the Union Encampment that could kick-start a new branch of our tourism industry. But we need to do this as a separate explicit budget item - not from our already over-stretched library funds. And all parts of the County should share equally.

What we need to do tonight is insist on a rapid review and analysis of the plans, budget, timelines and grants for this St. Helena Island project. Those were exactly the words used in our retreat two months ago. For some reason everyone since then has rewritten or reinterpreted those words. I don't think it is proper to change the agreed to words and goals of our retreat, after the fact. Reaffirm that all of our major library branches get the same resources in term of operations cost per user. Set up a separate cultural resources line in our budget to be shared by all areas of the County. Then the cultural component of the St. Helena Library can be fed from that line. Anything less would be unfair to all of our taxpayers.

Mr. Newton, said at the August 28, 2008 meeting, the idea was the Council would commit \$5 million of county capital improvement program borrowing capacity and obligation with the hope of pursuing \$1 million from the State and \$4 million exploring a \$10 million concept, not knowing whether or not we would ever receive those state and federal sources. The proposed resolution does a pretty good job outlining the various grant opportunities pursued at both the state and federal level. What we know now is a grant opportunity has presented itself in combination with a loan that if we borrow \$6 million, as opposed to the original \$5 million, the \$4 million in grants is now a reality as it is presented in this proposed resolution. The enhancement to CIP is we borrowed the \$5 million. We are paying interest between 2% and 5% over the period of the entire loan. The effective interest is approximately 3%. The \$5 million has a higher interest rate than the \$6 million effective interest combined with the grant opportunity. All of the budget, plans, contracts, purpose, scope and design will still be contracts that come back to Council to approve with details regarding size, etc. relative to the project. This proposed resolution is introduced for the purposes of, perhaps, clarifying confusion about the words at the retreat, that we committed to this and we are authorizing staff to explore the \$4 million worth of grant opportunities by saying we are going to commit \$6 million at the appropriate time of borrowing at the rate of 2.4%.

Mr. Baer replied the \$5 million project just changed to \$6 million CIP project.

Mr. Newton said Mr. Baer is correct. Just as Council originally approved a \$4 million concept in the CIP, we did not have the plans, specs or details. We had the idea that this Council, or the Council then constituted in 2006, was committed to building a library on St. Helena Island, appropriate to explore a multi-use function of that building and then to pursue an additional \$5 million worth of grants. This is in a similar context, but does represent the commitment of the county, subject to all of the approvals that are attendant to it, to increase from \$5 million to \$6 million at a lower interest rate than our effective rate today of the \$5 million and to allow us as part of a set of another approvals, required by this Council, to renovate the courthouse with money that has already been borrowed and to allow this project to go forward.

Mr. Newton appreciates the work staff has done. He anticipates we would not have the detailed analysis at this moment in time, just as we did not have in 2006 when we identified the CIP and \$5 million borrowing for the library. He believes Council needs to move forward with this resolution. It is a unique opportunity to pursue \$4 million worth of grants. There is a whole host of contracts, design engineers and otherwise who will come back to Council for approval. This is not a blank check for \$10 million, but an opportunity to take advantage of \$4 million worth of

federal and state monies that would otherwise may not be available. Council originally said \$5 million and let's go pursue \$5 million. Mr. Newton is absolutely ecstatic we now have the opportunity to gain \$4 million worth of outside resources to develop this library. Mr. Newton does not view this as any slight on any taxpayer in this County by approving this resolution tonight without detailed engineering or accounting analysis. This is at no point in time different than we would have been and then we were at the point we committed the \$5 million. It is appropriate for clarification that Council is willing to commit up to \$6 million through this opportunity. Mr. Newton is willing to support that as well as the \$5 million. It is a unique opportunity. Council needs to push forward.

Ms. Von Harten said when doing design with a community for a library facility, you reach out to the community for the purpose of finding out what they need. It is a back and forth process -- Council finding out what the community needs as well as finding out how much money it is going to spend on what they need. It is process. It is a complex process.

Mr. Rodman inquired as to how a report entitled, "Planning Overview. Penn Center National Historic District," ties into the proposed resolution.

Mr. Kubic replied the report was commissioned by the Penn Center Board of Directors. It is a tool toward its master planning. Mr. Kubic thought it was good for Council to see the various structures and get from that report a concept of Penn Center and its history. It was given strictly for background information. Penn Center is a National Historic Landmark. Landmarks have to go through a very detailed vetting process. The library has to look like it fits the Penn Center Historic District. Mr. Kubic reminded Council it is considering a resolution. It speaks to a present time and intent. If Mr. Kubic could delay the American Recovery loan offer or if he could delay the Community Enrichment grant offer which totals \$4 million in grants to Beaufort County, he would, but he did not set the application times. He needs a resolution like the one proposed to show those two bodies we are serious. He agrees with Mr. Baer's remarks up to developing a business plan and approach, but he has to go through a detailed vetting process. Besides the educational component of the library, Mr. Kubic also asked future architects to hire representatives that are historical in terms of the Gullah-Geechee Corridor, and there is a component of this library that cannot ignore that process. He does not have that at this moment.

Mr. Kubic is asking Council to consider this resolution in order that he can have the next step in place to keep the County eligible for these grants. So when we get to a point where we all understand what the project actually is, we not only have the funding opportunity, but will know all the things Mr. Baer asked. Mr. Kubic has tried very hard on this project. This has not been an unorthodox process. This has been a process he has been involved for about five years. He, as is Council, extremely interested in preserving the taxpayers' dollars but is equally interested in providing educational opportunities and the chance to advance St. Helena library, which for a number of years was crammed into a school. We are not ready to go forward. Mr. Kubic wants to meet all of Council's requirements because there is not anything Council did say, regarding how to get to this process and in final analysis, that he disagrees with.

Mr. Kubic was referring to Council retreat, not quoting from Council retreat. What he made reference to is the fact that as an administrator, he has a responsibility to consider opportunities.

The opportunities presented with these two grants, when carried forward into the CIP for the courthouse renovation, give us the ability to do a couple things: Take our existing borrowing, \$5 million, and move it to the courthouse. That \$5 million plus the \$6 million total puts in place funding for the courthouse renovations. The \$10 million in this project may or may not be spent in total. He cannot tell what it will be because he has to go through a process. But the funding opportunity gives us the ability to stretch that out and lower the effective rate. He tried to take two of the initiatives Council stated in the retreat that were important and approach both in trying to resolve this problem with this funding opportunities. That is what the proposed resolution represents.

The vote was: FOR –Mr. Dawson Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. OPPOSED – Mr. Baer and Mr. Caporale. The motion passed.

DEPUTY COUNTY ADMINISTRATOR’S REPORT

Mr. Bryan Hill, Deputy County Administrator, circulated copies of his Four-Week Progress Report, which summarized his activities from March 15, 2010 through April 9, 2010.

PUBLIC HEARINGS

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), ARTICLE XV, SECTION 106-3176(2). SIGNAGE REQUIREMENTS FOR CORRIDOR OVERLAY DISTRICT (ADDS SCHOOL AND HOUSE OF WORSHIP SIGNS AS ALLOWABLE CHANGEABLE SIGNS)

The Chairman opened a public hearing at 6:10 p.m. for the purpose of receiving information from the public regarding text amendments to the Zoning and Development Standards Ordinance (ZDSO), Article XV, Section 106-3176(2) Signage Requirements for Corridor Overlay District (adds School and House of Worship Signs as Allowable Changeable Signs). After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:11 p.m.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approves on third and final reading text amendments to the Zoning and Development Standards Ordinance (ZDSO), Article XV, Section 106-3176(2) Signage Requirements for Corridor Overlay District (adds School and House of Worship Signs as Allowable Changeable Signs). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Ms. Von Harten temporarily left the room. The motion passed.

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE, APPENDIX I, DIVISION 5, SECTION 5.8.E (SIGNAGE – SPECIAL CONDITIONS) (ALLOWS ADDITIONAL SIGNS FOR SINGLE OCCUPANCY BUILDINGS

DESIGNED WITH A MULTIPLE STOREFRONT FACADE IN LADY’S ISLAND VILLAGE CENTER)

The Chairman opened a public hearing at 6:11 p.m. for the purpose of receiving information from the public regarding a text amendment to the Zoning and Development Standards Ordinance (ZDSO), Appendix I, Division 5, Section 5.8.E (Signage – Special Conditions) (allows additional signs for single occupancy buildings designed with a multiple storefront façade in Lady’s Island Village Center). After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:12 p.m.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approves on third and final reading a text amendment to the Zoning and Development Standards Ordinance (ZDSO), Appendix I, Division 5, Section 5.8.E (Signage – Special Conditions) (allows additional signs for single occupancy buildings designed with a multiple storefront façade in Lady’s Island Village Center). The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville Mr. Stewart and Ms. Von Harten. The motion passed.

TEXT AMENDMENTS TO CHAPTER 14, ARTICLE II, ANIMAL CONTROL ORDINANCE (Rewrite of Ordinance)

The Chairman opened a public hearing at 6:14 p.m. for the purpose of receiving information from the public regarding text amendments to Chapter 14, Article II, Animal Control Ordinance (rewrite of ordinance). After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:15 p.m.

Mr. Stewart noted prior to the meeting today, Mr. McBride brought forward an inconsistency between one of the definitions in the ordinance and then further discussion within the body of the ordinance which makes an inconsistent situation within the ordinance itself. It is inappropriate, therefore, to go forward with third and final reading this evening. Mr. Stewart suggests, perhaps, allowing an opportunity for Staff Attorney Ladson Howell to revisit this and/or take it back through committee and then bring it back for third and final reading.

Mr. Newton said the concept that has been identified is perhaps this ordinance prohibits the application of rodent poisoning and as a consequence the ordinance, perhaps, makes that unlawful in Beaufort County.

Without objection from Council the Chairman removed this matter from the agenda tonight.

COMMUNITY DEVELOPMENT BLOCK GRANT / DALE WATER EXTENSION PROJECT

Mrs. Michelle Knight, Community and Economic Development Director, Lowcountry Council of Governments, said Council is required to hold a public hearing on existing projects whenever a change is made to the scope to either delete or add something from the project. Bids are in on the Dale Water Extension Project and are under budget. Therefore, another street can be added

to the project that will serve an additional ten people at a cost for the additional work in the amount of approximately \$25,000. The amount is covered under the grant. The project is still under budget. Before the project ends there may be the need for a second public hearing.

The Chairman opened a public hearing at 6:19 p.m. for the purpose of receiving information from the public regarding a request to add another street, Coker Lane, to the project. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:20 p.m.

COMMUNITY DEVELOPMENT BLOCK GRANT / BURTON COMMUNITY WATER PROJECT

Mrs. Michelle Knight, Community and Economic Development Director, Lowcountry Council of Governments, is preparing an application to be submitted April 19, 2010 in order to extend water in the Burton area, specifically on Glaze Drive, Ramsey Road, Rambling Road and Ramsey Loop. This grant will benefit approximately 40 homes in the area of which a majority are low-to-moderate income. The actual grant budget is \$405,000. The grant match is 10% or less than \$50,000. This grant will provide water to a pocket area not served with water in Burton.

The Chairman opened a public hearing at 6:20 p.m. for the purpose of receiving information from the public regarding Development Block Grant Community Infrastructure grant application in the amount of \$500,000 for the Burton Community Water Project. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:21 p.m.

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council adopts a resolution authorizing the County Administrator to prepare and submit a Community Development Block Grant (CDBG) Community Infrastructure grant application in the amount of \$500,000 for the Burton Community Water Project and to commit funds in the amount of 10% of the grant request to meet its matching requirement of the Community Development Block Grant Program. Funding source is account #14000-55000. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville Mr. Stewart and Ms. Von Harten. The motion passed.

USDA GRANT TRUCK PURCHASE FOR SHELDON FIRE DISTRICT

This item comes before Council under the Consent Agenda. It was discussed and approved at the April 5, 2010 Public Safety Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Glaze, that Council authorizes the Sheldon Fire District to purchase a new 257 GPM pumper to replace the 1986 pumper. The funding source is a USDA Rural Development grant in the amount of \$151,250. Sheldon Fire District portion is \$123,750. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AMENDMENT TO THE VILLAGE AT LADY’S ISLAND PLANNED UNIT DEVELOPMENT (PUD) TO EXTEND THE SUNSET DATE TO JANUARY 1, 2011

This item comes before Council under the Consent Agenda. It was discussed and approved at the March 29, 2010 Natural Resources Committee meeting.

It was moved by Mr. Stewart, seconded by Mr. Glaze, that Council approves on first reading an amendment to the Village at Lady’s Island Planned Unit Development (PUD) to extend the sunset date to January 1, 2011. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE TO AMEND CHAPTER 18 OF ARTICLE III (BUSINESS AND PROFESSIONAL LICENSE)

This item comes before Council under the Consent Agenda. It was discussed and approved at the March 22, 2010 Finance Committee meeting.

Main motion.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required), that Council approves on second reading an ordinance to amend Chapter 18 of III (Business and Professional License).

Mr. Flewelling expressed a couple of concerns with the proposed Business and Professional License Ordinance. First, we are making criminal offenses out of nonpayment. He has an issue with that especially since we do not require renewal notices to be mailed from the Business License Office. Specifically, Section 18-49, Violations. “Any persons violating any provision of this article shall be deemed guilty of an offense and subject to a fine of up to \$500 or imprisonment for not more than 30 days or both, upon conviction.” Mr. Flewelling said that is not necessarily state law. He is not aware of any business license fee for state businesses.

Motion to amend by deletion #1.

It was moved by Mr. Flewelling, seconded by Mr. Caporale, that Council amend the main motion by deleting from Section 18-49, Violations, Any persons violating any provision of this article shall be deemed guilty of an offense and subject to a fine of up to \$500 or imprisonment for not more than 30 days or both, upon conviction.

Ms. Von Harten said Council talked about whether or not a business license is a tax or a fee. In a way it would be appropriate if it is state law related to taxes that we have these criminal violations.

Mr. Ladson Howell, staff attorney, said this is a regulatory ordinance designed to encourage businesses to acquire business licenses. It is modeled after many across this state, and, in particular, Beaufort County. It needs a penalty provision in order for a citation to be issued to a

business for various things – delinquency, failing to acquire a license. The fact that it has a 30-day penalty, either or, it is a fine or 30 days. That is the only discretion the courts have. It is an either or situation. That penalty is uniform in all county ordinances which are regulatory in nature. If you don't have it, then you have no mechanism in place to enforce it.

Mr. Flewelling asked, "Wouldn't this be like any other potential lien on a piece of property or against an individual person?" Wouldn't you be able to then seek a declaratory judgment against them?

Mr. Howell replied, "No, sir." You would have to file a civil lawsuit, but any community that has a business license ordinance would need to consider the complexity of filing a civil lawsuit. A civil lawsuit has 120 days just for discovery. He does not know if Council wants to spend the money, necessarily, to file a civil lawsuit in every case of a business license violation. He would not recommend it.

Ms. Von Harten referred to a recent news article wherein the Town of Port Royal had to issue a business license to someone even though that person was remiss in paying various taxes. There was nothing in the Town's ordinance that forbade them from issuing a license to this person. Therefore, they were required to issue a license. Perhaps this is something worth looking at in the future to refine the County ordinance.

Mr. Howell said he has not reviewed nor researched that particular issue in the newspaper.

Mr. Sommerville was unaware and uncomfortable with the fact the county did not notify people of an obligation, particularly people who own two or three rental units.

Mr. Howell replied we rely of the good judgment of all of our county employees with respect to violations of county ordinances. He has been very pleased to observe what happened in the enforcement arena in the last several years. Good judgment is generally a warning. Generally it is three or four warnings – letters are written. Nobody is taken to task on a first notice issue and told we are going to give them a citation that could land them in jail.

Mr. Newton said it is worthy to point out under Section 18-60, Notices, "The License Official may but shall not be required to serve or mail written notices that license fees under this article are due but shall public a notice of the due date in a newspaper of general circulation within the county three times period to the due date in each year."

Mr. Flewelling remarked his second area of concern is Section 18-60. He recommends requiring the License Official to mail out written notices.

Mr. Caporale referred to the Animal Control Ordinance. The only criminal penalty is interfering with the animal control officer. There is no other offense within the ordinance. It is punishable with jail time, except for interfering with an animal control officer. Everything is punishable by fines only. Mr. Flewelling's point, in general, is well made.

Motion to amend by deletion #2.

It was moved by Mr. Flewelling, seconded by Mr. Caporale, that Council amend the main motion by deleting “or imprisonment for not more than 30 days or both” from Section 18-49, Violations.

Mr. Newton noted the county mails out renewal notices.

Mr. Howell stated the criminal penalty portion is contained in all county ordinances for enforcement of various issues. We have a trial in the morning for a citizen with reference for failure to comply with the zoning regulations with regard to maintaining junk in his yard. These issues come about usually by neighborhood complaints. They are investigated by the appropriate Code officials. Code officials usually discuss it with the offending party and they are usually issued two or three courtesy summons before a real summons is issued charging them with violation of a county ordinance. Generally this language is uniform in every single county ordinance that has a penalty provision.

Vote on the motion to amend by deletion #2. The vote was: FOR – Mr. Flewelling and Mr. Sommerville. OPPOSED - Mr. Baer, Mr. Caporale, Mr. Dawson Mr. Glaze, Mr. McBride, Mr. Newton Mr. Rodman, Mr. Stewart and Ms. Von Harten. The motion failed.

Mr. Stewart has a problem with the overall purpose in this ordinance because it states in Section 18-46, Purpose, “. . . for the purpose of raising revenue to provide ad valorem tax relief.” Is the business license a tax or is it a fee? There was some discussion and question based upon the way the state ordinance is written that it is a fee and a tax. We really ought to look at it more deeply as to the purpose and intent from the county perspective. Are we really taxing businesses and using it to go into the general fund? Or is this a fee in which monies collected are to advance businesses and make sure the business is operating properly and within the ordinances and within zoning requirements, etc.? What we are charging here is closer to a tax than a fee. We should reevaluate that. Mr. Stewart understands discussion of this issue will occur in Finance Committee.

Mr. Rodman replied State Representative Shannon Erickson addressed members of the Finance Committee and did share some words from the state. Clearly, when you look at what is a fee and what is a tax, this is clearly a tax regardless if we continue to call it a license. We probably should seriously consider calling it a business tax.

Mr. Newton remarked last October when he spoke at the Chamber of Commerce sponsored State of the County, he suggested, given the recession we were finding ourselves in, that we had an obligation to perhaps spur economic development and take care of our local businesses. He actually suggested to Mr. Kubic we cut our business license fee by 50% across the board. It was an amount we could sustain and it would help our local businesses. The Finance Committee considered the proposal and shot down the reduction because we could not afford it. Many of these changes are intended to clarify the ordinance we have on the books, to bring some certainty and clarification to what it is, what the administrative staff charges to enforce and what they are

to do. He does not have a problem with a stiff penalty for failure to comply. For years we had non-compliance off the chart because we had such a weak penalty. This ordinance has been on the books for at least the last six years in some form or fashion. Mr. Newton believes in the importance of making sure everybody is given multiple opportunities to understand what this ordinance does through multiple venues, whether it is the media and the newspaper, required public notice, or mailing out renewal notices. If we do not enforce it, then why do we have it? He is struck by the sense we have a whole host of things that are contained in the ordinance we could go through and review each and every one of these. He is curious about this discussion and whether it is a fee or a tax. If there is still going to be some component of this revisited, should we take all of these issues up at one point in time or is there a logical approach to bringing this forward to then send it right back, after the ink is dry on this, to revisit something else we are doing. Mr. Newton is, perhaps, looking to Mr. Rodman to answer that question.

Mr. Rodman said the process of the Finance Committee was to have the Chambers of Commerce as a group with Mrs. Carlotta Ungaro, CEO of the Beaufort Regional Chamber of Commerce, serving as leader look at all of the provision suggested. Three or four committee meetings were held and what came out of that was the fact we finally had everybody pretty much in agreement on all of the text changes between the County and Chambers as to what they thought it should be. The only two items open are whether we call it a tax and we may want to delay third and final reading through the FY 2011 budget process. The only item that is somewhat new is historically you have to have five properties before you were considered to be in the rental business. The ordinance has changed back to two properties, which is consistent to what is happening in the municipalities. There could be people who would not recognize that they are now subject to this. Therefore, we have to make sure that we notify these people so they don't get caught up in something they really did not pay attention to because they did not understand there was something they were subject to. Mr. Rodman recommends Council approves the ordinance on second reading tonight, postpone third and final reading until Council is through the FY 2011 budget process and the ordinance is referred back to Finance Committee.

Mr. Flewelling, as maker of the motion, and Mr. Caporale who seconded by motion, agreed to withdraw the motion to amend by deletion #1.

The Chairman referred the item back to Finance Committee.

Vote on the main motion: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

The Chairman passed the gavel to the Vice Chairman to receive committee reports.

COMMITTEE REPORTS

Community Services Committee

Alcohol and Drug Abuse Board

John Coaxum

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville Mr. Stewart and Ms. Von Harten. Mr. John Coaxum garnered the ten votes required to serve as a member of the Alcohol and Drug Abuse Board.

Charles Hammel

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton Mr. Rodman, Mr. Sommerville Mr. Stewart and Ms. Von Harten. Mr. Charles Hammel garnered the ten votes required for reappointment to serve as a member of the Alcohol and Drug Abuse Board.

Beaufort / Jasper Equal Opportunity Commission

Thelma Lewis

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville Mr. Stewart and Ms. Von Harten. Mr. Thelma Lewis garnered the eight votes required for reappointment to serve as a member of the Beaufort / Jasper Equal Opportunity Commission.

Library Board

Dan Huff

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville Mr. Stewart and Ms. Von Harten. Mr. Dan Huff, representing Council District 11, garnered the eight votes required for reappointment to serve as a member of the Library Board.

Parks and Leisure Services Board

Tom Ertter

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. Ertter, representing at-large, garnered the six vote required to serve as a member of the Parks and Leisure Services Board.

Robert Anderson

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. Robert Anderson, representing southern Beaufort County, garnered the eight votes required for reappointment to serve as a member of the Parks and Leisure Services Board.

Finance Committee

FY 2011 Proposed County Budget

Mr. Rodman, as Finance Committee Chairman, reported 7 of the 11 members of Council attended the April 12 committee meeting when Mr. Bryan Hill, Deputy County Administrator, presented the FY 2011 proposed County budget.

At the Finance meeting Mr. Hill reported County Administrator Gary Kubic, Chief Financial Officer David Starkey and he provided a target number to all Division Directors. The budget started at \$112 million and it is now down to \$104 million with no millage increase. The proposed debt service millage increase on voted versus non-voted is between 3.84 mills to 4.0 mills.

Mr. Baer questioned if the extra \$1 million for the St. Helena Island Library at Penn Center is part of the 3.84 mill to 4.0 mill increase?

Mr. Hill replied the extra \$1 million or the \$6 million loan is 0.3% of one mill. The way staff thought about the structuring does not impact the millage as great as if it were a 20-year note at the 4% over 20 years. Staff created the financing to ensure the effective rate is approximately \$12,000 to \$12,500 a year added to the millage.

Mr. Rodman noted staff set a fairly aggressive schedule to work through the budget with a target to really hold the line on any tax increase the taxpayer would realize on the operating budget. Staff is maintaining that schedule and doing a good job closing the gap in an orderly fashion to what the departments have suggested and targets they want to reach.

Resolution / Summer Camp Fees Reduction

Mr. Rodman, as Finance Committee Chairman, stated on January 25, 2010, Council approved fee changes that included multiple-sibling discount for sports leagues and after-school programs, but, did not include the County Youth Summer Camp.

It was moved by Mr. Rodman, as Finance Committee Chairman (no second required) that Council adopts a resolution endorsing and approving the Beaufort County Parks and Leisure Services Board's recommended changes to the fee schedule for Youth Summer Camp and to include multiple siblings' discount. Further, that Beaufort County Parks and Leisure Services Board will continue to monitor and evaluate the use of recreational programs and facilities, and

when appropriate, provide additional recommendations to County Council for consideration and response. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville Mr. Stewart and Ms. Von Harten. The motion passed.

Natural Resources Committee

Zoning Appeals Board

Chester Williams

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Newton Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. McBride did not cast a vote. Mr. Chester Williams, representing at-large southern Beaufort County, garnered the ten votes required for reappointment to serve as a member of the Zoning Appeals Board.

Historic Preservation Review Board

Rosalyn Browne

Mr. Sommerville, as Natural Resources Committee Chairman, nominated Mrs. Rosalyn Browne, representing St. Helena Island, to serve as a member of the Historic Preservation Review Board.

Planning Commission

Charles Brown

Mr. Sommerville, as Natural Resources Committee Chairman, nominated Mr. Charles Brown, representing Comprehensive Plan Planning Area Sheldon Township, to serve as a member of the Planning Commission.

Rural and Critical Lands Board

Stephen Olsson

Mr. Sommerville, as Natural Resources Committee Chairman, reported Mr. Stephen Olsson was nominated to serve as a member of the Rural and Critical Lands Board. However, he has just accepted employment outside the County. Therefore, Mr. Olsson is withdrawing his name from consideration.

Southern Corridor Review Board

Brian Watkins

Mr. Sommerville, as Natural Resources Committee Chairman, nominated Mr. Brian Watkins, representing resident of respective area services (southern Beaufort County), to serve as a member of the Southern Corridor Review Board.

Public Facilities Committee

Airports Board

Derek Gilbert

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. Mr. Derek Gilbert, representing the Beaufort Regional Chamber of Commerce Board of Directors, garnered the six votes required to serve as a member of the Airports Board.

Public Safety Committee

Lady’s Island /St. Helena Island Fire District

David Townsend

Mr. Stewart, as Public Safety Committee Chairman, nominated Col. David Townsend, representing Lady’s Island, to serve as a member of the Lady’s Island /St. Helena Island Fire District.

S.1054 / Local Option Sales Tax for City of Hardeeville / Sembler Project

Members discussed legislative issues dealing with S.1054 which deals with the local option sales tax for the City of Hardeeville with respect to the Sembler project and also with the fee for tourism that was proposed for the Town of Hilton Head Island. There was a lot of discussion and members presented their views to Senator Davis, who was in attendance. Members decided not to draft a position or take a position at that time since the House and Senate were both in recess. Members will continue to follow that legislation and make a decision to bring it forward depending upon what happens in the Legislature. Currently S.1054 is in the subcommittee of the House Ways and Means Committee.

The Vice Chairman passed the gavel back to the Chairman in order to continue the meeting.

PUBLIC COMMENT

There were no requests to speak during public comment.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Caporale, seconded by Mr. Flewelling, that Council goes immediately into executive session for the purpose receiving information regarding negotiations incident to proposed contractual arrangements and proposed purchase of property as well as receipt of legal advice relating to pending and potential claims covered by the attorney-client privilege. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

EXECUTIVE SESSION

MOTION TO EXTEND BEYOND 8:00 P.M.

It was moved by Mr. Flewelling, seconded by Mr. Dawson, that Council extends beyond 8:00 p.m. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

RECONVENE OF REGULAR SESSION

It was moved by Mr. Stewart, seconded by Ms. Von Harten, that Council approves the purchase of six acres at a price of \$305,000 per acre from Martin sisters' through the Rural and Critical Lands Program. The property is known as Barrel Landing. It is located near the intersection of US Highway 278 / SC Highway 170 intersection at the headwaters of the Okatie River. It is part of the County's effort to protect the headwaters of the Okatie River. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

It was moved by Mr. Sommerville, seconded by Mr. Caporale, that Council authorizes the staff attorney to affect an eminent domain process for a drainage easement on the property of Mr. and Mrs. Buoni on or near Pleasant Point Drive on Lady's Island. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

It was moved by Ms. Von Harten, seconded by Mr. Glaze, that Council approves the revised purchase price for the acquisition of a one-half undivided interest in a 1.06 acre tract of land known as The Green in the City of Beaufort in the amount of \$685,000 to be paid by the County in the amount of \$342,500 with the balance payable by the Beaufort County Open Land Trust and the City of Beaufort all in accordance with the Terms and Assignment of Option in favor of Conservation Consulting Company dated June 24, 2009. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

It was moved by Mr. McBride, seconded by Mr. Sommerville, that Council purchases through the Rural and Critical Lands Program a block of property containing eight platted lots totaling 2.534 acres on St. Helena Island at a total purchase price of \$530,000 in accordance with the Terms and Assignment of Option in favor of Conservation Consulting Company dated January 29, 2010. This property is located adjacent to Ft. Fremont. Further, a first right of refusal applies to the other property discussed in executive session. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville Mr. Stewart and Ms. Von Harten. The motion passed.

ADJOURNMENT

Council adjourned at 8:58 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST: _____
Suzanne M. Rainey, Clerk to Council

Ratified:

DRAFT

**OFFICE OF THE COUNTY ADMINISTRATOR
COUNTY COUNCIL OF BEAUFORT COUNTY**

GARY KUBIC
COUNTY ADMINISTRATOR

CHERYL HARRIS
EXECUTIVE ASSISTANT

ADMINISTRATION BUILDING
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
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BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL
STAFF ATTORNEY

**COUNTY ADMINISTRATOR'S REPORT
Monday, May 10, 2010
County Council Chambers**

INFORMATION ITEMS:

- The County Channel / Broadcast Update
- Two-week Progress Report (Enclosure)
- Presentation / Noise Education Brief
Colonel John Snider, Commanding Officer, MCAS Beaufort
Mr. Fred Pierson, Encroachment Program Manager
Air Installations Compatible Use Zones (AICUZ) Center of Excellence
- Stormwater Best Management Practice (BMP) Manual Modification for Volume
Runoff Control
Mr. Dan Ahern, Manager, Stormwater Management
- Animal Shelter Improvements
Mr. William Winn, Division Director, Public Safety
- Certificate of Recognition - 2009 South Carolina Environmental Awareness Award



Memorandum

DATE: May 7, 2010
TO: County Council
FROM: Gary Kubic, County Administrator
SUBJ: County Administrator's Progress Report

The following is a summary of activities that took place April 26, 2010 through May 7, 2010:

April 26, 2010

- Finance Committee meeting
- County Council meeting

April 27, 2010

- Meeting with Bryan Hill, Deputy County Administrator, David Starkey, Chief Financial Officer, Ted Anderson, Chief Information Officer of Management Information Systems (MIS), Sharon Burris, Auditor, George Wright, Systems Analyst (MIS), Ed Hughes, Assessor, and Joanne Romine, Programmer (MIS), re: discussion of mill value for 2010
- Finance Committee meeting

April 28, 2010

- Meeting with Ted Anderson re: discussion of new Public Works software
- Meeting with Judy Lohr, of Judy Lohr Consulting, LLC
- County website creative review meeting

April 29, 2010

- Phone conference with Nancy Schilling, Founding Director, The Friends of the River, re: River Smart project

April 30, 2010

- Meeting with Terri Norris, Planning and Research Analyst, re: "Expo 2011, The Future Form of Historic Beaufort"
- Meeting with Public Information Officer Suzanne Larson re: 2011 County Calendar
- Meeting with Deputy County Administrator re: Status of Various County Projects

May 3, 2010

- Meeting with Woody Giles and Tom Walsh, of LEED AP, Tunnell-Spangler-Walsh & Associates, Atlanta, Georgia re: discussion of master plan for USCB

COUNTY COUNCIL

May 7, 2010

Page 2

- **Finance Committee meeting**
- **Natural Resources Committee meeting**
- **Public Safety Committee meeting**
- **Public Facilities Committee meeting**

May 4, 2010

- **Sheriff's Office Forensic Services Laboratory Open House**
- **Town of Hilton Head Island Council meeting**

May 5, 2010

- **Agenda review with Chairman, Vice Chairman and Executive staff**
- **Meeting with Charles Prezlor of MIS re: demonstration of Pulse Smart Pen**

May 6, 2010

- **Trust for Public Land (TPL) meeting with Slade Gleaton and Alex Ghio, of Trust for Public Land, and Staff Attorney Lad Howell to discuss TPL issues**
- **Staff meeting re: Private Road Policy**
- **Staff meeting re: Bobby Barlow, Pinewood resident, stormwater management issues**

May 7, 2010

- **SC 802 highway management meeting**
- **SC 46 / Simmonsville management meeting**
- **US 17 highway management meeting**
- **Biweekly meeting with Rob McFee, Division Director of Engineering and Infrastructure**



**The
County
Channel**

Upcoming Productions:

- | | | |
|------------------------------|--------|-----|
| •USCB Graduation Replay | May 12 | 6pm |
| •Coastal Kingdom: Salt Marsh | May 12 | 8pm |
| •Airport Master Plan Update | May 19 | 6pm |

- The Pentagon Channel/MCAS
Inserts



Coming Soon!



Memorandum

DATE: May 7, 2010
TO: County Council
FROM: Bryan Hill, Deputy County Administrator
SUBJECT: Deputy County Administrator's Progress Report

The following is a summary of activities that took place April 26, 2010 thru May 7, 2010:

April 26, 2010 (Monday):

- Finance Committee Meeting
- County Council

April 27, 2010 (Tuesday):

- Meet with Gary Kubic, David Starkey, Ted Anderson and Sharon Burris re: Mil Value for 2010
- Public Facilities Meeting

April 28, 2010 (Wednesday):

- Meet with David Starkey and Fire Chiefs re: Budget
- Attend Design Review Team Meeting
- Attend Website Creative Review meeting

April 29, 2010 (Thursday):

- Regional 911 Project Meeting re: Fiber Loop
- Meet with Dan Dennis
- Work on Budget

April 30, 2010 (Friday):

- Attend Emergency Exercises with William Winn, Public Safety Director
- Work on Budget
- Meet with Gary Kubic re: Status of Various County Projects

May 3, 2010 (Monday):

- DA Meeting
- Finance Committee Meeting
- Natural Resources Committee Meeting
- Public Safety Committee Meeting
- Public Facilities Committee Meeting

May 4, 2010 (Tuesday):

- Work on Budget

May 5, 2010 (Wednesday):

- Public Safety Meeting
- Agenda Review
- Attend Interviews for Benefit Consultants
- Meet with Georg Hicks, USDA and Relevant Staff re: St. Helena Library Project
- Meet with William Winn and Ted Anderson re: Fiber Cost

May 6, 2010 (Thursday):

- Work on Budget Presentation
- Meet with Phyllis White re: Budget
- Meet with Morris Campbell re: Budget

May 7, 2010 (Friday)--Bluffton:

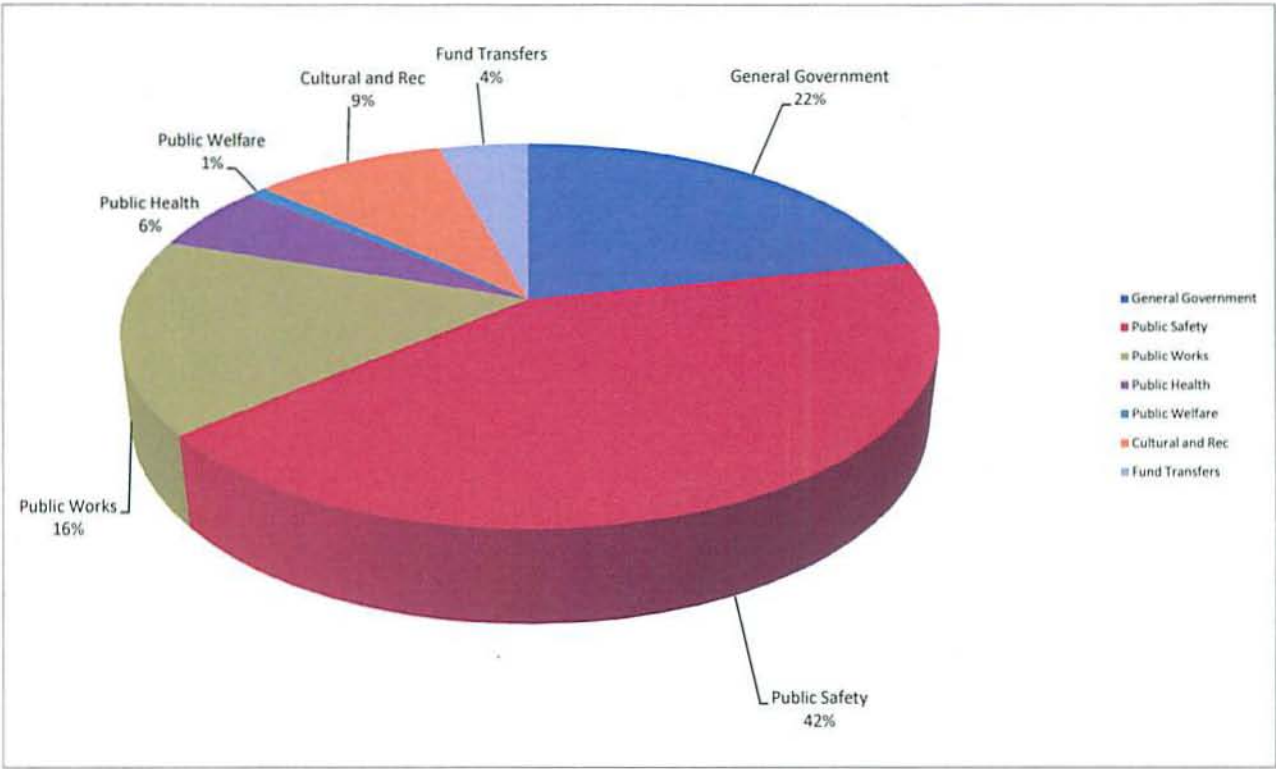
- Work on Budget Presentation

Budget 2010						Revised							
Category			Actual to date	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Description	Organization	ORG.	2010	2010	2011	2012	2013	2014	2015				
41***	Taxes	41	(69,811,369)	(78,875,528)	(79,985,015)	(81,984,640)	(84,034,256)	(86,135,113)	(88,288,491)				
42***	Licenses/Permits	42	(1,401,006)	(2,783,000)	(2,501,000)	(2,563,525)	(2,627,613)	(2,627,613)	(2,627,613)				
43***	Intergovernmental	43	(3,070,689)	(7,349,752)	(7,686,826)	(7,878,997)	(8,075,972)	(8,075,972)	(8,075,972)				
44***	Charges for services	44	(8,381,580)	(9,958,464)	(10,637,150)	(10,903,079)	(11,175,656)	(11,175,656)	(11,175,656)				
45***	Fines & Forfeitures	45	(886,827)	(850,150)	(1,035,650)	(1,061,541)	(1,088,080)	(1,088,080)	(1,088,080)				
46***	Interest	46	(92,365)	(790,000)	(190,000)	(194,750)	(199,619)	(199,619)	(199,619)				
47***	Miscellaneous	47	(550,703)	(523,670)	(760,000)	(779,000)	(798,475)	(798,475)	(798,475)				
48***	Other Finance Sources	48	(1,348,466)	(3,090,407)	(1,396,395)	(1,431,305)	(1,467,087)	(1,467,087)	(1,467,087)				
Revenue			(85,543,004)	(104,220,971)	(104,192,036)	(106,796,837)	(109,466,758)	(111,567,614)	(113,720,992)				
10 General	Newton	Council	11000	521,118	732,348	697,034	769,338	777,853	777,107	869,383			
10 General	Burris	Auditor	11010	519,375	623,751	619,334	643,433	658,283	673,503	689,104			
10 General	Logan	Treasurer	11020	667,762	776,093	611,706	612,852	628,173	643,878	610,601			
10 General	Roseneau	Clerk of Court	11030	771,940	1,101,881	894,437	707,156	724,835	742,956	761,530			
10 General	Roseneau	Clerk of Court	11031	282,955	399,268	291,868	261,655	270,801	280,268	290,065			
10 General	Simon	Probate	11040	895,467	880,961	905,250	935,162	958,380	982,970	1,008,584			
10 General	Allen	Coroner	11060	301,171	400,249	419,142	521,829	292,906	292,906	292,906			
10 General	Smith	Magistrate	11100	34,164	76,928	0	0	0	0	0			
10 General	Smith	Magistrate	11101	554,205	781,023	586,880	601,106	616,134	631,537	647,325			
10 General	Smith	Magistrate	11102	444,459	631,248	545,121	539,734	553,227	567,058	581,234			
10 General	Smith	Magistrate	11103	52,175	55,156	55,284	57,578	59,017	60,493	62,005			
10 General	Smith	Magistrate	11104	68,947	83,029	84,670	87,266	89,448	91,684	93,976			
10 General	Smith	Magistrate	11105	69,827	86,795	91,062	97,900	100,347	102,856	105,427			
10 General	Smith	Magistrate	11106	64,804	78,004	90,215	95,833	98,229	100,684	103,201			
10 General	Dukes	Master in Equity	11110	251,760	303,923	340,089	372,629	381,403	390,397	399,616			
10 General	Starkey	General Government Subsidies	11199	1,421,518	1,325,462	1,277,962	1,277,962	1,277,962	1,277,962	1,277,962			
10 General	Kubic	County Administrator	12000	577,173	619,562	582,833	593,099	603,763	615,494	626,698			
10 General	Crisciello	Housing	12003	13,933	0	0	0	0	0	0			
10 General	Kubic	PIO	12005	309,198	263,824	101,223	146,778	148,713	151,164	153,676			
11 General	Kubic	Broadcast Services	12006	0	0	198,571	243,891	280,915	240,844	266,881			
10 General	Kubic	Staff Attorney	12010	461,989	576,084	586,342	587,937	589,572	591,248	606,029			
10 General	Starkey	Internal Auditor	12015	90,870	107,351	113,110	113,635	115,886	118,181	120,519			
10 General	Newton	Public Defender	12020	150	0	0	0	0	0	0			
10 General	Campbell	Voter Registration	12030	536,806	727,566	767,331	792,721	763,405	754,859	754,032			
11 General	Campbell	Voter Registration	12031	-1,050	0	0	0	0	0	0			
10 General	Hughes	Assessor	12040	2,005,921	2,562,392	2,525,795	2,588,891	2,664,182	2,835,408	2,795,757			
10 General	Hughes	Register of Deeds	12050	477,067	588,307	569,968	627,083	614,978	650,161	648,496			
10 General	Starkey	Risk Mgmt	12060	107,521	136,573	133,667	143,998	168,081	171,208	174,412			
10 General	Herbkersman	Delegation	12080	68,725	84,813	85,229	84,592	86,707	88,875	91,096			
10 General	Crisciello	Zoning	13330	196,349	253,330	253,205	262,528	268,700	275,038	281,522			
10 General	Crisciello	Planning	13340	701,269	858,469	799,284	901,011	923,406	947,041	970,921			
10 General	Crisciello	Planning (Comp Plan)	13341	5,438	140,000	238,175	227,920	53,000	30,000	0			
10 General	Hughes	GIS Map	13350	497,507	545,165	574,138	889,185	593,794	608,953	624,713			
10 General	Campbell	Community Service	14000	145,852	257,171	256,139	269,278	273,180	277,179	281,278			
10 General	Kubic	Staff Services	14010	405,050	415,582	427,599	477,260	486,444	495,857	505,505			
10 General	Gregory	Employee Services	14020	792,445	805,564	878,168	1,007,192	1,007,225	1,007,258	1,007,192			
10 General	Anderson	Records Management	14030	169,295	247,213	262,005	143,821	148,137	152,582	157,160			
10 General	Starkey	Finance	15010	443,684	543,412	627,004	707,146	723,279	739,816	756,767			
10 General	Starkey	Purchasing	15040	208,881	267,769	229,056	294,713	300,671	306,778	313,037			
10 General	Starkey	Business License	15050	400,495	609,026	469,703	652,415	657,414	662,536	667,786			
10 General	Anderson	MIS	15060	2,128,388	2,491,132	2,547,102	2,587,976	2,588,007	2,588,038	2,588,069			
10 General	Anderson	MIS	15061	1,128	1,128	0	0	0	0	0			
10 General	McFee	Public Works	17000	213,741	275,503	233,636	234,865	240,736	246,755	252,923			
20 Public Safety	Tanner	Sheriff	21051	5,718,712	7,164,936	7,495,908	7,870,703	8,264,239	8,677,450	9,111,323			
20 Public Safety	Tanner	Sheriff	21052	9,613,450	11,998,744	12,162,022	12,770,123	13,408,629	14,079,061	14,783,014			
20 Public Safety	Tanner	Sheriff	21053	0	0	0	0	0	0	0			
20 Public Safety	Tanner	Sheriff	21055	1,206,086	1,515,056	2,030,621	2,132,152	2,238,760	2,350,698	2,468,233			
20 Public Safety	Winn	Emergency Management	23140	578,026	737,602	683,030	731,832	750,686	764,004	777,655			
21 Public Safety	Winn	Emergency Management	23141	0	0	0	0	0	0	0			
22 Public Safety	Winn	Emergency Management	23142	5,322	5,574	224,451	234,434	240,743	246,682	252,792			
20 Public Safety	Winn	Emergency Management - Comm	23150	3,701,973	4,534,434	4,575,607	4,721,783	4,872,003	4,943,292	5,016,363			
20 Public Safety	Winn	Emergency Management - DATA	23155	657,283	1,009,725	1,053,551	1,166,643	1,199,359	1,208,733	1,218,341			
20 Public Safety	Winn	EMS	23160	5,089,536	6,346,528	6,535,651	7,612,725	7,781,886	7,983,638	8,031,717			
20 Public Safety	Winn	Detention Center	23170	5,573,198	6,779,845	6,655,904	7,236,252	7,487,968	7,593,223	7,809,772			
20 Public Safety	Mcfee	Traffic-Signal Management	23222	224,366	340,592	393,570	554,673	564,801	551,815	483,433			
20 Public Safety	Mcfee	Traffic-Signal Management	23223	118,098	0	0	554,673	564,801	551,815	483,433			
20 Public Safety	Crisciello	Building Codes	23360	1,099,975	1,321,593	1,198,380	1,293,562	1,321,512	1,350,179	1,399,572			
30 Public Works	McFee	Facilities Management	33020	1,903,917	2,206,189	2,133,960	2,540,496	2,686,109	2,691,450	2,696,924			
30 Public Works	McFee	Bldg Facilities Maint	33030	839,910	1,100,072	1,116,791	1,255,966	1,287,789	1,381,082	1,313,563			
30 Public Works	McFee	Grounds North	33040	1,115,399	1,562,730	1,335,957	1,686,404	1,691,610	1,768,089	1,750,617			
30 Public Works	McFee	Grounds South	33042	959,033	1,199,436	1,168,477	1,313,663	1,405,307	1,357,067	1,364,200			
30 Public Works	McFee	Public Works General	33300	809,803	1,042,976	882,639	1,113,253	1,202,826	1,048,760	1,223,282			
30 Public Works	McFee	Public Works Roads North	33301	844,996	1,141,909	1,107,909	1,569,702	1,593,442	1,527,393	1,259,917			

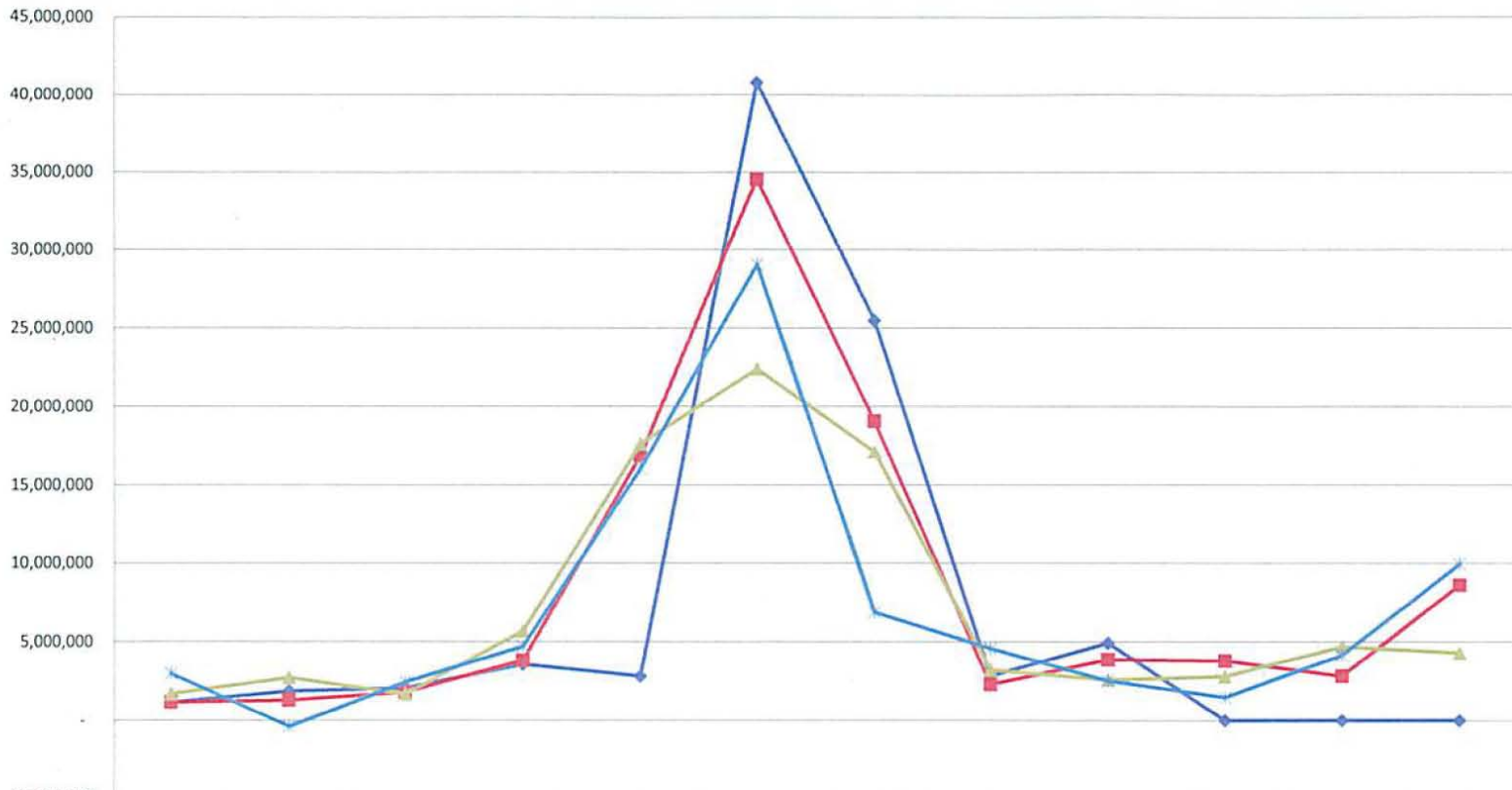
Category Description		Organization	Actual to date	Budget	Budget	Budget	Budget	Budget	Budget		
			ORG.	2010	2010	2011	2012	2013	2014	2015	
30	Public Works	McFee	Public Works Roads South	33302	601,699	776,984	746,632	1,004,007	866,315	962,097	878,609
30	Public Works	McFee	Public Works Admin	33305	310,947	400,445	367,394	441,317	472,129	459,869	470,494
30	Public Works	McFee	Engineering	33320	372,387	552,111	1,169,366	1,207,522	1,237,166	1,265,513	1,294,568
30	Public Works	McFee	SWR- Adm	33390	5,280,411	5,511,875	5,548,545	5,828,846	6,070,569	6,277,558	6,523,857
30	Public Works	McFee	SWR- Beaufort	33391	0	0	0	0	0	0	0
30	Public Works	McFee	SWR- Port Royal	33392	0	0	0	0	0	0	0
30	Public Works	McFee	SWR-HHH	33393	84,040	109,360	111,177	114,989	117,877	120,842	123,346
30	Public Works	McFee	SWR- Bluffton	33394	132,585	167,747	166,502	170,657	174,921	179,297	183,788
30	Public Works	McFee	SWR-Burton	33395	126,138	136,528	136,344	139,797	143,343	146,985	150,724
30	Public Works	McFee	SWR-Ladys Isl (7)	33396	34,198	52,232	54,030	55,395	56,798	58,239	59,721
30	Public Works	McFee	SWR- St., Helena (8)	33397	117,866	183,636	185,838	190,515	195,315	200,245	205,305
30	Public Works	McFee	SWR- Sheldon	33398	91,481	113,504	164,704	117,856	120,689	123,808	127,013
40	Public Health	Winn	Animal Shelter	43180	748,213	925,516	893,995	1,035,940	1,045,478	1,071,403	1,097,556
40	Public Health	Winn	Mosquito Control	43190	1,538,937	1,787,846	1,705,821	1,973,055	2,125,506	2,110,491	2,161,092
40	Public Health	Kubic	Environmental Sciences	43195	0	300,000	50,000	300,000	300,000	300,000	300,000
40	Public Health	Starkey	Public Health Subsidy	44199	2,533,391	2,613,567	2,586,045	2,586,045	2,586,045	2,586,045	2,586,045
50	Public welfare	Campbell	Veterans	54050	167,594	232,859	234,809	240,832	247,009	253,346	259,847
50	Public welfare	Campbell	Social Services	54060	162,156	247,355	219,450	219,450	248,866	255,295	255,295
50	Public welfare	Campbell	Public Welfare	54299	480,820	484,000	484,000	484,000	484,000	484,000	484,000
60	Cultural	Campbell	PALS-Admin	63310	328,886	361,931	422,091	469,912	484,897	499,053	512,036
60	Cultural	Campbell	PALS-summer	63311	98,026	212,172	141,508	218,222	218,572	218,922	219,272
60	Cultural	Campbell	PALS-Aquatics	63312	982,672	1,108,581	1,225,296	1,343,648	1,352,162	1,378,261	1,344,960
60	Cultural	Campbell	PALS-HH	63313	57,916	80,000	80,000	80,000	80,000	80,000	80,000
60	Cultural	Campbell	PALS-Bluffton	63314	762,615	869,561	905,282	1,027,178	1,052,800	1,079,168	1,106,087
60	Cultural	Campbell	PALS-Athletic Programs	63316	404,810	663,993	576,651	815,170	796,590	806,609	826,535
60	Cultural	Campbell	PALS-Rec Centers	63317	728,643	1,056,565	1,029,374	1,172,166	1,292,526	1,173,817	1,202,000
60	Cultural	Campbell	Library Admin	64070	731,114	905,360	875,630	895,429	917,674	942,226	968,183
60	Cultural	Campbell	Library Beaufort	64071	549,336	715,026	709,926	735,725	754,169	790,501	808,211
60	Cultural	Campbell	Library Bluffton	64072	645,256	796,617	799,039	836,511	856,547	901,169	921,263
60	Cultural	Campbell	Library Hilton Head	64073	585,083	784,474	728,245	744,739	760,719	803,341	821,032
60	Cultural	Campbell	Library Iobeco	64074	174,382	229,170	224,237	228,427	235,452	252,410	253,276
60	Cultural	Campbell	Library St. Helena	64075	73,656	102,059	108,209	202,671	207,311	248,833	234,073
60	Cultural	Campbell	Library St. Helena	64076	0	0	0	750,000	768,750	787,969	807,688
60	Cultural	Campbell	Library Technical Services	64078	675,330	879,564	896,184	919,824	944,778	980,045	1,002,057
60	Cultural	Campbell	Library SC Room	64079	90,802	114,850	118,499	121,522	124,559	129,987	132,647
70	Transfers	Starkey	General Funds Transfers	99100	3,862,487	4,212,148	3,987,148	3,987,148	3,993,560	3,993,560	3,993,560
			County General Fund Budget		81,272,430	99,408,632	99,475,736	109,176,741	111,683,134	114,166,862	116,275,658
70	Education	Starkey	Education Allocation	64399	3,930,250	4,716,300	4,716,300	4,716,301	4,716,300	4,716,300	4,716,300
			Total County Budget		85,202,680	104,124,932	104,192,036	113,893,042	116,399,434	118,883,162	120,991,958

	Actual 2010	Revised Budget 2010	%age	Budget 2011	Requested Budget 2012	Requested Budget 2013	Requested Budget 2014	Requested Budget 2015
10 General Government	17,679,472	21,713,055	81%	20,969,337	22,159,387	21,787,192	22,171,528	22,437,390
20 Public Safety	33,586,023	41,754,629	80%	43,008,695	46,879,555	48,695,366	50,300,590	51,835,647
30 Public Works	13,624,810	16,257,734	84%	16,396,265	18,750,185	19,322,206	19,568,293	19,625,928
40 Public Health	4,820,541	5,626,929	86%	5,235,861	5,895,039	6,057,429	6,067,939	6,144,693
50 Public Welfare	810,570	964,214	84%	938,259	944,282	979,875	992,641	999,141
60 Cultural and Rec	6,888,526	8,879,923	78%	8,940,171	10,561,145	10,847,506	11,072,311	11,239,298
70 Fund Transfers	3,862,487	4,212,148	92%	3,987,148	3,987,148	3,993,560	3,993,560	3,993,560
Education Allocation	3,930,250	4,716,300		4,716,300	4,716,301	4,716,300	4,716,300	4,716,300
Total Fund Allocation	85,202,680	104,124,932	82%	104,192,036	113,893,042	116,399,434	118,883,162	120,991,958

	Actual 2010	Budget 2010	%age	Projected 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015
Actual REVENUE:								
41 Taxes	(69,811,369)	(78,875,528)	89%	(79,985,015)	(81,984,640)	(84,034,256)	(86,135,113)	(88,288,491)
42 License & Permits	(1,401,006)	(2,783,000)	50%	(2,501,000)	(2,563,525)	(2,627,613)	(2,627,613)	(2,627,613)
43 Inter-Governmental	(3,070,689)	(7,349,752)	42%	(7,686,826)	(7,878,997)	(8,075,972)	(8,075,972)	(8,075,972)
44 Charges for Services	(8,381,580)	(9,958,464)	84%	(10,637,150)	(10,903,079)	(11,175,656)	(11,175,656)	(11,175,656)
45 Fines & Forfeitures	(886,827)	(850,150)	104%	(1,035,650)	(1,061,541)	(1,088,080)	(1,088,080)	(1,088,080)
46 Interest	(92,365)	(790,000)	12%	(190,000)	(194,750)	(199,619)	(199,619)	(199,619)
47 Miscellaneous	(550,703)	(523,670)	105%	(760,000)	(779,000)	(798,475)	(798,475)	(798,475)
48 Other Financing Sources	(1,348,466)	(3,090,407)	44%	(1,396,395)	(1,431,305)	(1,467,087)	(1,467,087)	(1,467,087)
Total Revenue	(85,543,004)	(104,220,971)	82%	(104,192,036)	(106,796,837)	(109,466,758)	(111,567,614)	(113,720,992)

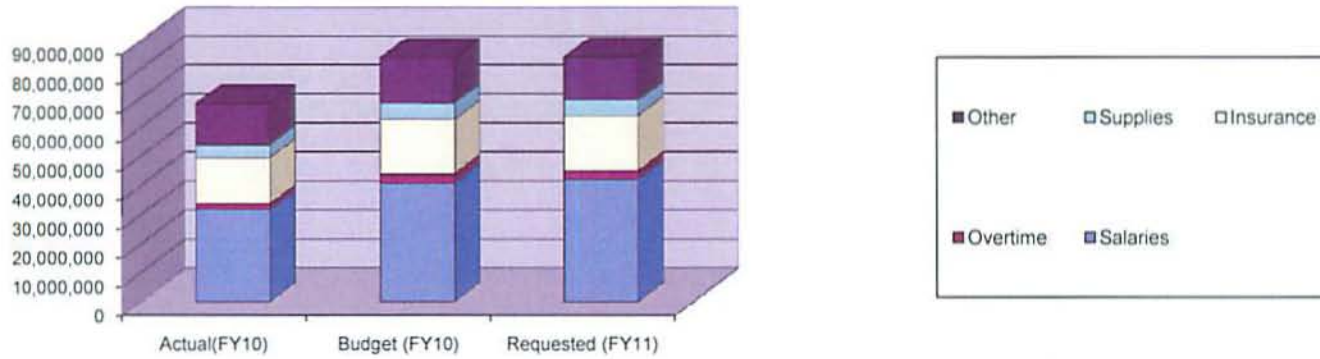


Revenue by Month

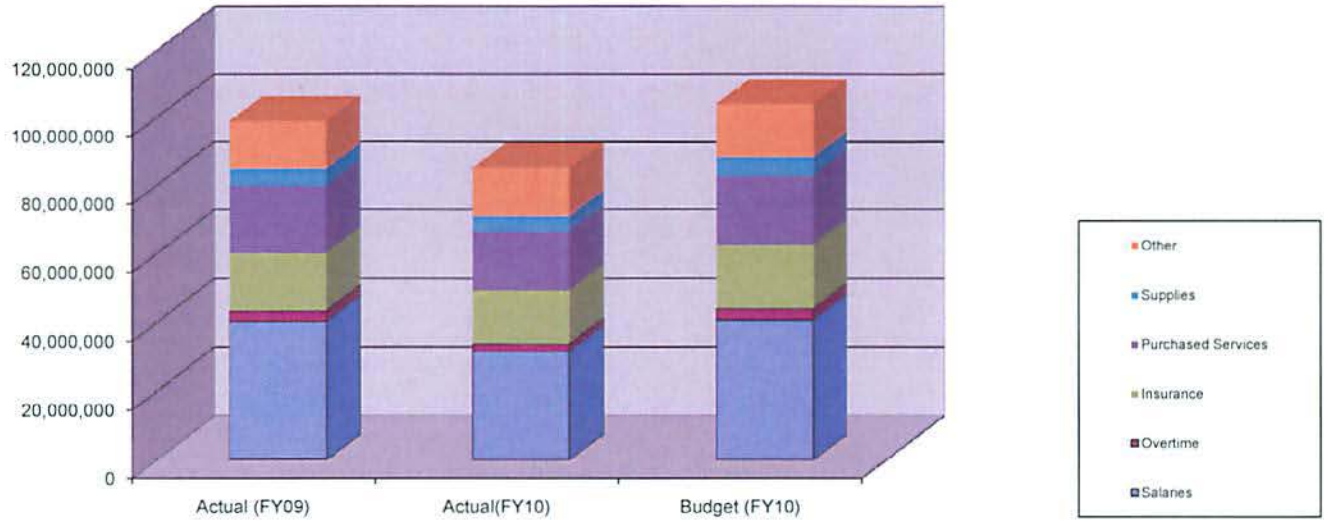


	July	August	September	October	November	December	January	February	March	April	May	June
● FY-10	1,145,948	1,874,543	2,067,850	3,575,105	2,818,215	40,822,680	25,491,530	2,820,570	4,926,563			
■ FY-09	1,164,435	1,309,760	1,819,220	3,820,287	16,908,512	34,533,913	19,094,069	2,289,938	3,865,255	3,783,944	2,829,115	8,624,682
▲ FY-08	1,698,094	2,734,222	1,681,215	5,699,121	17,674,556	22,418,973	17,140,701	3,219,137	2,587,298	2,800,605	4,688,608	4,306,978
◆ FY-07	2,990,897	(349,605)	2,464,185	4,737,150	16,090,906	29,067,912	6,891,120	4,587,004	2,545,114	1,478,152	4,162,730	9,968,334

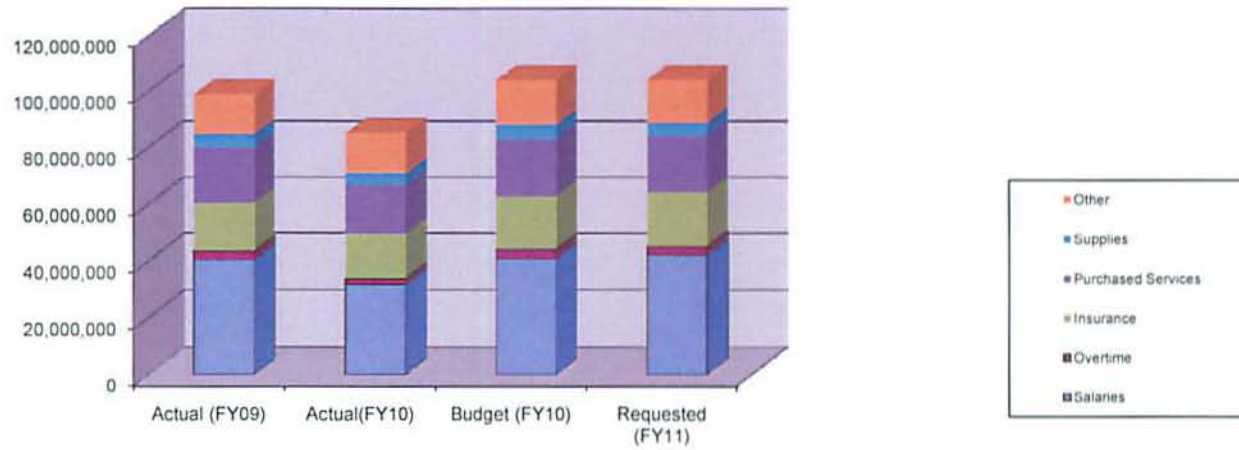
Beaufort County Budget by Category



Expenditure by Category
Budget to Actual



Comparison of Expenditures
FY-09-FY11



	2009 Actuals	2010 Current Expenditures	Revised Budget 2010	2011 Budget 2010
50 Salaries	40,405,388	31,673,920	40,802,619	42,046,242
500 Overtime	3,055,355	2,123,827	3,266,103	3,027,932
510 Insurance	16,911,029	15,731,065	18,606,212	18,926,361
51 Purchased Services	19,535,001	17,014,221	20,151,428	19,958,460
52 Supplies	5,117,021	4,503,549	5,569,756	5,188,056
54 Capital Outlay	1,652,651	1,529,434	1,539,898	1,429,530
55 Special Subsidies	9,468,211	8,759,712	9,593,329	9,518,307
56 Contingencies	188	4,464	83,439	60,000
57 Purchases	0	0	300,000	50,000
58 Purchases	952	0	0	0
59 Fund transfers	2,791,775	3,862,487	4,212,148	3,987,148
	98,937,571	85,202,680	104,124,932	104,192,036

52500 Fuel	1,509,671	1,193,450	1,632,273	711,978
51060 Electricity	1,953,106	1,668,970	1,819,650	1,830,882
51320 Travel	395,088	316,373	409,738	316,133

	Actual (FY09)	Actual(FY10)	Budget (FY10)	Requested (FY11)
Salaries	40,405,388	31,673,920	40,802,619	42,046,242
Overtime	3,055,355	2,123,827	3,266,103	3,027,932
Insurance	16,911,029	15,731,065	18,606,212	18,926,361
Purchased Services	19,535,001	17,014,221	20,151,428	19,958,460
Supplies	5,117,021	4,503,549	5,569,756	5,188,056
Other	13,913,777	14,156,097	15,728,814	15,044,985
	98,937,571	85,202,680	104,124,932	104,192,036

<u>Organization</u>		<u>2010 Actual</u>	<u>Requested 2011 Budget</u>	<u>Requested 2012 Actuals</u>	<u>Requested 2013 Actuals</u>	<u>Requested 2014 Budget</u>	<u>Requested 2015 Budget</u>
Newton	Council	521,268	697,034	769,338	777,853	777,107	869,383
Burriss	Auditor	519,375	619,334	643,433	658,283	673,503	689,104
Logan	Treasurer	667,762	611,706	612,852	628,173	643,878	610,601
Roseneau	Clerk of Court	1,054,896	1,186,305	968,811	995,636	1,023,223	1,051,595
Simon	Probate	695,467	905,250	935,182	958,380	982,970	1,008,584
Allen	Coroner	301,171	419,142	521,829	292,906	292,906	292,906
Smith	Magistrate	1,288,580	1,453,232	1,479,416	1,516,401	1,554,311	1,593,169
Dukes	Master of Equity	251,760	340,089	372,629	381,403	390,397	399,616
Herbkersman	Delegation	68,725	85,229	84,592	86,707	88,875	91,096
Tanner	Sheriff	16,538,248	21,688,551	22,772,979	23,911,627	25,107,209	26,362,569
Kubic	County Administrator	1,753,411	1,946,568	2,348,966	2,409,407	2,394,607	2,458,789
Starkey	Finance	12,999,097	14,139,995	14,479,362	14,539,198	14,572,386	14,606,388
Gregory	Employee Services	792,445	878,168	1,007,192	1,007,225	1,007,258	1,007,192
Winn	Public Safety	17,892,486	22,328,010	24,712,662	25,504,009	25,921,466	26,365,289
Campbell	Community Services	8,380,704	10,901,900	12,567,425	12,863,966	13,096,990	13,273,749
Hughes	Real Property Services	2,980,495	3,669,901	4,105,159	3,872,954	4,094,522	4,068,966
Anderson	Information Technology Services	2,298,810	2,809,107	2,731,797	2,736,144	2,740,620	2,745,229
McFee	Engr & Infrastructure Services	14,181,014	17,023,471	20,094,396	20,692,544	20,918,678	20,845,718
Criscitello	Planning and Development	2,016,965	2,489,044	2,685,021	2,566,617	2,602,257	2,652,014
	Totals	85,202,680	104,192,036	113,893,042	116,399,434	118,883,162	120,991,958

54	33302	54000 VEHICLE PU	58,944	22,661.00	0	0	0	0
54	33305	54000 VEHICLE PU	0	0	0	0	0	0
54	33320	54000 VEHICLE PU	18,760.00	0	0	0	0	0
54	33390	54000 VEHICLE PU	40,152.00	20,472.00	0	0	0	0
54	43180	54000 VEHICLE PU	32,564.70	17,749.14	0	0	0	0
54	43190	54000 VEHICLE PU	79,959.63	0	0	0	0	0
54	54050	54000 VEHICLE PU	15,449.00	0	0	0	0	0
54	63310	54000 VEHICLE PU	0	0	0	0	0	0
54	63311	54000 VEHICLE PU	0	0	0	0	0	0
54	63312	54000 VEHICLE PU	0	0	0	0	0	0
54	63313	54000 VEHICLE PU	24,730.00	0	21,773.00	0	0	0
54	63314	54000 VEHICLE PU	0	38,254.00	43,546.00	0	0	0
54	63316	54000 VEHICLE PU	0	39,373.30	24,055.30	0	0	0
54	63317	54000 VEHICLE PU	0	0	0	0	0	0
54	64070	54000 VEHICLE PU	0	0	0	0	0	0
54	64071	54000 VEHICLE PU	0	18,197.00	0	0	0	0
54	64072	54000 VEHICLE PU	0	0	0	0	0	0
54	64073	54000 VEHICLE PU	0	0	0	0	0	0
54	64074	54000 VEHICLE PU	0	0	763	0	0	0
54	64075	54000 VEHICLE PU	0	0	0	0	0	0
54	64078	54000 VEHICLE PU	0	0	0	0	0	0
54	64079	54000 VEHICLE PU	0	0	0	0	0	0
54	21054	54001 TOWN OF IH	0	0	0	0	0	0
54	11000	54100 OFFICE FUR	19,261.49	0	0	0	0	0
54	11010	54100 OFFICE FUR	0	0	0	0	0	0
54	11020	54100 OFFICE FUR	0	0	0	0	0	0
54	11030	54100 OFFICE FUR	0	0	0	0	0	0
54	11031	54100 OFFICE FUR	0	0	0	0	0	0
54	11040	54100 OFFICE FUR	0	0	0	0	0	0
54	11100	54100 OFFICE FUR	0	0	0	0	0	0
54	11101	54100 OFFICE FUR	0	0	0	0	0	0
54	11102	54100 OFFICE FUR	0	0	0	0	0	0
54	11105	54100 OFFICE FUR	0	0	0	0	0	0
54	11106	54100 OFFICE FUR	0	0	0	0	0	0
54	11107	54100 OFFICE FUR	0	0	0	0	0	0
54	11108	54100 OFFICE FUR	0	0	0	0	0	0
54	11109	54100 OFFICE FUR	0	0	0	0	0	0
54	12000	54100 OFFICE FUR	0	0	0	0	0	0
54	12003	54100 OFFICE FUR	0	0	0	0	0	0
54	12005	54100 OFFICE FUR	0	0	0	0	0	0
54	12006	54100 OFFICE FUR	0	0	0	0	0	0
54	12010	54100 OFFICE FUR	0	0	0	0	0	0
54	12015	54100 OFFICE FUR	0	0	0	0	0	0
54	12030	54100 OFFICE FUR	0	0	0	0	0	0
54	12040	54100 OFFICE FUR	0	0	0	0	0	0
54	12041	54100 OFFICE FUR	0	0	0	0	0	0
54	12050	54100 OFFICE FUR	0	0	0	0	0	0
54	12060	54100 OFFICE FUR	0	0	0	0	0	0
54	12070	54100 OFFICE FUR	0	0	0	0	0	0
54	12080	54100 OFFICE FUR	0	0	0	0	0	0
54	12090	54100 OFFICE FUR	0	0	0	0	0	0
54	12100	54100 OFFICE FUR	0	0	0	0	0	0
54	13000	54100 OFFICE FUR	0	0	0	0	0	0
54	13330	54100 OFFICE FUR	0	0	0	0	0	0
54	13335	54100 OFFICE FUR	0	0	0	0	0	0



**COUNTY COUNCIL OF BEAUFORT COUNTY
PURCHASING DEPARTMENT**

Building 2, 102 Industrial Village Road
Post Office Drawer 1228, Beaufort, SC 29901-1228
Phone: (843) 470-2735 Fax: (843) 470-2738

TO: Jerry Stewart, Chairman, Public Safety Committee

VIA: Gary Kubic, County Administrator *GK*
Bryan Hill, Deputy County Administrator *BH*
David Starkey, Chief Financial Officer *DS*
William Winn, Director of Public Safety *WW*
Phil Foot, Director Beaufort County Detention Center *PF*

FROM: Dave Thomas, CPPO, Purchasing Director *DT*

SUBJ: RFP 3096/101239 Food Service Program for the Beaufort County Detention Center

DATE: April 8, 2010

BACKGROUND: Beaufort County issued Request for Proposals (RFP) to firms capable of providing food service for inmates and staff at the Beaufort County Detention Center. The scope of services will require the contractor to furnish all labor, food, beverages, materials, supplies, and chemicals necessary to provide food services for the inmates and staff. Contractor will provide meals and food service three times per day, seven days per week. The Contractor shall manage a civilian and inmate kitchen staff which shall prepare pre-plated meals for service on thermal insulated trays. The evaluation committee consisted of Phil Foot, Detention Center Director, Charles Allen, Deputy Director Detention Center, Melissa Easler, EMD Staff, Deena McCullough, Detention Center Staff, Theresa Williams, Detention Center Staff. The evaluation committee interviewed the top two firms and selected ABL Management as the number one ranked firm.

FINAL EVALUATION RANKING:

- 1 ABL Management Inc., Baton Rouge, LA
- 2 Trinity Services, Orlando, FL
- 3 Aramark, Downers Grove, Illinois
- 4 SC Commission of the Blind

FUNDING: 23170-51200 (Meals/Contracted Services), balance: \$251,358.

RECOMMENDATION: The Public Safety Committee approve and recommend to County Council approval of a contract award to ABL Management, Inc., the top ranked firm, with the anticipated cost per year of \$386,307 for an initial contract term of one year (1) with four (4) additional one (1) year contract renewal periods all subject to the approval of Beaufort County.

cc: Richard Hinehline, Elizabeth Smith

Award Recommendation for Public Safety Meeting, May 3, 2010	
Project:	RFP 3096/101239 Food Service Program for the Beaufort County Detention Center
Number of Proposals:	4
Bidder/Proposer Recommended:	ABL Management Inc
Pricing Information:	Inmate Regular meal \$1.0653, Double \$1.1439, staff Regular \$1.50, Double \$1.75, price is firm for two years, estimate yearly cost:
Other Firms Pricing:	Trinity Service, Inmate Regular meal \$1.19, Double \$1.46, staff regular \$1.33, Double \$1.61 Aramark, Inmate regular meal \$1.149, Staff Meal, \$1.30 SC Commission for the Blind, \$2.36 per meal
Funding Source:	23170-51200- Meals/Contracted Services. Acct. balance=\$251,358, est. budget=\$386,307
Comments:	Last years pricing: \$1.20, \$1.37, \$1.35, \$1.89, spent last year= \$472,159



COUNTY COUNCIL OF BEAUFORT COUNTY
BEAUFORT COUNTY ENGINEERING DIVISION
Building 3, 102 Industrial Village Road
Post Office Drawer 1228, Beaufort, SC 29901-1228
Phone: (843) 470-2625 Fax: (843) 470-2630

TO: Councilman Herbert N Glaze, Chairman, Public Facilities Committee
VIA: Gary Kubic, County Administrator *GKubic*
Bryan Hill, Deputy Administrator *BHill*
David Starkey, Chief Financial Officer *DStarkey*
Robert McFee, Director of Engineering and Infrastructure *RMcFee*
FROM: Bob Klink, County Engineer *REK*
SUBJ: PUBLIC WORKS TIRE / BALER BUILDING DESIGN BUILD PROJECT
RFP# 2909/100143
DATE: April 19, 2010

BACKGROUND. In 2008, Beaufort County received a \$65,000 grant from SCDHEC to purchase a baler to process recyclables. The baler created the opportunity to bale recyclables on a limited scale; however, no facility was available to install the equipment out of the weather. Beaufort County recently received funds through the Energy Efficiency and Conservation Block Grant to begin an Office Recycling Program. The two grants together create the opportunity to collect, process, bale and then market recyclables collected from County facilities. In addition, a program to collect waste tires and hold them for transport to a tire recycling facility has been in place for many years without the proper holding area under roof to prevent them from becoming a mosquito breeding habitat. In response to these program needs, Beaufort County issued a Request for Proposals for qualified firms to design and build a Tire / Baler Building located on Shanklin Road next to Public Works. The project includes a 80' X 100' building with a 25' X 100' lean-to, 3 roll up doors, a loading dock with space for three trucks, sidewall lights, pervious paving, security fencing and a 12' X 24' office.

The County received the following nine proposals on 1/28/10:

Firm	Proposal Amount
Mashburn Construction, Columbia, SC with Clancy Wells Architects	\$ 483,752
Beaufort Construction, 2732 Depot Rd, Beaufort, SC	\$ 491,022
Brantley Construction, 8300 Dorchester Rd, Charleston, SC	\$ 521,600
Newtech, Inc, Ghost Pony Rd, Bluffton, Sc	\$ 599,000
Tucker Building, 20 Parris Island Gateway, Beaufort, SC	\$ 614,177
Clifton Construction, Evans, GA	\$ 731,100
REA Contracting, Jeter Rd, Beaufort, SC with Andrews & Burgess	\$ 724,797
Collins Construction Services, Thunderbolt, GA with Kern-Coleman	\$ 810,000
Brundage Construction, 645 Indian St, Savannah, GA	\$ 864,450

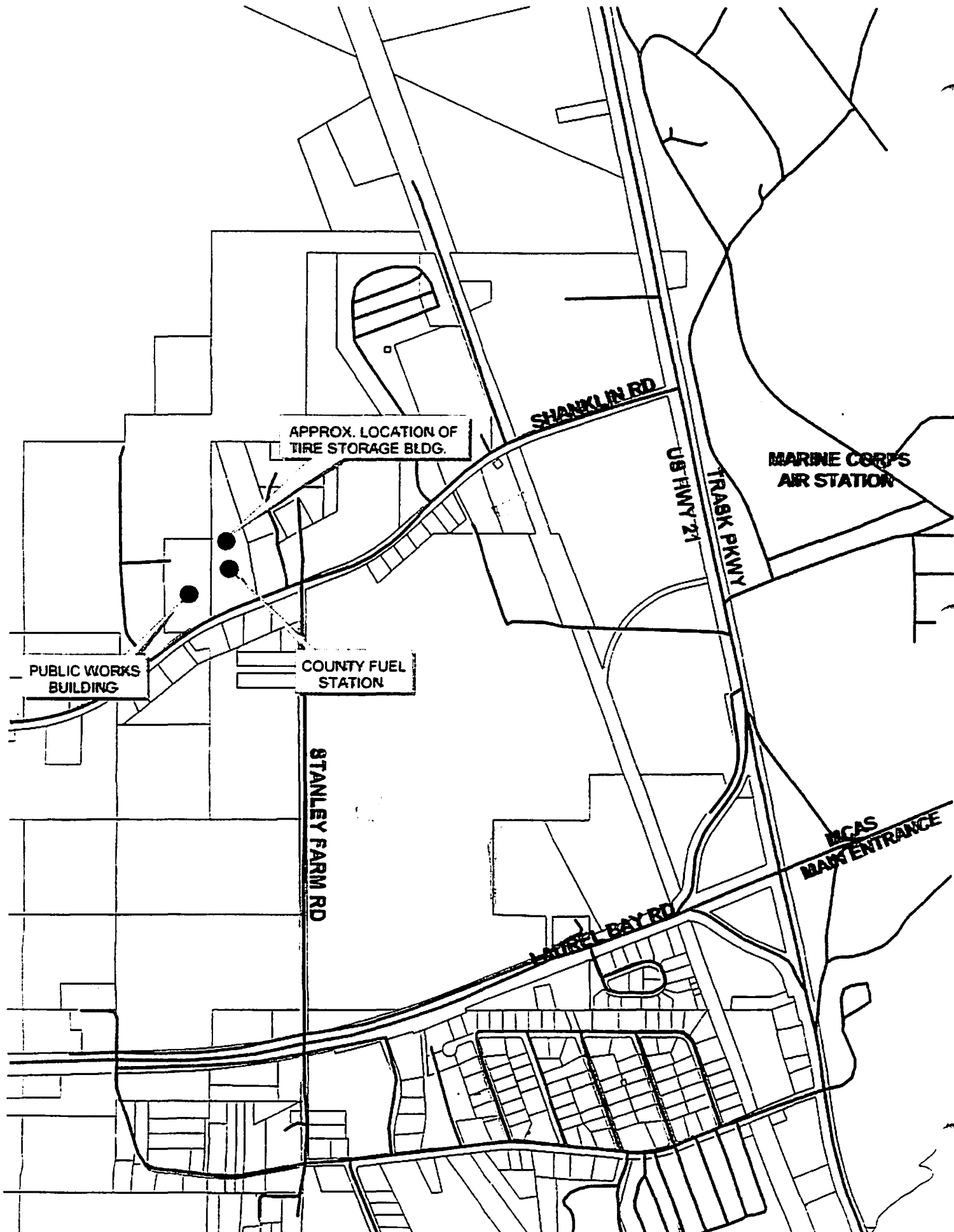
A selection committee of the County's Solid Waste Manager, Public Works Director, CIP Implementation Manger and CIP Manager interviewed the firms. The proposals were reviewed, evaluated and ranked on the basis of "best value offered". Beaufort Construction, Inc. was selected as providing the best value for the design and construction of this project. After ranking the County negotiated with Beaufort Construction Inc. to improve the design, perform value engineering and scope of work reductions. In response, Beaufort Construction, Inc revised their proposal on 04/08/10 in the amount of 491,022. Beaufort Construction, Inc. proposal complies with the County's SMB Ordinance.

FUNDING. This project will be funded from account # 33390-54600 – Tire / Baler Facility for \$491,022.00.

RECOMMENDATION. That the Public Facilities Committee approve and recommend to County Council approval of a contract award to Beaufort Construction, Inc to design and build the new Tire / Baler Facility for \$491,022. with funding as proposed above.

REK/DC/mjh

Attachment: 1) Location Map 2) SMB Information



APPROX. LOCATION OF
TIRE STORAGE BLDG.

PUBLIC WORKS
BUILDING

COUNTY FUEL
STATION

STANLEY FARM RD

SHANKLIN RD

US HWY 21

TRASK PKWY

MARINE CORPS
AIR STATION

LAUREL BAY RD

MCAS
MAIN ENTRANCE



COUNTY COUNCIL OF BEAUFORT COUNTY PURCHASING DEPARTMENT

Building 2, 102 Industrial Village Road
Post Office Drawer 1228, Beaufort, SC 29901-1228
Phone: (843) 470-2735 Fax: (843) 470-2738

TO: Paul Sommerville, Chairman, Natural Resources Committee

VIA: Gary Kubic, County Administrator *GK*
Bryan Hill, Deputy County Administrator *BH*
David Starkey, Chief Financial Officer *DS*
Tony Criscitiello, Director of Planning *TC*

FROM: Dave Thomas, CPRO, Purchasing Director *DT*

SUBJ: RFQ # 3918/100926 Request for Qualifications Services to develop a Form-Based Code for unincorporated Beaufort County, the City of Beaufort, the Town of Port Royal, and several redevelopment districts within the Town of Hilton Head

DATE: April 28, 2010

BACKGROUND: Beaufort County issued Request for Qualifications (RFQ) to firms capable of providing planning services for Beaufort County. The scope of services will require the contractor to oversee, design, develop and write a form-based code for Beaufort County. The evaluation committee consisted of eight (8) members with representation from the planning departments of Beaufort County, the City of Beaufort, the Town of Port Royal, the Town of Bluffton and the Town of Hilton Head Island. The evaluation committee interviewed the top six (6) firms and selected Opticos Design, Inc. as the number one ranked firm.

FINAL EVALUATION RANKING:

- 1 Opticos Design, Inc., Berkeley, CA (local sub: Alison Ramsey Architects, Beaufort, SC)
- 2 Dover Kohl & Partners, Coral Gables, FL (local sub: Brown Design Studio, Beaufort, SC; and Moser Design Group, Beaufort, SC)
- 3 Design Collective, Baltimore, MD (local sub: Ward Edwards, Bluffton, SC)
- 4 DPZ-Charlotte, Charlotte, NC (local sub, Carolina Engineering Consultants, Beaufort, SC; Joshua Martin, Charleston, SC)
- 5 Ferrell Madden Lewis, Washington, DC (local sub: J.K. Tiller & Associates, Bluffton, SC)
- 6 Town Planning & Urban Design Collaborative (TPUDC), Nashville, TN (local sub: Joshua Martin, Charleston, SC)
- 7 Placemakers, LLC, Decatur, GA
- 8 Farr Associates, Chicago, IL (local sub: Vaux & Marscher Attorneys, Bluffton, SC)
- 9 EDAW AECOM, Atlanta, GA (Raymond H. Williams, Esq., Beaufort, SC)
- 10 POND, Norcross, GA (local sub: J.K. Tiller & Assoc., Bluffton, SC; David Tedder, Esq., Beaufort, SC)
- 11 IBI Group International, Atlanta, GA (local sub: Wood + Partners, Hilton Head, SC)
- 12 Robert and Company, Atlanta Georgia

FUNDING: The County's General Fund, Fiscal Years 2011 and 2012, account 13340-51160 Professional Services.

RECOMMENDATION: The Natural Resources Committee approve and recommend to County Council approval of a contract award to Opticos Design, Inc., the top ranked firm, with the anticipated cost of \$350,000. Opticos will have 18 months to finish the service.

cc: Richard Hinceline, Elizabeth Smith

"I hereby certify that (1) the funds necessary to meet the foregoing contractual agreement or obligation have been lawfully appropriated or authorized for such purpose, (2) is in the county treasury or the process of being credited to the appropriated fund, and (3) free from any previous outstanding obligation."



David Starkey, Chief Financial Officer or His Designee

2010 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE, (ZDSO), ARTICLE V, SECTION 106-1098 GENERAL USE TABLE (TO ALLOW A SMALL TOWING BUSINESS TO BE ABLE TO DO BUSINESS IN COMMERCIAL REGIONAL ZONING).

Whereas, Standards that are underscored shall be added text and Standards ~~lined through~~ shall be deleted text.

Adopted this ____ day of ____, 2010.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson F. Howell, Staff Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

(Amending 99/12)

HILTON HEAD PUBLIC SERVICE DISTRICT

21 OAK PARK DRIVE – POST OFFICE BOX 21264
HILTON HEAD ISLAND, SOUTH CAROLINA 29925
TELEPHONE 843-681-5525 – FAX 843-681-5052
www.hhpsd.com

April 28, 2010

The Honorable Weston Newton
Chairman
Beaufort County Council
PO Drawer 1228
Beaufort, South Carolina 29901-1228

Re: General Obligation Bond Authorization

Dear Mr. Newton:

Hilton Head No.1 Public Service District is requesting Beaufort County Council's authorization to issue general obligation bond debt in an amount not to exceed \$4 million for the purpose of constructing potable water storage and transmission improvements, including an Aquifer Storage & Recovery (ASR) Well, as a key part of our efforts to replace drinking water supply lost to continuing saltwater intrusion into our groundwater source.

Hilton Head PSD continues our planning efforts to meet future drinking water supply needs of our customers. Complicating this issue is the continuing loss of water supply wells due to the advancement of the saltwater intrusion into the Upper Floridan Aquifer. Scientific research has shown that the PSD should expect to lose all of its wells into the Upper Floridan by 2020. Aquifer Storage & Recovery is a technique that seasonally stores surplus drinking water in the underground aquifer during times of low demand, and then pumps out the stored water during times of high demand.

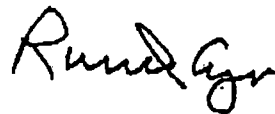
In addition to the ASR project, the general obligation bond will be used to install a new 16-inch water transmission main into Hilton Head Plantation, and to pressurize a 24-inch water main jointly owned by Broad Creek and Hilton Head PSDs. These main improvements are a crucial transmission and storage component of our efforts to combat the saltwater intrusion.

Through your leadership, the Beaufort County Council in 2008 authorized the PSD to issue general obligation bond debt to construct our new Reverse Osmosis (RO) Drinking Water Treatment Facility to replace supply lost to the saltwater intrusion. The RO plant is now providing 3 million gallons of fresh drinking water a day to the residents and businesses of Hilton Head Island. Now

the PSD must take the next steps necessary to ensure a long-term and high-quality supply of drinking water for years to come.

We are asking for your support in the timely completion of the authorization process.

Sincerely,



Richard C. Cyr
General Manager
Hilton Head No. 1 Public Service District

Cc: The Honorable Stu Rodman, Chairman, Beaufort County Council Finance Committee.

HILTON HEAD PUBLIC SERVICE DISTRICT
21 OAK PARK DRIVE – POST OFFICE BOX 21264
HILTON HEAD ISLAND, SOUTH CAROLINA 29925
TELEPHONE 843-681-5525 – FAX 843-681-5052

MEMORANDUM

Date: April 28, 2010

To: Beaufort County Council

From: Hilton Head Public Service District

Subject: Reverse Osmosis Water Treatment Plant Fact Sheet

Hilton Head Public Service District
Aquifer Storage & Recovery (ASR) Well and
Water Distribution System Improvement Project
Fact Sheet

Who:

1. Hilton Head Public Service District (PSD) is the public drinking water, wastewater treatment, and reclaimed water utility serving 17,000 customers on the north- and mid-island areas of Hilton Head Island. The PSD provides drinking water to its customers using three sources of water: brackish water from the 600-foot-deep Middle Floridan Aquifer that is treated in the PSD's Reverse Osmosis Drinking Water Treatment Facility; groundwater wells dug into the 150-foot-deep Upper Floridan Aquifer; and treated Savannah River surface water purchased wholesale from the Beaufort-Jasper Water & Sewer Authority (BJWSA).

What:

1. Hilton Head PSD is seeking to construct an Aquifer Storage & Recovery (ASR) Well and install water mains as part of the PSD's ongoing efforts to replace its drinking water supply lost as a result of saltwater intrusion into the Upper Floridan Aquifer.
2. Saltwater intrusion into the Upper Floridan Aquifer continues at an alarming rate. The State of South Carolina's Department of Health and Environmental Control (DHEC) has determined that the intrusion is advancing from Port Royal Sound through the PSD's service area at a rate of more than 200 feet per year.
 - a. The PSD has lost five (5) Upper Floridan Aquifer drinking water wells to the intrusion since 2000.
 - b. The PSD will lose at least six (6) of its remaining seven (7) Upper Floridan Aquifer wells between 2010 and 2020, according to projections confirmed by both DHEC and the PSD's own research and monitoring.
 - c. The loss of these Upper Floridan Aquifer wells represents a loss of 6.3 million gallons a day (mgd) drinking water capacity for the PSD.
3. ASR is a technique that seasonally stores surplus drinking water in the underground aquifer during times of low demand, and pumps into the water distribution system during times of high, or peak, demand (See Diagram A below).
 - a. The ASR Well will provide 2 million gallons a day (mgd) of drinking water during times of peak demand.
 - b. The ASR Well will replace part of the drinking water supply necessary to meet the PSD's daily peak water demand projection of 12 million gallons a day (mgd).
 - c. The PSD will construct the ASR well at the utility's Royal James Drive property in Hilton Head Plantation.

- d. The ASR technique already is in use in Beaufort County, where BJWSA operates two ASR wells and is in the process of constructing a third.
 - e. The PSD and BJWSA have agreed upon a long-term off-peak, or marginal, wholesale water rate that is less than the normal rate (\$0.75 per 1,000 gallons, versus \$1.58 per 1,000 gallons). The PSD will inject the off-peak water into the ASR well during the winter months, and withdrawal it from the ASR well during the summer months of higher demand.
4. As part of the project, the PSD also will install a new 16-inch water transmission main into Hilton Head Plantation, and will pressurize a 24-inch water main jointly owned by the Broad Creek and Hilton Head PSDs. These main improvements are a crucial transmission and storage component of the PSD's efforts to combat the impacts of saltwater intrusion.

When:

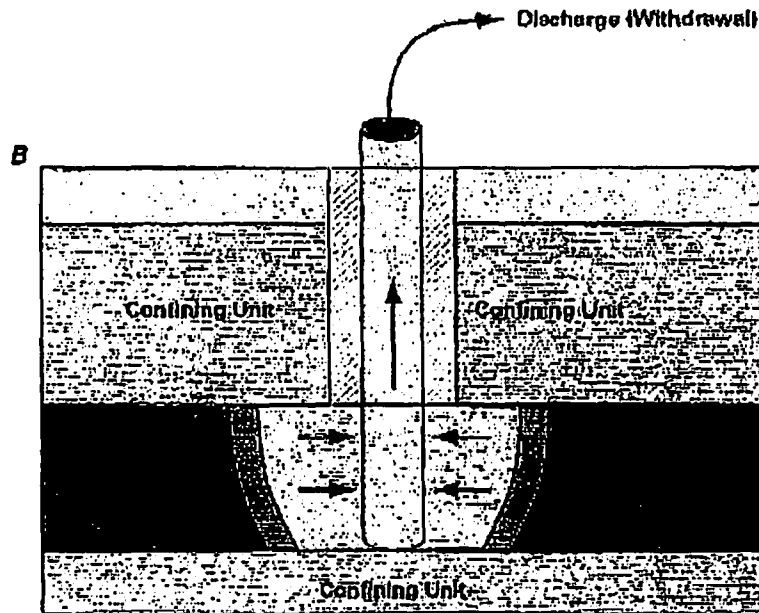
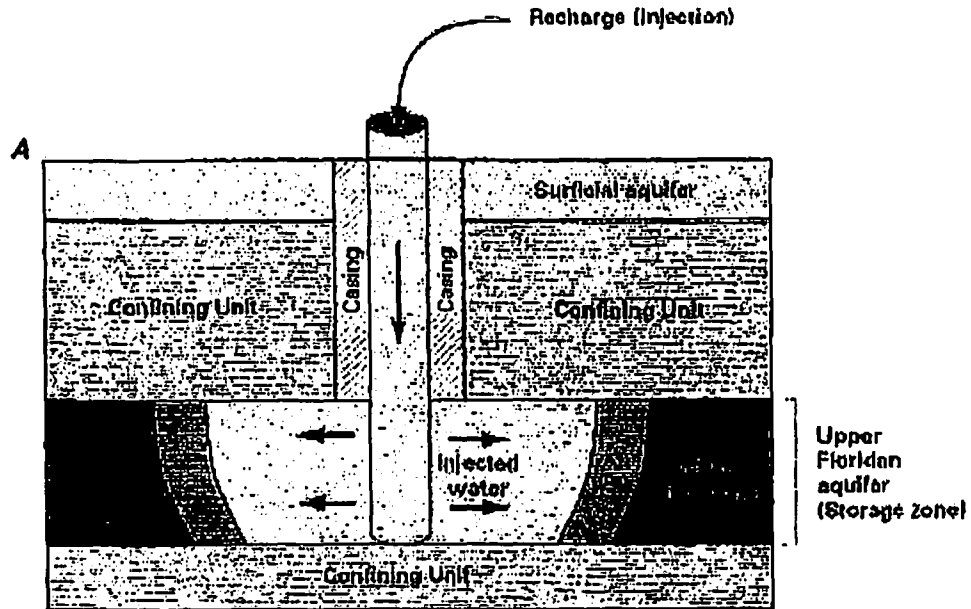
1. Upon approval by Beaufort County Council, the PSD would issue general obligation bond debt in an amount not to exceed \$4 million during the early-fall of 2010.
2. Construction of the ASR Well and main improvements could begin as early as June 2010.
3. The PSD would anticipate receiving an Operating Permit for the ASR Well by December 2011.
4. The ASR Well would begin replacing lost drinking water supply by the summer of 2013.

How:

- A. The Hilton Head PSD Commission seeks the use of general obligation bonds to cover the cost of the ASR Well and water main improvements construction. The borrowing translates into an additional 0.84 mills on the PSD's general obligation tax levy; or an increase of \$3.36 for a home valued at \$100,000. As a result of the

borrowing, the PSD's general obligation debt tax levy would increase from \$12.00 to \$15.36 for a home valued at \$100,000.

Diagram A:



Figures modified from National Research Council (2001) and Heagy (2002)

COMMISSIONERS

Bob Manne, Chair
 Bob Gentzler, Vice-Chair
 John Geisler, Secretary
 Gary Kratz, Treasurer
 Jack Burke
 Frank J. Drehwing
 Dorothy Law

**EXECUTIVE STAFF**

Richard C. Cyr, General Manager
 William C. Davis, Operations Manager
 Larry M. Sapp, Finance Manager
 Pete Nardi, Community Relations Manager

HILTON HEAD PUBLIC SERVICE DISTRICT

PETITION OF HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT COMMISSION TO THE GOVERNING BODY OF BEAUFORT COUNTY FOR A PUBLIC HEARING PURSUANT TO ARTICLE 5, CHAPTER 11, TITLE 6, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

1. Hilton Head No. 1 Public Service District, South Carolina (the "*District*") was created as a special purpose district established in Beaufort County, South Carolina (the "*County*") as a body politic and corporate pursuant to the provisions of Act No. 596 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended by Act No. 686 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1971, and by Act No. 1738 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1972. The District is located entirely within the County.

2. In carrying out its functions and duties, the Commission has determined that a need exists at the present time to acquire, construct and equip a new aquifer storage and recovery (ASR) well to serve the residential and commercial establishments located within the District. ASR is a technique that stores surplus drinking water in underground aquifers and is pumped out at a future time to meet peak demand. Additionally, the Commission seeks to install a new 16" main installation into Hilton Head Plantation and a new pressurized 24" main at the Ashmore Tank (the new ASR Well and the two new mains are referred to herein as the "*Improvements*"). The Commission estimates that the cost of the designing, engineering, constructing, furnishing and equipping of the new Improvements and the cost of issuance of the bonds described herein, will be approximately \$4,000,000.

3. In order to defray the cost of the Improvements, the District proposes to issue general obligation bonds of the District in a principal amount not exceeding \$4,000,000, which bonds may be issued as a single issue or from time to time as several separate issues as the Commission may determine.

4. The County Council of Beaufort County, South Carolina (the "*County Council*"), the governing body of the County, is empowered by Act No. 1189, enacted at the 1974 Session of the South Carolina General Assembly and now codified as Sections 6-11-810 through 6-11-1050, inclusive, of the Code of Laws of South Carolina, 1976, as amended (the "*Enabling Act*"), to authorize the issuance of general obligation bonds by the District pursuant to the provisions of the Enabling Act. Inasmuch as the principal amount of the bonds the Commission intends for the District to issue does not exceed the general obligation bond debt limit of the District, as established pursuant to Article X, Section 14(7) of the South Carolina Constitution, it is requested that such bonds may be issued without approval of a referendum.

5. Pursuant to Section 6-11-830 of the Enabling Act, if the County Council, upon petition of the Commission, determines that it may be in the best interest of the District to raise moneys for the furtherance of any power and function of the District, the County Council may order a public hearing to be held upon the question of the issuance of general obligation bonds of the District.

WHEREFORE, the Commission prays that the County Council order a public hearing to be held in the County on the question of authorizing the issuance of up to \$4,000,000 of general obligation bonds of the District, which bonds may be issued as a single issue or from time to time as several separate issues as the Commission may determine.

HILTON HEAD NO. 1 PUBLIC SERVICE
DISTRICT COMMISSION, SOUTH CAROLINA

By: *W. Robert M... ..*
Chairman

Attest:

John Deisler
Secretary

April 27, 2010

2010 /

AMENDMENT TO THE VILLAGE AT LADY'S ISLAND PLANNED UNIT DEVELOPMENT (PUD) TO EXTEND THE SUNSET DATE TO JANUARY 1, 2011.

BE IT ORDAINED, that County Council of Beaufort County, South Carolina, hereby amends the Zoning Map of Beaufort County, South Carolina. The map is attached hereto and incorporated herein.

Adopted this ___ day of _____, 2010.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson F. Howell, Staff Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

First Reading: April 12, 2010
Second Reading: April 26, 2010
Public Hearing:
Third and Final Reading:

Committee Reports

May 10, 2010

A. COMMITTEES REPORTING

1. Finance

- ① Minutes are provided from the April 26 meeting.
 - Remaining 2% A-Tax recommendations
- ② Minutes are provided from the April 27 meeting.
 - See main agenda items #14 and #15
- ③ Minutes are provided from the May 3 meeting.
 - See main agenda items #13, #14 and #15

2. Natural Resources

- ① Minutes are provided from the May 3 meeting.
 - See main agenda items #11, #12 and #7
 - Form-Based Code Memorandum of Understanding with Beaufort County, City of Beaufort and Town of Port Royal

② Rural and Critical Lands Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
05.10.10	George Johnston	District 7	Appoint	6 of 11

③ B/J Water and Sewer Authority

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
05.10.10	W.R. Skeet Von Harten	At Large	Appoint	6 of 11

3. Public Facilities

- ① Minutes are provided from the May 3 meeting.
 - See main agenda item #10
 - Town of Hilton Head Island curbside trash pickup and recycling initiative

4. Public Safety

- ① Minutes are provided from the May 3 meeting.
 - See main agenda item #9
 - Beaufort Commerce Park
 - Purchase of Aerial Ladder Truck for Fripp Island Fire District
 - Oppose S.1291 Solid Waste Flow Control and any similar legislation
 - Budget proviso to allow government flexibility

B. COMMITTEE MEETINGS

1. Community Services

William McBride, Chairman

Gerald Dawson, Vice Chairman

➔ Next Meeting – Monday, May 17 at 4:00 p.m., Building 2, Beaufort Industrial Village

➔ Next Meeting Joint Initiative Committee – Tuesday, June 1 at 4:00 p.m., Ex. Conference Room

2. Finance

Stu Rodman, Chairman

William McBride, Vice Chairman

→ Next Meeting – Monday, May 17 at 2:00 p.m., Building 2, Beaufort Industrial Village

→ Next Meeting – Monday, May 24 at 2:00 p.m., Executive Conference Room

3. Natural Resources

Paul Sommerville, Chairman

Jerry Stewart, Vice Chairman

→ Next Meeting – Friday, May 14 at 2:00 p.m.

→ Next Meeting – Monday, June 7 at 2:00 p.m.

4. Public Facilities

Herbert Glaze, Chairman

Steven Baer, Vice Chairman

→ Next Meeting – Tuesday, May 25 at 4:30 p.m.

5. Public Safety

Jerry Stewart, Chairman

Brian Flewelling, Vice Chairman

→ Next Meeting – June 7 at 4:00 p.m.

6. Transportation Advisory Group

Weston Newton, Chairman

Stu Rodman, Vice Chairman

Terms Expired and Vacancies
Agencies, Boards, Commissions, and Authorities
(effective May 1, 2010)

Terms Expired	
	Terms Expired (Reappointment)
Boards	
1. Accommodations Tax (2% State)	0
2. Airports	0
3. Alcohol and Drug Abuse	0
4. Construction Adjustments and Appeals	0
5. Disabilities and Special Needs	0
6. Historic Preservation	0
7. Library	0
8. Northern Corridor Review	0
9. Parks and Leisure Services	0
10. Planning	0
11. Rural and Critical Lands	0
12. Solid Waste and Recycling	0
13. Southern Corridor Review	0
14. Stormwater Management Utility	0
15. Tax Equalization	0
16. Zoning Appeals	0
Agencies	
17. Beaufort Memorial Hospital	0
18. Bluffton Township Fire	0
19. Daufuskie Island Fire	0
20. Sheldon Township Fire	0
Commissions	
21. Burton Fire	0
22. Lady's Island/St. Helena Island Fire	0
Authorities	
23. B/J Economic Opportunity	0
24. B/J Water and Sewer	0
25. Coastal Zone Management Appellate	1
26. Forestry	2
27. Foster Care	0
28. Lowcountry Council of Governments	0
29. Lowcountry Regional Transportation	0
30. Social Services	4
Total	7

Vacancies			
	Number of Vacancies	Position Requirement	Council District (if applicable - otherwise County-wide)
Boards			
1. Accommodations Tax (2% State)	0	N/A	N/A
2. Airports	0	Beaufort Chamber of Commerce	Countywide
3. Alcohol and Drug Abuse	1	N/A	Countywide
4. Construction Adjustments and Appeals	1	Design prof/contractor/building industry	Countywide
5. Disabilities and Special Needs	0	N/A	N/A
6. Historic Preservation	0	N/A	N/A
7. Library	1	N/A	District 4
8. Northern Corridor Review	0	N/A	N/A
9. Parks and Leisure Services	0	N/A	N/A
10. Planning	0	N/A	N/A
11. Rural and Critical Lands	0	N/A	N/A
12. Solid Waste and Recycling	0	N/A	N/A
13. Southern Corridor Review	1 *	Resident of Respective Area Served	Districts 1, 2, 3, 4
14. Stormwater Management Utility	0	N/A	N/A
15. Tax Equalization	0	N/A	N/A
16. Zoning Appeals	0	Ex Officio	N/A
Agencies			
17. Beaufort Memorial Hospital	0	N/A	N/A
18. Bluffton Township Fire	1	N/A	At-Large Bluffton Fire service area
19. Daufuskie Island Fire	0	N/A	N/A
20. Sheldon Township Fire	0	N/A	N/A
Commissions			
21. Burton Fire	0	N/A	N/A
22. Lady's Island/St. Helena Island Fire	0	N/A	N/A
Authorities			
23. B/J Economic Opportunity	0	N/A	N/A
24. B/J Water and Sewer	0	N/A	N/A
25. Coastal Zone Management Appellate	0	N/A	N/A
26. Forestry	3	N/A	Countywide
27. Foster Care	1	N/A	Countywide
28. Lowcountry Council of Governments	0	N/A	N/A
29. Lowcountry Regional Transportation	0	N/A	N/A
30. Social Services	1	N/A	Countywide
Total	10		

2010 Accommodation Tax Board Recommendations-Revised April, 2010

Organization	Event / Project	Amount Requested	Amount Recommended	Notes
The Heritage Library Foundation	Ft. Mitchel Civil War Sesquicentennial Refurbishment	\$ 20,000	\$0	
Keep Beaufort County Beautiful	Clean Waterways Project	\$ 2,800	\$0	
Friends of Hunting Island	Fabrication / Installation Nature Center Signs and Bike Racks	\$ 4,130	\$1,500	Signage
Gullah Festival	The Original Gullah Festival	\$ 25,000	\$3,900	Ads
Art League of Hilton Head Island, Society of Bluffton Artist & Beaufort Art Association	Beaufort County Art Associations Co-Op Tourism Advertising	\$ 6,000	\$1,000	
Hilton Head Symphony Orchestra	Four Concerts / Two in Beaufort; Two in Bluffton	\$ 11,400	\$2,500	Ads
Black Chamber of Commerce	Tourism Marketing	\$ 75,000	\$40,000	Magazine+
Penn Center	28th Annual Heritage Days Festival	\$ 25,000	\$15,000	Ads
Hilton Head Island Concours d' Elegance	Hilton Head Island Concours d' Elegance and Motoring Festival	\$ 15,000	\$13,000	Atl/Agusta
Coastal Discovery Museum	Cultural and Eco-Tourism Support	\$ 17,500	\$10,000	
Hilton Head Choral Society	October 2010 Festival Invitational Concert in Bluffton	\$ 3,000	\$1,000	
Daufuskie Island Foundation	Daufuskie Day	\$ 10,000	\$3,500	Atl/Clit+Web
Bluffton Historical Preservation Society	Town of Bluffton Welcome Center / Heyward House Historic Center	\$ 25,000	\$15,000	Chairman Newton
Arts Council of Beaufort County	National Arts Marketing Campaign	\$ 25,000	\$10,000	ArtsNews
Port Royal Old Village Association	7th Annual 2010 Soft Shell Crab Festival and Oktoberfest	\$ 15,000	\$3,000	Showed up 1 hour late
Main Street Beaufort, USA	Tourism Advertising Campaign, 2009 / 2010	\$ 46,071	\$17,000	Print
Historic Beaufort Foundation	Beaufort Volunteer Artillery History Exhibit at Verdier House Museum	\$ 8,000	\$3,600	Exhibit cases
Lowcountry Resort & Tourism Commission & Lowcountry Visitors Center and Museum	Promotion of Beaufort County and the Lowcountry	\$ 32,000	\$16,000	Revisit
Historic Bluffton Arts & Seafood Festival	Historic Bluffton Arts & Seafood Festival	\$ 5,000	\$3,000	Destinations
Hilton Head Island / Bluffton Chamber of Commerce	Bluffton and Daufuskie Island Destination Brand Marketing	\$ 67,000	\$16,000	DI branding + web
Lowcountry Estuarium	County Participation Sustaining only Public Aquarium south of Charleston	\$ 20,000	\$1,000	
Beaufort County Open Land Trust	"The Green"	\$ 7,500	\$0	

Exchange Club of Beaufort / Child Abuse Prev. Assoc.	Ghost Tours	\$ 3,000	\$2,000	
Beaufort Regional Chamber of Commerce / Visitor and Convention Bureau	Beaufort Regional Chamber of Commerce Destination Marketing	\$ 50,000	\$25,000	Remaining ad spend
Beaufort Regional Chamber of Commerce / Visitor and Convention Bureau	Beaufort Regional Chamber of Commerce Visitor Center	\$ 40,000	\$30,000	
Arts Center of Coastal Carolina	Tourism Marketing of the Unincorporated areas of Beaufort County	\$ 20,000	\$17,000	

Total \$ 578,401 \$250,000

FINANCE COMMITTEE

April 26, 2010

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Finance Committee met on Monday, April 26, 2010 at 2:00 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, SC.

ATTENDANCE

Finance Committee members: Chairman Stu Rodman, Vice Chairman William McBride, Steven Baer, Brian Flewelling, D. Paul Sommerville and Jerry Stewart attended. Committee member Laura Von Harten watched the meeting from a remote location. Non-committee members Rick Caporale, Gerald Dawson and Weston Newton also attended.

County staff: Morris Campbell, Division Director – Community Services; Bryan Hill, Deputy Administrator; Alicia Holland, Finance Department; Gary Kubic, County Administrator and David Starkey, Chief Financial Officer

Accommodations Tax Board: Board Chairman Dick Farmer and Jack Reynolds, Hospitality/Lodging representative attended.

Legislative delegation: Rep. Bill Herbkersman (telephonically)

Media: Kyla Calvert, *Beaufort Gazette/Island Packet* and Richard Brooks, *Bluffton Today*

Public: Frank Babel, biking advocate; Randall Birch, chairman of the Beaufort Visitors Convention Bureau; Millie Boyce, Beaufort Regional Chamber of Commerce Board of Directors; Marion Burns, Chairman Black Chamber of Commerce; Larry Holman, Beaufort County Black Chamber of Commerce; Randy Krause, chair-elect Beaufort Regional Chamber of Commerce; Liz Mitchell, Beaufort County Black Chamber of Commerce; Bob Moquin, Executive Director Beaufort Regional Chamber of Commerce Visitor and Convention Bureau; Stewart Mitchell, Beaufort/Port Royal Visitor and Convention Bureau member; Julie Myers, Beaufort/Port Royal Visitor and Convention Bureau; Elizabeth O'Brien, Beaufort Regional Chamber of Commerce public relations and marketing manager; Lance Price, Plum's Inc.; Dick Stewart, Beaufort Regional Chamber of Commerce Board of Directors; Susan Thomas, vice president Hilton Head Island-Bluffton Chamber of Commerce; Edgar Williams, Beaufort County Black Chamber of Commerce advisory board member; Carlotta Ungaro, president Beaufort Regional Chamber of Commerce.

Pledge of Allegiance: The Chairman led those present in the Pledge of Allegiance.

Mr. Rodman, passed on his condolences to Mr. Flewelling in the death of Mr. Flewelling's sister.

ACTION ITEM

1. Accommodations and Hospitality Tax Discussion and Chambers of Commerce Requests

Discussion: Committee Chairman Mr. Rodman explained the two handouts for Council members. One document pertains to the accommodations tax (A-Tax) and hospitality tax (H-Tax) discussion, and serves as an agenda. Behind this page are four pages summarizing data from previous meetings, with updated numbers. Those numbers are also contained in the second item you have. Mr. Rodman highlighted what he wants to get through today, as listed in his summary document below.

Summary ('08 - '10)	Percentage
Use of \$4.5 million balance	--
To Fund Balance	24
To County	41
To Chambers	23
To All Others	11
<hr/>	
2% A-Tax	Amount
\$23 million balance	--
A-Tax To Chambers	\$41,000
A-Tax to Non-Chambers	\$10,000
A-Tax To Chambers to restore initial A-Tax Recommendation	\$19,000
Total	\$70,000
<hr/>	
3% A-Tax	
\$1.6 million on-hand	
Infrastructure Opportunities: Ft. Fremont & Camp St. Mary's	
Include in CIP?	
<hr/>	
Hospitality Tax	Amount
\$2.7 million on-hand	--
Beaufort Regional Request	\$200,000
Beaufort Co. Black Chamber Request	\$150,000
Hilton Head Island – Bluffton Request Deferred	\$200,000

Basically, if you look at the three funds (2% A-Tax, 3% A-Tax and H-Tax funds) and roll them together at the County level, there is essentially \$4.5 million projected to be on-hand at the end of the year. Second, he reviewed the percentages. Over the last three years, that would be the percentages of money coming in, where it went, the amount to the fund balance and the amount to various county aspects, chambers, etc. The next item he reviewed was the 2% A-Tax. He said the Committee will discuss the Accommodations Tax Board's recommendations for A-Tax money. He reviewed the balance, and said Council Chairman Weston Newton raised the issue of whether the Committee should look at taking some of the money designated for infrastructure for use in the county. There is a possibility of infrastructure investment for those two county

projects. Last, there are requests from the three Chambers for money from the hospitality tax funds – Beaufort Regional Chamber \$200,000; Beaufort County Black Chamber \$150,000; and the Hilton Head Island-Bluffton Chamber \$200,000. Hilton Head Island-Bluffton originally requested \$200,000, but the request has been deferred following receipt of money from the Town of Hilton Head. Each Chamber will make presentations.

Beaufort Regional Chamber of Commerce

Mr. Rodman said the Beaufort Regional Chamber has two requests. One is for \$200,000 from the hospitality tax money. The second is a smaller amount from the 2% A-Tax.

Mr. Bob Moquin, Executive Director Beaufort Regional Chamber of Commerce's Visitor and Convention Bureau, presented the Finance Committee with a PowerPoint presentation. Mr. Moquin explained transparency and accountability are important to Beaufort Regional Chamber, which will take the \$200,000 and get more collection/revenue as a result of it. In this spirit, his presentation covered plans for the money's use. According to the presentation, the Strategic Plan includes situation analysis, A-Tax/H-Tax goals, investment plan, anticipated results, measurement and benefits.

The Situation Analysis comes from the Smith Travel Research as of March 2010. The graphs illustrate monthly occupancy reports – trending up over 18 months, Mr. Moquin explained. The graph also illustrates the number of rooms available and average daily rate (ADR). ADR dropped in the last 18 months; there are low occupancy rates. There is a direct correlation among the items in the graph (occupancy, ADR, supply, demand and revenue) and accommodations tax, Mr. Moquin pointed out. Even though the County is trending up, it is at 47% for the last 12 months; in other words, 53% of the rooms are going unoccupied. Compared to last year, there is a 2-point percentage difference. The lower the occupancy, the lower the ADR; people have to be aggressive in rates to attract visitors - \$9 less this year than last. There has been an increase in demand by 7%, however there are more rooms to fill. Last year, there was \$17.1 million in revenue. We are 2% lower this year. This study reflects a reporting of 96% of the rooms. For every percent in annual occupancy, they can generate \$357,718 in room revenue. Right now, the ADR is \$85, with a potential of \$35 million in revenue. You take the percent for the accommodations tax. How do you get there? Well, frankly it is pretty obtainable. If you look at 1% occupancy, we are only talking about generating 420,845 rooms. If we get people to stay two nights, we only have to bring in 2,104 people. Mr. Moquin stated this is mostly for the incorporated parts of the County.

Mr. Moquin reviewed the A-Tax and H-Tax data, as well as tactics. The A-Tax model for the County, as far as accommodations are concerned, includes Fripp Island and Harbor Island. These locations usually have a higher ADR. There is not data for the unincorporated area, Mr. Moquin said. The room nights as far as capacity, for the unincorporated areas compared to the city are very close. Revenue for the county is an estimated \$300,000 to \$1.1 million. The H-Tax model used by the Beaufort Regional Chamber reflects annual revenue collections listed as \$1.27 million for 2010, \$1.283 million for 2009 and \$1.135 million for 2008. So, if you take 1% of occupancy based on the average person spending \$80, we could generate \$366,640 for the County. This is for every 1%. Multiply that by 3, 5 or 10. The Beaufort Regional Chamber's strategies include being more aggressive, getting more overnight visitors and increasing the expenditures, as well as extending the length of stay and encouraging longer visits through a

robust website. Mr. Moquin used the example of the online advertising campaign for March, which drove inquiries and traffic to their site through the advertising campaigns. Then, when advertising stopped, there was a drop. It shows what they can generate with marketing dollars. The next is the traffic to our site because of e-mails. There is a direct correlation between what we do and the activity we see. Mr. Moquin then gave some examples of what they would buy with their advertising. He also mentioned the Arsenal is now open, where they hope to improve with a historic film, traveling exhibitors and an activity kiosk. Traffic data for the Arsenal includes 45,662 visitors in 2009, 47,411 in 2008 and 61,660 in 2007. There is estimated revenue of \$ 47,250 at 35% of visitors with \$3 admission.

The compiled investment summary is as follows: Online advertising with travel-related content – TripAdvisor \$25,000; Yahoo! Travel \$25,000; Drive market newspaper websites (Columbia, Atlanta, Greenville/Asheville, Charlotte, Raleigh/Durham and Florida) \$37,500; email blast to travel customers \$22,500; SC PRT Co-Op Advertising Opportunities \$15,000. Investment at the Welcome Center for enhancing visitor experience include Historic Documentary & Traveling Exhibitors \$50,000; Electronic Display of Things to See and Do \$25,000. The total budget is \$200,000. Our anticipated results are generated room nights, increased H-Tax and A-Tax collections, reduced residential property taxes and build brand awareness. Mr. Moquin said many of these results are measured using the report, web traffic and the visitors' guide distribution

Mr. Caporale stated what comes to mind when we met with the Chamber a month ago, are two questions. First, one of the things I notice is the visitors have dropped, which is apparently true on Hilton Head Island as well. I do not know what or how to quantify that in numbers. He said he asked for this, and still has not received an answer. The other question I have, what is the relationship between the spending and the visitors. In light of many people agreeing over the last decade, the number of visitors to the island has steadily declined. If that is the trend, how will additional money impact that? Mr. Moquin answered; the data you see here are annual visits, a set of data tracked. The number of visitors cannot be quantified at this time, but they are in the process of securing more research to find that data, Mr. Moquin replied. Going back to using A-Tax and H-Tax collections, demonstrating on what 1% occupancy can do, we can certainly more than pay back what we would get as the investment. Mr. Caporale asked if the same correlation exists on the total amount spent on tourism marketing and the number of people who come here. Mr. Moquin stated the Chambers are working toward getting that information for you. It is very important. We do want to utilize the money and show we are good stewards

Mr. Rodman said during 2008-09, the County allocated \$170,000 to refurbish the Arsenal. Was it closed? Did that influence the amount of people going through? Carlotta Ungaro, president Beaufort Regional Chamber of Commerce, answered this is the first year the Chamber has been in that location.

Beaufort County Black Chamber of Commerce

Mr. Larry Holman, Beaufort County Black Chamber of Commerce, introduced Liz Mitchell, who on behalf of the Mitchell Group gave a presentation about the Black Chamber of Commerce's request for money.

Ms. Mitchell referred to the previous conversation topic about the lack of tourist numbers and said they are working on collecting that data. She mentioned a guess there is a symbiotic relationship between spending money to market tourism and success. If we do not spend, we will not have visitors. "Travel decreased so much nationwide since 9-11," she said. The competition increased. The decline is on Hilton Head Island and in Beaufort County. Competition is stiffer and stronger for the scarce tourism dollar; this necessitates more spending to keep up. However, marketing budgets for all three chambers barely increased. They remained relatively constant.

Beaufort County Black Chamber of Commerce presents its cultural marketing program. The theme is for and about the African-American experience in Beaufort County. All three chambers had a very strong relationship since the Treasured Coast Campaign launched about 8 years ago. The County supported the partnership; the partnership supported countywide marketing. Each has a niche but at the same time the partnership remains strong, so no one steps on top of each other. The Black Chamber's goal is to increase heritage and cultural tourism to Beaufort County and to support the position of Beaufort County as the centerpiece of national Gullah-Geechee Cultural Heritage Corridor. The Corridor runs from about Jacksonville, NC to Jacksonville, FL. Beaufort County is almost the geographical center. It is important we are at the center of this. She said Beaufort County should be the cultural center as well. The Black Chamber's focus is to tell the historical story of the African-American experience, marketing Beaufort County as a destination of interest to African-American travelers; to a Target audience – African-American leisure traveler, historic and cultural traveler; to a geographic audience - Atlanta, Charlotte, Raleigh/Durham, Asheville; to Market segments - family reunions, religious organizations, fraternal organizations and tour groups. The average age target is 40-years-old and older. The household income increased to \$75,000 and higher. Nationally, we reach some of the consumers. However, they tend to remain in the region. The Chamber's strategies are the same as in previous years. She said they expanded some of the plans if there is an opportunity for additional funding. Strategies are collateral (visitor guide, brochure, event rack card, group tour itinerary package) and internet (website enhancement, blog, Facebook, Twitter). The marketing strategy includes: Advertising (print and online, cable TV, e-newsletter, magazine), trade shows (African-American travel conference, Black Family Reunion Celebration, Going on Faith Conference, CIAA Tournament). We are doing many group tours. Research of the African-American Travel Conference showed 80% of the planners at the event booked a tour based on that meeting.

The Chamber has a new opportunity to produce a 60-second Gullah travel and cultural series hosted by nationally known television personality Sandra Pinckney – without additional funding we will not pursue. This is a good opportunity for the Black Chamber to receive some state funding, which it did not last year. In order to take advantage of the state funding, the county needs to step up with matching money so we can take advantage.

Mr. Flewelling stated when Ms. Mitchell mentioned the Gullah-Geechee Corridor, she said there is a lot of money behind the effort. Whose money? What does it support? Ms. Mitchell replied it is federal money. Mr. Flewelling asked who decides how that money is spent and if any of it is allocated to advertising. Ms. Mitchell said the money goes toward research. She said she is not sure there will be any federal money for marketing, but the Chamber will look for it. There are three members from Beaufort County on the national board, Ms. Mitchell added. They are conducting meetings, doing community gatherings, research, story collecting, etc.

Mr. Sommerville added when we were in Rep. Clyburn's office, they discussed the Corridor and Commission. At that time, there was no decision about where the center of the Corridor would be. Mr. Sommerville stated federal money would be forthcoming in a couple of years. Do you know an update on that? Ms. Mitchell replied, "Not really. I think that is the party line – the money is forthcoming, whether for marketing or not. As long as we are in the game, we have potential." The center has not been designed or discussed, she added. Everyone would like to be the center of this.

Hilton Head Island-Bluffton Chamber of Commerce

Mr. Rodman introduced Susan Thomas, vice president Hilton Head Island-Bluffton Chamber of Commerce, to make a presentation.

Mr. Stewart said it seems to him the three groups are moving more toward digital advertising as opposed to the print page. As you send out a news release on the internet, you would reach more people than you could on the printed page. It follows the cost of putting out a marketing piece should go down, be less expensive. It appears you should be able to reach more people and it should be less costly. Therefore, is there really a correlation as we attract people, with marketing activities and the dollar?

Ms. Thomas addressed Mr. Stewart's remarks by saying originally (about 10 years ago) the tourism industry hoped through digital advertising to reach a broader audience at a lower cost because they would not have to print as many materials. The reality is, in the marketplace for internet advertising sophistication arose as technological diversification. You not only have the channel of the internet, but also have digital advertising channels. One of those being mobile marketing – advertising on a PDA. The use of PDA in America is about 19% of the population, and this is increasing. We have to continue to innovate and engage in technology as technology evolves. Media buys we might have purchased in the past for a print ad in vertical magazines (golf or leisure magazines), we now look more deeply at the market for a digital standpoint. We need to understand the consumer's behavior on the internet so we can follow and serve messages to that consumer. Has the cost gone down in terms of per impression? Ms. Mitchell said no, it has not. The cost relationship is counterintuitive to what you may have hoped it would be. At this point, the toolset has become more sophisticated and the charge remains high to reach exactly that target audience. Yes, we can do more specific target marketing, but it is more of a "rifle shot than a shotgun barrel." The cost has not altered significantly. Ms. Thomas asked Mr. Moquin to also comment on the topic.

Mr. Moquin stated Ms. Thomas did an excellent job explaining the shifts in marketing and just so we are all on the same page; advertising is one form of marketing. An example: most destinations reduced the printed piece of our travel guide, we save money on production, but on the technological side if you are trying to provide the best experience, the best locations produce video. It costs money. This is an example of shifting dollars in the marketing mix. "This is not necessarily *Field of Dreams*. They aren't going to necessarily come just because you build it. You have to get in front with touch points, reach people as they consume media," Mr. Moquin concluded.

Ms. Thomas stated basically the Chambers have more potential channels to reach the consumer. She stated the Chamber appreciates the support of funding for destination marketing by the A-Tax committee and understand the challenges you have had, in looking at how to allow for additional funding for the other important attractions, festivals, events and sites in the community. The Hilton Head Island-Bluffton Chamber of Commerce comes before the Finance Committee to say they understand this. If there is an opportunity for the Chamber to have the request originally made to the A-Tax Committee fulfilled, they have a plan, Ms. Mitchell stated. The original recommendation for their marketing program as a supplemental grant was \$50,000, cut back to \$25,000; they would like to see the original \$25,000 reinstated. She said today's presentation will cover the programs \$25,000 would fund.

The Hilton Head Island-Bluffton Chamber of Commerce has an existing Bluffton Microsite (www.visitbluffton.org); all of our advertising drives to this website. It is part of our marketing for the Bluffton area. Ms. Mitchell said the organization would also like to produce a similar site for Daufuskie Island, to be part of the same family of brands. They would build a program to push to the Daufuskie website using search engine optimization and development of the content for that site. We are strictly looking at site development and search engine optimization. The other part of the program is driving visitors to that site. This is where they engaged with the National Historic Trust Foundation, which launched last year a website called Goziac.com. This targets users in the slightly younger demographic (35- to 54-year-olds) the Chamber wants to reach. We want to show the richness of history, heritage, culture, etc. It is an integrated campaign and includes banner advertising and a whole page devoted to Bluffton. Also it offers heritage-related packages, working with our lodging partners. There are approximately 500,000 impressions on the website. The project will include several newsletter promotions pushing to the opt-in database. Print advertising pushes to website. Ms. Thomas said the Chamber needs the additional funding to do a full, year-round program with Goziac.com.

Mr. Rodman stated the Chamber originally requested \$200,000, but based on the Town stepping up with \$300,000 pulled the request back.

Ms. Thomas agreed and continued on to say the presentation shows some of the creative marketing things out there right now. "Summer's close. So is Hilton Head Island." "Getting here is easy. Leaving, not so much." The proximity marketing resonates according to the Chamber's consumer research; consumers are looking to drop back on travel time. The largest nearby market is Atlanta. So far, there is a 21% conversion rate of people who come to our website, and then convert to become a Hilton Head Insider. What the Chamber would like to do is have time to evaluate the results in the marketplace as they translate to room nights, understand where we are going into the fall/winter off-season and consider coming back in several months with an additional proposal. Some of those additional proposals follow: One has to do with biking in the area. Biking is a very popular activity among visitors throughout the county. We can create some information for those types of visitors. We absolutely can. Another similar area is on the ground information for the visitor. Savannah Convention and Visitors Bureau developed a tourism assistance portal. We could do the same.

Mr. Baer said he used the tourism assistance portal last weekend in Savannah, but preferred the print handout which he could carry to the sites. Ms. Thomas said the answer to Mr.

Baer's desire to carry something to the sites is addressed because the portal ties into the phone usage, etc. That is the next phase, an evolution of technology. It is something the younger visitor embraces. There is a lot of opportunity for cross-marketing. We could plant these portals at key points. Something else I want to share with you is something we launched with help from the state and Hilton Head Island. We were looking for a way to deal with the AIG Effect – during difficult times luring groups for conferences becomes more difficult based on the perception of where you go for your conferences and whether it is a valid destination. To combat that, we thought we would take a different tact. Position a very strong reason why those groups should consider the area – “voluntourism” program, support through corporate social responsibility, team building, etc. Having their conference in Hilton Head Island benefits the groups by building a program that gives back. We received tremendous feedback. The campaign has been covered in national trade articles. We are one of a handful of places with a program like this.

Allocation of requests

Mr. Rodman reminded the Finance Committee there are requests for us totaling about \$400,000. He reviewed part of his A-Tax and H-Tax document which summarizes the expenditures over the last three years: In 2008, the County received \$558,000, Beaufort Regional received \$297,000, Hilton Head-Bluffton received \$160,000, the Black Chamber received \$47,000, Hunting Island received \$15,000 and other groups received \$249,000. In 2009, the County received \$951,000, Beaufort Regional received \$355,000, Hilton Head-Bluffton received \$175,000, the Black Chamber received \$65,000, the Arsenal received \$170,000, Hunting Island received \$90,000 and other groups received \$140,000. In 2010, the County received \$1,514,000, Beaufort Regional received \$249,000, Hilton Head-Bluffton received \$239,000, the Black Chamber received \$90,000, Hunting Island received \$38,000 and other groups received \$128,000. Mr. Rodman reviewed the requests before the Finance Committee – \$25,000 for the Hilton Head Island-Bluffton Chamber of Commerce, \$125,000 for the Beaufort County Black Chamber of Commerce and \$235,000 for the Beaufort Regional Chamber of Commerce. This totals a little under \$400,000.

Mr. Rodman stated he will share his thoughts. “I don't understand marketing. I never have. But it is clear to me that if you don't spend any money, you won't get any visitors. If you spend a lot of money, you'll have perhaps a good number of visitors and crowding.” Two questions that come up are how it will affect people in the unincorporated areas and how we can drive people to other areas in our county. Mr. Rodman opened the table for discussion

Mr. Weston Newton asked for a review of the summary page. Rodman reviewed the various numbers and charts. Mr. Newton asked about expenditures for Ft. Fremont and Camp St. Mary's under the 3% A-Tax. Mr. Rodman said there was money across the three accounts, there is a little A-Tax money to distribute, a little more than \$1.6 million in the 3% A-Tax, there are possibilities of infrastructure improvement with Ft. Fremont and Camp St. Mary's. In the case of the H-Tax, we have \$2.7 million on-hand. That is where the requests for the big money come from. Mr. Newton asked if there are requests from this year's 2% A-Tax left on the table. Mr. Rodman said the A-Tax board made recommendations, but we had a slight disconnect about what we thought was the money available to get to a zero balance versus the money they thought they were working with. To close that gap, what we did last time was approve the monies

requested, but cut the Hilton Head Island-Bluffton and Beaufort Regional Chambers requests as to not exceed the money available. There were also five entities not considered because they did not show up for the meeting. The Committee suggested they consider those five entities since there were so many of them. The A-Tax board recommended \$10,000 for those five entities. Mr. Newton stated there is an estimated \$23,000 left this year. Mr. Rodman clarified it would be so if they held to a zero balance.

Mr. Newton said in looking at the requests for the three chambers for the money we pooled, is it a one-time request or an annual request? Ms. Ungaro replied the Chamber spoke with Council members about this pot of money for several years. In the discussions, she said this is a standing request. However, at this time, the Beaufort Regional Board voted to make it a one-time request. Mr. Newton stated he asked because hospitality, this year, is not supposed to have net revenues of but \$46,741.05 to the county absent any money allocated to the Chambers.

Mr. Starkey replied that is correct, however he pointed out the numbers on the Beaufort County Hospitality Tax fiscal year 2010 are year-end estimates. Right now, if everything holds i.e. revenues and budgeted expenditures, the ending fund balance should be \$2.7 million, of which net revenues will be \$46,741.05. In essence, \$46,000 will be added to last year's fund balance by the end of this fiscal year.

Mr. Newton stated he struggles with this decision. When the County added the hospitality tax and added the 3% local accommodations tax, we pulled out \$350,000 and over the years it took different shapes — for example, the Treasured Coast campaign. The remainder of these two funds, the \$1.6 million in 3% A-Tax and \$2.7 million in hospitality, in accordance with what those monies can be used for, were used in some amount on an annual basis to support the general fund for the service population. Under hospitality monies, this year is supposed to be \$1.2 million for administration costs of the program and transportation. Absent that money, we are looking at millage increase – a tax increase. However, we also have sitting on the shelf the development of Fort Fremont, the development of Camp St. Mary's, the development of the Broad River fishing pier, the Oyster Factory, Mitchellville and clearly additional water access points – tourism infrastructure assets for which we have no other pot of money to fund. That was the intention of why the money was accumulated. There is now \$4 million in the pot, and it is low-hanging fruit. The balancing act for Council is whether we take that money to respond to the Chambers' requests and put off the above mentioned projects. As of last week, we know we do not have any CIP money in the next five years for any of those above mentioned project absent a tax increase. We need to decide if circumstances are dire to the point we should use these funds to support tourism marketing rather than the purpose for which they were intended. Are we doing that with the Treasured Coast component? As an ongoing proposition, the money is not there because it is used to support the service population of the general fund. A lot of this goes in pursuant to state law to the service population. Mr. Newton said consequently, he does not know if he is in a position today to make a decision. He said some things need to be considered. He mentioned knowing a price tag and examining existing plans for Fort Fremont and some initial concepts for Camp St. Mary's. Another concern expressed is we do not spend hospitality money to promote restaurants. The funding was not intended to solely promote "heads in beds." It was a comprehensive tourism promotion funding source, as the ordinance says. If there is a general sense those folks receiving those money are not using it to promote the hospitality industry,

perhaps we should go in and change our ordinances so the \$350,000 under A-Tax goes down to \$200,000 and \$150,000 comes out of hospitality money. Mr. Newton said he just is not sure what we are giving up by distributing the money to the Chambers.

Ms. Ungaro came to the podium to address the Finance Committee. She said, "according to state law, the funds collected in A-Tax and H-Tax are supposed to be spent on tourism expenditures." She stated she has the policy on the interpretation the state has, from which she read. "These expenditures must be used to attract or provide for tourists. The expenditure cannot be used for an item that would normally be provided by the county or municipality." So, it is a concern with Mr. Newton talking about money for the general populous with \$1.2 million for the Sheriff's Department, and there is so little going to tourism. Council members who have not been to some meetings, I tried to explain to Council the way the state and local laws are set up for every \$1 by law to go to tourism agency. The counterparts in other states like Georgia and North Carolina get \$3 or up to 95% of A-Tax funds without having to beg for grants. We are at a competitive disadvantage. Ms. Ungaro stated one more piece of the law states you have to provide the DMO fund to a nonprofit 501-3(c) or 6; you have to give it to a nonprofit with a track record for destination marketing.

Mr. Newton clarified there is not \$1.2 million for the Sheriff's Department; it is to the general fund. Clearly, we have additional ambulances in the county, supported by hospitality and A-Tax money, to serve the population at tourist areas such as Fripp Island. When we made the decision to put the ambulance and first responder out there, we could not have afforded it without tax increase. So, if we cannot do that, we should review. However, the suggestion we simply take the money from the general fund requires a tax increase, and I do not think the Chambers are advocating a property tax increase. Ms. Ungaro said they are not; they want more money for tourism. Mr. Newton explained advocating for that money, which would otherwise go to the general fund, does advocate a tax increase if they are not there. Ms. Ungaro said she is sure the restaurants and hotels would like to spread the tax burden and not have it be such a burden to them, particularly the restaurants. It has been a tough economic past couple of years. Hotels are dependent on outside areas, and the locals and tourists both use restaurants. They have a difficult time competing if there are an extra \$.09 or \$.11 depending on whether you have alcohol or not. To have these funds support the general funds above and beyond the other businesses is, I'm sure, a challenge, Ms. Ungaro concluded.

Mr. Rodman called the issue to question saying the Finance Committee would not resolve these big numbers at the meeting or understand them relative to the CIP pieces. He suggested a way to go, is to come back and understand these broader issues and clear the board of the A-Tax piece today. To do that, take a total \$70,000 (\$23,000 2% A-Tax money projected to bring us to a zero balance at the end of the year and \$46,741.05 out of the hospitality fund) and distribute it (\$10,000 for the five entities that did not show, \$25,000 for Hilton Head Island-Bluffton Chamber of Commerce's original request, \$35,000 for the Beaufort Regional Chamber of Commerce's original request, and keeping in mind the Black Chamber of Commerce received the originally requested amount). That would allow us to return to focus on the hospitality-related pieces with the A-Tax pieces behind us.

Main motion.

It was moved by Mr. Flewelling, Mr. Rodman passed the gavel to Mr. Stewart and seconded, to distribute a total \$70,000 from the hospitality and 2% accommodations tax funds as follows: \$10,000 among Keep Beaufort County Beautiful, Gullah Festival, Art League of Hilton Head Island/Society of Bluffton Artists/Beaufort Art Association, Lowcountry Estuarium and Beaufort County Open Land Trust; \$25,000 to Hilton Head Island-Bluffton Chamber of Commerce and \$35,000 to the Beaufort Regional Chamber of Commerce.

Mr. Rodman said this allocation would bring the agencies in line with the amounts originally suggested by the A-Tax Board. Mr. Newton asked why there is the thought of taking money from hospitality. Mr. Rodman replied we could let it accrue as a negative fund balance as well. Mr. Newton said taking it from the hospitality tax fund confuses matters.

Motion to amend by addition.

It was moved by Mr. Flewelling, seconded by Mr. Rodman, to take the funds out of negative accrual instead of the hospitality tax funds. Mr. Rodman seconded. The vote was: FOR- Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. Ms. Von Harten was absent for the vote. The motion passed.

Recommendation: Committee recommends Council approves allocating \$10,000 among Keep Beaufort County Beautiful, Gullah Festival, Art League of Hilton Head Island/Society of Bluffton Artists/Beaufort Art Association, Lowcountry Estuarium and Beaufort County Open Land Trust; \$25,000 to Hilton Head Island-Bluffton Chamber of Commerce and \$35,000 to the Beaufort Regional Chamber of Commerce. The money is to come from a negative accrual.

The Finance Committee will schedule a time to discuss hospitality tax funds more in-depth and whether the request is a one-time or recurring request.

INFORMATION ITEMS

2. Finance Department updates

Discussion: Mr. Rodman introduced County Chief Financial Officer David Starkey, who updated the Committee on several financial department items. Mr. Starkey announced the finance department received the Government Financial Officers Association Award on the comprehensive annual financial report (CAFR) for fiscal year 2009. It is the first receipt of such an award for the county. He said he looks forward to making the announcement annually. There was a great deal of effort put into this. Compare the financial statements from two years ago to last year; there are an additional 100 pages with greater definition of what we do as a county. He said they will improve the process.

Mr. Starkey introduced the new finance team member, Alicia Holland. Ms. Holland is a Clemson alumna who worked for Holland, Henry and Bromley of Savannah. She was a public accountant 5 years and before that worked for Beaufort-Jasper Water and Sewer Authority. Mr.

Starkey said she is well-versed in governmental, nonprofit accounting and a huge asset for our team.

Status: Information only. No action necessary.

3. Legislative Update

Discussion: Rep. Herbkersman phoned into the meeting and Mr. Rodman explained there are many people from the hospitality industry present as the Finance Committee is discussing accommodations tax distribution. Rep. Herbkersman said in regard to accommodations-related legislation, Senate Bill 1054 changed back to original and it requires a referendum. Senate 1054, now includes a bill regarding local municipality referendums. Mr. Rodman clarified Senate 1054 is the amendment to the Sembler bill. Rep. Herbkersman stated these two bills are married into one bill now. The hospitality are the same, but it will require a referendum. The amendment we talked about is to modify the amounts in the bill because it says, "up to," which gives people some heartache.

Mr. Jerry Stewart asked why the referendum is in the municipalities only, not the county. This says essentially those of us in the county who shop and eat in the municipalities will pay the tax, but not get the property tax relief. It makes us a tourist in our own county.

Rep. Herbkersman said he is glad Mr. Stewart brought the issue up. Originally, this was just supposed to be a mirror of the Myrtle Beach bill. It was meant to make it competitive with the cities close by like Jacksonville, St. Augustine and Savannah. It broadened. If you have some language or want something added, we can talk about that as well, Rep. Herbkersman said. Mr. Stewart explained what he read was any municipality within the county can do this, so he expects there will be incentive if it passes for Beaufort, Port Royal and Bluffton to go forward.

Rep. Herbkersman stated he knows the bill for Hilton Head Island changed substantially. Maybe we could clarify for those who are not in the incorporated parts of the county, he said.

Mr. Stewart asked if there was any way Senate 1054 could be divided back to the original and each item dealt with separately. Rep. Herbkersman stated he could ask at the committee level to divide the question, but he was not too sure it would happen or even could happen at this point. Mr. Stewart said there are several changes being examined on the Sembler portion of Senate 1054. He asked Rep. Herbkersman to review those. Rep. Herbkersman said the changes on-deck are to maintain the Beaufort County stormwater standards on the Sembler project (if a project is in two counties have to take the strongest stormwater requirements), to use for construction and new jobs local labor as defined by zip codes, and to establish a 3-person board to oversee that as tax incentives go out all requirements will be met.

Mr. Stewart asked who would make up that committee. Rep. Herbkersman said he would request Sen. Glenn McConnell appoint someone, the S.C. Speaker of House appoint someone and the Mayor of Hardeeville appoint someone. It would have to be a unanimous appointment scenario.

Mr. Stewart said another issue I brought up, is in these legislative items the county is passed over to the municipalities, as far as Home Rule is concerned. In this case, to qualify you have to be a multi-county industrial park and designated as a commerce center. That is restricted

and controlled by the counties. In essence, what this bill says is only the municipalities can ask for the incentives so you are encouraging annexation. It seems to me anyone in the county wanting to take advantage of this would have to be annexed to apply for the option, Mr. Stewart said. He questioned why the control is placed in the hands of municipalities instead of the county.

Rep. Herbkersman acknowledged that is a very real concern. I think Senate 1054 basically started in the municipality – with the thought of it being in Hardeeville. The concern about reaching over county lines is very real. Rep. Herbkersman said he is just not sure how to address this right now.

Mr. Rodman asked if this will come to vote this week or is it going to be a few weeks? Rep. Herbkersman said they held off last week in order to get all interested parties involved. The stormwater language comes from the Coastal Conservation League. The labor portion comes from the House. We have to look at two other concerns Mr. Stewart raised and figure out how to deal with those.

Mr. Rodman stated it also strikes him in terms of the amendment for the extra 1 or 2% for the Sembler piece, and there is a risk of the Sembler Bill being vetoed.

Status: Information only. No action necessary.

4. Biking opportunities

Discussion: Mr. Rodman said many people will designate their vacation to take advantage of those things like biking. They tend to be higher-end expenditures and look for packages of things they can do. Mr. Rodman stated he sat in on a meeting with the chambers and bicycle folks. It seems to make sense to explore.

Mr. Frank Babel, founder of Squeaky Wheels, and Kicking Asphalt, said biking is a big deal. More people bike than play golf, tennis, etc. Bikes do not care how old you are, your color, your wage, etc. As Baby Boomers age, many discover biking. They are looking for places to go and places to retire. I am one of them. Bicycle enthusiasts make a lot of contributions around here related to biking – pathways, bikeways, etc. Studies show for every \$1 you spend, you get an \$8 return. The week before Easter, there were 15,000 bikes for rent in the Island and by Easter week you could not rent one. They were all rented out. We have something really special in Beaufort County. We have canopy roads. I think with a very modest investment of telling people what we already have here, we could get a great return. Demographics of the people we attract are very favorable to bringing in money. Mr. Rodman agreed pushing biking related thing in Beaufort County is a great idea. Mr. Baer said it is an undervalued opportunity.

Status: Information only. No action necessary.

FINANCE COMMITTEE

April 27, 2010

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Finance Committee met on Tuesday, April 27, 2010 at 2:30 p.m., in the Executive Conference Room, Administration Building

ATTENDANCE:

Finance Committee members: Chairman Stu Rodman, Vice Chairman William McBride, Steven Baer, Brian Flewelling, Paul Sommerville, Jerry Stewart and Laura Von Harten attended. Non-committee member Gerald Dawson was also present.

County Staff: Morris Campbell, Division Director, Community Services; Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; David Starkey, Chief Financial Officer; Dave Thomas, Purchasing Director.

Media: Joe Croley, Hilton Head Association of Realtors

Board of Education: Chairman Fred Washington; and George Wilson

School District: Tonya Crosby, Finance; Valerie Truesdale, Superintendent; and Phyllis White, Chief Operational Services Officer.

Public: Torrey Downs, President of the Community Improvement Club, Daufuskie Island

Pledge of Allegiance: The Chairman led those present in the Pledge of Allegiance to the Flag.

INFORMATION ITEMS

1. Daufuskie Ferry Update

Discussion: Mr. Stu Rodman stated at the April 6, 2010 Council / Board of Education Joint Initiative Committee meeting there was discussion of three alternatives for Daufuskie Ferry service Mr. Morris Campbell, Community Services Division Director, suggested were possible. There was another meeting, with Council Chairman, where this item was discussed. Part of that conversation was about us working with the School District in terms of combining our potential monies to serve Daufuskie Island. Was the amount of approximately \$250,000 for both what the County and the School District are budgeting in the discussion for this item? That conversation with the Chairman concluded if we could combine the dollars and either totally fund or subsidize two round trips around when the school kids travel back and forth and allow an opportunity for people to either get on or off the Island. That might go a long way to help establish a base the rest of the ferry service could build on for additional runs. Does it make sense for us to explore

the option of a consolidated request for proposal? Also, at the last Finance Committee meeting, Mr. Dave Thomas, Purchase Director, pointed out in reality we may not have to go the RFQ route because we know all of the people whom are going to quote, therefore, we should give staff the ability to negotiate; it would be better and more cost efficient.

Mr. Thomas stated two weeks ago we began talk with the three ferry service vendors who we previously did business with. One dropped out. There have been meetings with the current contractor and the next meeting, with the help of the School District, will be with their contractor to see if we can piggyback off of their services. That meeting is scheduled tomorrow. He hopes an update will be available at the next meeting.

Ms. Von Harten wanted to know if there are any current contracts in place with the ferry service company in the event of a hurricane.

Mr. Thomas replied in the affirmative. It is included in the contract.

Status: This item was for informational purposes.

2. Beaufort County School District 2011 Budget

Discussion: Mrs. Valerie Truesdale, School District Superintendant, opened discussion of the item. The School District (District) presented to the Board of Education (Board) on Friday the upcoming presentation to give an overview of the specifics. The Board will continue its deliberations in the upcoming weeks. This is a sneak preview of the budget that will show where we are. It is subject to changes with the Senate and the Board. This is a preliminary update for the Finance Committee. She introduced Mrs. Phyllis White, Chief Operational Services Officer.

Mrs. White gave an update on what is going on with education in the State. Because we do not get EFA dollars, we do not suffer the drastic cuts like the other school districts in the State. That has not prevented them from going after us in other ways. They do make reductions on our funds that go directly into general operating budget. The Senate started its debate today. If we were getting EFA, it would not be good news because they are using a base student cost, which is part of the EFA formula around the 1995 funding level. That says we are going backwards instead of forward. There are additional cuts pending.

There was a \$7.7 million cut, however, EFA and employee contributions were held harmless. This is where we get hurt. Other general operating funds receive a 2.2% reduction. We still have, in our General Fund, around \$1.7 million they can get. If they cannot get it through EFA they may try other ways. There are methods right now to freeze the index of taxpaying ability and there is a lot of work around massaging the formula. In talking with the Director of Finance at the state level, they can massage it all they want but it probably will not have any kind of increase of any substance to Beaufort County. One version, if supported, will only provide \$300,000 at best. There is nothing to look forward to. There is a \$500 million State deficit. The State Department of Education took over 20% reductions in the last 18 months. It is not looking good right now. We are looking at the only increase, with the exception of the opportunity to go

2% through an Act 388 cap; we are getting approximately \$400,000 in sales tax relief, the substitution of local property tax with sales tax. They do apply a percentage increase, similar to what is allowed under the local sales tax. That net us \$400,000. In the past, it is usually around \$800,000. Any changes from 6% to 4% will not be included in that base.

Mr. Sommerville stated he was under the impression the number was frozen forever. Mrs. White replied it moves a little bit.

Mr. Sommerville inquired what the move is based on. Mrs. White replied State population growth and CPI. The only growth it had was in the State population. It is similar to the allowable 2% growth calculated, by the Budget and Control Board for the County, is based on a 2% growth in population and a negative amount in CPI.

Mr. Sommerville wanted to know hypothetically, if the Statewide population increased 2% and we had a surge of 30%, we would get 2%. Mrs. White stated on the local side it would be 30%, but would only be 2%.

Mr. Rodman wanted to know the amount of CPI. Mrs. White replied it is negative 0.4%.

Mrs. White stated when building the budget, the School District begins in December with a focus on reducing expenditures, maximizing resources and minimizing tax increases. Last year and for this current year, the District built a Tier budget. It was popular and is now being used by other school districts throughout the State. When you begin to reduce any substance, it is almost essential there be a priority listing. Recalling last year, we had the Tier I, which was the cost tied directly toward the classroom. The District tried to avoid and successfully avoided it. Tier II has departments that support the classroom and Tier III has items that we could do away with and still function. For 2011 the District did go into Tier III.

Over the past three years, the District purposefully built up the operating fund balance to prepare for the opening of six new schools, as well as to continue to maintain a healthy fund balance. Three schools opened this year and three more will open in the fall. An estimated \$4.1 million of e fund balance be used to fund the FY2011 budget. That number may change as we find out more about our revenue balance.

We did not have a tax increase for the current year and successfully opened three schools. That was done by shifting and redistributing personnel. This budget is proposed to use the cap allowable by the Budget and Control Board. It will still keep it at a minimum. The cost is less than \$27 per person of the 6% taxpayer.

Mr. Sommerville stated the sales tax portion, which we have no control over, rose by 2% by previous act of the Legislature and would go up by population increase. To say we want to increase the non-resident property owners, similarly we are increasing for the resident property owners because it will boost the sales tax.

Mrs. White stated if the District has a mill increase to support the budget, it does not impact the owner occupied.

Mr. Sommerville stated the taxes paid on their behalf, by the sales tax, will go up.

Mr. Flewelling stated money will get collected regardless and is reimbursed to Beaufort County School District. Our property owners/residents/visitors all pay a sales tax.

Mrs. White stated the collection in sales tax is less with the 6% than with the 4% sales tax because of all of the exemptions that have occurred.

Mrs. Truesdale stated if Council is interested there is a video to explain all of the exemptions. It was produced by Berkeley County's Board of Education and shared with the coalition of our Board members. It is exemplary.

Mrs. White added it is eye-opening to see what goes on. "The topic – Is the State Broke or is the System Broken"? It is self-inflicting. She encourages Council to watch it.

Mr. Wilson stated there is approximately \$2.7 billion in exemptions. In the 4% sales tax, where there were not all of these exemptions, they collected more than with the 6% sales tax today. It is because there are some crazy exemptions. The School District pays \$1 million in sales tax. That does not happen in any other state. If you buy a yacht or a jet, you do not pay any sales tax. It is a system where lobbyist lobby for a special exemption which are now greater than the total. There is \$115 million of local taxes that we are adding 2% on. The budget still will not go up 4%.

Ms. Von Harten asked that a copy of the video be forwarded to Council.

Mrs. White stated as in FY2010, the FY2011 budget reflects the harsh reality that the District receives no state EFA revenue and local revenue is limited by Act 388. EFA is funded by sales tax, which is not supporting the EFA. That means more than likely it will not support Act 388. She reminded the Committee of a list of cutbacks:

- Eliminated 74 positions
- Eliminated two calendars
- Provided no cost of living increase for employees
- Delayed hiring for critical positions
- Shared positions at school level (e.g. social workers)
- Froze non-essential travel
- Reduced non-salary department budgets
- Eliminated International Baccalaureate program at two schools (Port Royal Elementary School and Beaufort High School)
- Reduced utility costs

Mr. Sommerville wanted to know if the Superintendent declined a bonus for which she was entitled to. Mrs. White replied in the affirmative.

Mr. Sommerville stated that does set the tone. Mrs. White added the monies were redistributed.

Mr. Wilson stated she not only eliminated it for one year but took it out of her contract because it creates political wars. She would rather not have it. It was on a volunteer basis.

Last year's expenditure projection for FY2011 was \$182 million. The District has been able to reduce it to \$175 million because of major changes since last year's projection:

- Froze teacher salaries (projected 3% increase)
- Redistributed staffing for new schools (173 positions)
- Reduced Workers Compensation (\$500,000)
- Increased health benefits less than anticipated (projected 1%)
- Reduced District Office department budgets by an additional 5% or more
- Increased personnel sharing by schools (e.g. Math, Science and Technology Coaches; social workers)
- Continued to keep utility usage below 2006 level
- Reduced facilities maintenance purchased services and supplies

Mrs. White presented the committee with the District's seven-year enrollment comparison. It was believed there would be a downturn in enrollment, specifically in the Hispanic population. The latest statistics show an increase in the Hispanic population. These numbers include Riverview Charter School. There has been an increase from the previous year. A flat enrollment is being used for the upcoming fiscal year.

Mr. Baer asked if she could supply statistics of breakdown of ethnic types and schools as all as English as a second language (ESL).

Mr. Rodman wanted to know if the additional Pre-K enrollment is in or out of the diagram she provided. Mrs. White stated they are included in diagram.

Mr. Baer informed the Committee that in doing the math there are 8.65 students per employee. Mrs. White wanted to know if that is better or worse than the previous year. Mr. Baer stated it seems like a low number. He stated he used to be in a school system with 30 kids per class.

Dr. Truesdale stated 30 kids in a classroom would be above the maximum allowed by the Southern Association of Colleges and Schools for Core Contact Classes -- 25 is typically the maximum.

Dr. Truesdale informed the Committee we are serving more Pre-K students through a grant from Head-Start, which we partnered with on stimulus funds. We have been able to add 13 additional classes, not at the District's expense.

Mr. Baer stated he is in favor of Pre-K. He wanted to know if we are still rationing that or if it will serve all. Dr. Truesdale stated it is governed by the State of South Carolina At Risk Factors. All students are assessed based on their at-risk factors. We only serve students that classify as at risk by the State.

Mrs. White said some of the programs changed from whole-days to half-days to accommodate additional students. As a savings, one could add students on the waiting list, without adding teachers or teacher assistants.

Dr. Truesdale stated last year the District shifted the model depending on the school's needs of the community. All schools moved to half-days with the exception of Title I schools, which have full-day programs. The second half of the day is paid with TIER I funds in those high risk schools so we could save on the last year's budget.

Mrs. White gave some specifics on minimizing the FY2011 operating budget which included 10.6 District Office positions \$665,438; 32.5 school level positions \$1,500,654; District level departmental reductions \$830,370; reduced extended contract \$77,024; and closure of all schools and District Office for Winter Break \$27,290. This totals \$3,100,776.

Mr. Sommerville wanted to know if anyone has added up the cost of educating an ESL student verses a regular student.

Dr. Truesdale stated we are just under \$4,000 per students and had our state audit this morning of ESL. We have the second highest number of ESL students in South Carolina. The vast majority have a Latino background. There are 24 ESL teachers. She stated she would pull their salaries and provide the numbers to the Finance Committee, if interested.

She also stated two years ago, none of Beaufort County schools made adequate yearly progress for our ESL population. In 2009, all elementary, all middle schools and two of the four high schools met monthly yearly progress by Federal guidelines for ESL. We may be at the end of a failed process but we are making room.

Mrs. White stated the District will minimize the FY2011 budget not relative to the new schools which include the following:

- Step Increase - \$1,331,233
 - Riverview Charter School - \$418,638
 - Property/Liability Insurance - \$105,500
 - Utilities – \$131,968 (7% increase)
 - Contracted Services - \$310,911
 - School Resource Officers (SRO's) - \$121,527
- Total = \$2,419,777

The increases related to new schools are as follows:

- School staff – \$1,818,537
 - Contracted Services – \$950,901
 - Utilities – \$846,125
 - School Resource Officers (SRO's) – \$131,580
 - Property/Casualty Insurance - \$75,000
- Total = \$3,822,143

Mrs. White reviewed the three-year staffing comparison with the Committee. There has been a slight decrease in the number of teachers because the District is redistributing teachers in the District to accommodate the new school. Wherever there is an increase, those are areas the school requires the positions. All the other areas are either kept steady or decreasing.

She presented a snapshot showing the decrease of 16 positions and the opening of three new schools. In the calculation of staff per student, 11 can be taken out due to them being Board members. They are not in the classroom.

The District is looking at a 2.2% increase over the current year budget. The increases to the schools are really \$3.8 million dollar difference. The budget was built from ground zero. Of the \$3.8 million the costs that are difficult to control include a step increase, Riverview, utility increase, property insurance, contracted services and SRO's

Mrs. Truesdale stated individuals have been moved. It has taken extensive juggling. It means employee travel to different locations. They have been involuntarily moved to opening new schools. Volunteers were taken first. Some people will be sad. It is tough to do but the District is working through the details.

How will we pay for this \$175 million operating budget? In FY 2007 the fund balance was 8%. The Board of Education adopted a strategy of building the fund balance to support 6 new schools and maintain a healthy fund balance between 10% and 15%.

At the end of FY 2009, the operating fund balance was built to \$32 million. The 2010 school year budget will likely require \$1.2 million of the fund balance to cover expenditures. This leaves approximately \$31 million in fund balance. The allowable maximum increase under Act 388 for FY 2010 was 6.4% (6.6 mills), which equates to \$8.3 million. The Board of Education chose to avoid a tax increase for operations to business and non-resident homeowners. FY 2010 budget resulted in no tax increase for any taxpayer. The allowable maximum increase under Act 388 for FY 2011 is 2% (1.8 mills), which equates to \$2.3 million. The operating budget for FY 2011 is recommended to use the 2% allowed under Act 388 plus an estimated \$4.1 million of the District's fund balance.

In FY2012, we are using an estimated allowable increase by the state of 2.5%. Some went to the Council Retreat; therefore the amount adjusted back from an ambitious number.

These are preliminary numbers and “to be known” as we get a better idea of what our mill value looks like, plus our revenue estimates for the current year. In the current year, if the total current revenue amount changes, it will impact the ending fund balance. The District feels the projected expenditures will be as stated or close.

Mr. Baer inquired what is happening in the District’s debt service fund.

Mrs. White replied Mr. Brian Nurick did a presentation to the Board. The debt mills were set for the current year will not support the District’s debt payments. They did not support them for the current year. We are looking at increasing from 24.43 to 26.3. The debt was issued today. The district refinanced \$24 million which will have a savings of about \$900,000. It turned out to be \$1.6 million over a 9 year period. 8% debt was also issued at 1.54% interest.

Mr. Stewart wanted to know at what percentage the projected revenues have been figured. Mrs. White replied 98%.

Mr. Stewart stated that is a higher expectation than of the County. The District is also allowing the mill value to increase. That is a concern. The District is not as pessimistic as the County.

Mr. Stewart stated the District talks about what the debt millage will be this upcoming year. He wanted to know what is being seen for later years. Mrs. White stated the debt mill was set at 28. We needed to go back to 24.43, which does not meet the needs of the District’s debt payment. We need to be at 28. The District plans on using some of the fund balance to mitigate the increase in the millage rate. The County will set the millage rate. Debt payments have not changed from two years ago when it was planned out. The debt fund balance has an additional \$2.7 million, which could apply to the debt payment. It would help to not have to go to the 28 mills but will need to be back to that amount eventually, based on the projected mill rate. Debt payments are \$49 million. The fund balance reserve is always kept at 5%, which equates to \$2.6 million.

Mr. Baer stated the District is at 24.43 debt service mills and they want to go to 28 mills. Why? Mrs. White stated 28 mills will generate the amount of money, based on the mill estimate, to make the debt payments. We have savings in the \$162 million referendum. The District scheduled and marketed the referendum to go to 28 mills then, eventually, to 31 mills. Because of the savings on the land of \$26 million, the District will not issue \$162 million. The District will issue \$26 million less; plus due to bidding out capital projects, there has been substantial savings on construction costs. Pritchardville Elementary will open with a savings. We will see a savings on all early childhood centers. There is also a \$6 million premium. It looks as if the District will not have to issue any more debt under a referendum until 2012. That would be the final school, if it deems necessary to build. The District issued \$137 million out of the \$162 million.

Mr. Sommerville stated he did not realize there is a separate fund balance for capital.

Mr. Washington stated this information is public information and it for the purpose of sharing with Council.

Status: This item was for informational purposes only.

3. Off Agenda – CIP

Discussion: Mr. Rodman presented to the Committee a CIP summary spreadsheet. He stated he took the discussions from the CIP work session and summarized them to include the current debt millage, current borrowings and the added millage with future programs. We borrowed about \$181 million and had earnings of approximately \$23 million, of that there is \$37 million on-hand. Of the \$37 million, \$8 million is encumbered for projects underway. About \$28 million was for projects with money earmarked for but not started. There is also the retainage which serves as a contingency fund. The added millage with future programs with the CIP and Rural and Critical lands is about \$78 million over the next five-years. The millage to support was about 1.4 mills for CIP, 2 mills for Rural and Critical Lands, 0.4 mills for fund balance of 50% or an additional 0.4 mills for a fund balance of 100%. That leaves a total mill of 4.1. That is at a constant mill value. The amount of money we are looking for in future programs is very affordable as we look forward. He stated perhaps the piece we should focus on is whether we can afford to have more of a doubling of the mills in the next year. As we go forward, one issue for us is whether we need to carry a full year's amount or if we look at other percentages. He would like staff to give a recommendation.

Also, he spoke about whether or not we would want to use some of the earnings money to reduce the amount of that increase. Perhaps a way to look at that would be to focus on the Rural and Critical Lands. We clearly have earnings and we clearly have cash on-hand. One of our options is do we use all of that money for additional land purchases or do we use some of that money to reduce the magnitude of the tax increase.

Mr. Baer presented a document to the Committee. The document was a chart which started at today's 6 mills, showed numbers for no change in debt structure and also numbers for building a fund balance to 50% over five years debt payment among various other options. In looking at the document from a taxpayer's standpoint, there are some scary increases. He stated he ran his tax calculator. If we add the County operating millage and the County debt millage along with the personal property millage we are at right now, it would come to \$1.96 million. That would be the total County tax bill. It is a minimum of 4 mills going into that. That is over 8% which is a big increase. We really need to consider the tax bill of residents and nonresidents and be very careful in any money we spend.

Mr. Rodman stated there is the issue on Rural and Critical Lands regarding whether we want to do a referendum. It seems to him it should come back through some committee at some point. Mr. Kubic stated it needs to come back quickly.

Mr. Sommerville stated a special meeting will be held on that item.

Mr. Kubic stated the language has to be cleared with the US Justice Department, Office of Civil Rights.

Status: Informational purposes only.

DRAFT

FINANCE COMMITTEE

May 3, 2010

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Finance Committee met on Monday, May 3, 2010 at 12:30 p.m., in the Executive Conference Room, Administration Building

ATTENDANCE:

Finance Committee members: Chairman Stu Rodman, Vice Chairman William McBride, Steven Baer, Brian Flewelling, Paul Sommerville, Jerry Stewart and Laura Von Harten attended. Non-committee member Rick Caporale and Gerald Dawson were also present.

County Staff: Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; David Starkey, Chief Financial Officer.

Media: Kyla Calvert, *Beaufort Gazette*; Joe Croley, Hilton Head Association of Realtors and Richard Brooks, *Bluffton Today*.

Board of Education: Jim Bequette and George Wilson

School District: Phyllis White, Chief Operational Services Officer.

Public: Torrey Downs, President of the Community Improvement Club, Daufuskie Island.

Fire Districts: Jack Bennett, Bluffton Fire District member; Ed Boys, Daufuskie Island Fire Chief; Gary Bright, Burton Fire Chairman; Buddy Jones, Sheldon Fire Chief; Bruce Kline, Lady's Island/St. Helena Fire Chief; Chuck Henry, Daufuskie Island Fire District Chairman; Roosevelt McCollough, Lady's Island/St. Helena Fire District member; Pat Harvey-Palmer, Lady's Island/St. Helena Fire District member; Donnie Phillips, Sheldon Fire District member; Charles Schreiner, Lady's Island/St. Helena Fire District member; John Thompson, Bluffton Fire Department Deputy Chief; Barry Turner, Bluffton Fire Chief and Tom Webb, Burton Fire District Deputy Fire Chief.

Pledge of Allegiance: The Chairman led those present in the Pledge of Allegiance to the Flag.

ACTION ITEMS

1. **Fire District FY 2011 Budget Presentations**
 - **Opening Remarks**

Discussion: Mr. Bryan Hill, Deputy County Administrator introduced this item to the Committee. About three years ago we started the process of understanding the fire districts, how much money they had and where it went. Today we have constructed a budget that is responsible. It includes several concepts – i.e. metro services. Four of the five fire districts are now under one health insurance plan. There have been expansion and renovations that have been placed on hold, however we purchased trucks through grants, continued our services and purchased land through impact fees. All without a millage tax increase to any taxpayer in Beaufort County. Daufuskie Island Fire District has had a tough time but despite the tough times they have budgeted responsibly and have been able to purchase a compressor for the residents of Daufuskie Island. The key is to request a budget that is responsible and under the parameters of County Council. Metro services are something we want to continue to move forward. Efficiency, efficiency, efficiency of government is key! That's what the fire districts have done with this budget.

- **Lady's Island/St. Helena Island Fire District**

Discussion: Chief Bruce Kline reviewed this item with the Committee. The Fire District's FY2010 budget included \$4,043,854 in personnel costs and \$320,596 in operations costs, totaling \$4,364,450. The District's total debt was \$293,969 (\$192,035 in debt and \$101,934 in impact fees). The proposed FY2011 budget includes \$4,192,297 in personnel costs and \$320,596 in operations costs, totaling \$4,512,893. With salary adjustments the FY 2011 budget would be \$4,386,500 in personnel costs and \$320,596 in operations costs, totaling \$4,707,096. The total proposed debt is \$292,969 (\$192,035 in debt and \$101,934 in impact fees). The FY2011 budget includes a \$148,443 increase in personnel cost or \$342,646 increase in personnel cost with market adjustment. There is no increase in operations or debt.

Mr. Sommerville pointed out that the debt amount of FY2010 is the same as proposed FY2011. Why is that?

Chief Kline replied it is their annual debt payment. It will be paid off in FY2012.

Mr. Sommerville inquired as to what the impact fees were used for. Chief Kline stated they were used years ago for the construction of a new fire station.

Mr. Baer wanted to know how many mills this budget entails and what is the millage increase needed for this proposed budget. Chief Kline stated it is 30.39 mills and with the County's projection of a mill value for next year, plus the use of City contract money, there will be no mill increase.

Mr. Flewelling inquired for that information to be provided on a spreadsheet.

Mr. Baer stated right now the other areas in Beaufort County are absorbing the \$12,000 a year that the District is not paying in rent for the fire station at the Beaufort County Airport at Lady's Island. Chief Kline stated there is no \$12,000 rent. The amount has not been determined. The District has been contracted for the amount of \$5 per year.

Mr. Baer said he thought the \$12,000 would be a very small amount of their total budget. Even a small amount of less than 10% in the increase. He stated he is having a hard time rationalizing why the rest of the County is absorbing the cost of the fire station.

Mr. Flewelling inquired as to the amount of the beginning and ending fund balance based on the proposed budgets.

Chief Kline stated last year's ending fund balance is a little over \$500,000 and this year is \$418,000.

Mr. Flewelling inquired as the projected fund balance after this budget. Chief Kline stated it is their projection that they will not use any of the fund balance because of the obligation of City contract money.

Mr. Flewelling wanted to know if Council would be receiving additional presentations on the topic of the Fire Districts. Last year it seemed as if more data was provided. That data included projected mill values and where they came from. It also included beginning and ending balances.

Mr. Flewelling wanted to know if there has been any increase in services. Chief Kline replied they have been consistent and they project it to be the same if not decrease in the next fiscal year.

Mr. Hill stated in August they receive the value of a mill. He will provide that information to Council.

Mr. McBride stated in the past, Council received more details.

Mr. Hill stated he can provide Council with each District's budget package.

Mr. McBride feels more information is needed.

Mr. Hill stated it will be on County Council's web within the next 2 to 3 days.

Mr. Stewart stated it does not compute. He wanted to know the amount coming from the County and the amount coming from the City.

- **Sheldon Fire District**

Discussion: Chief Buddy Jones reviewed this item with the Committee. The Fire District's FY2010 budget included \$903,543 in personnel costs and \$108,250 in operations costs, totaling \$1,011,793. The District's total debt was \$66,773. The proposed FY 2011 budget includes \$926,402 in personnel costs and \$113,950 in operations costs, totaling \$1,040,352. With salary adjustments the FY2011 budget would be \$970,773 in personnel costs and \$113,950 in

operations costs, totaling \$1,084,723. The total proposed debt is \$77,800. The FY2011 budget includes a \$22,859 increase in personnel cost or \$67,230 increase in personnel cost with salary adjustment. There is a \$5,700 increase in operations and \$11,027 increase in debt. There's a \$28,559 total increase in budget from current year or \$72,930 total increase from the current year's budget with the salary adjustment.

Chief Jones informed the Committee the District has enough fund balance to make up for the 1 mill increase needed. There will be approximately \$80,000-\$90,000 in the fund balance at the end of this year.

Mr. Flewelling asked if there were any increase or decreases in services/personnel.

Chief Jones stated he does not expect much to change. The District is down about 100 calls due to Highway 17 being increased to 4 lanes. Also, it has been a wet year which has reduced the number of brush fires.

Mr. Stewart stated he has heard twice about the use of the fund balance to keep from increasing millage. He urged caution in using the fund balance.

Chief Jones stated the District's debt payments are only \$11,000 and there is \$18,000 in debt service. For operating he stated he will use some "cash on-hand" that the District has.

Mr. Stewart is concerned there are issues of "cash on-hand" and we are seeing use of fund balances for balancing budgets.

Mr. Rodman presented a handout to the Committee, provided last year, which showed all of the fire districts and their expenditure budgets, mill increases, fund balance for previous years and their current fund balance. He would like a similar spreadsheet provided for the current fiscal year.

- **Burton Fire District**

Discussion: Chief Tom Webb reviewed this item with the Committee. The Fire District's FY2010 budget included \$3,330,829 in personnel costs and \$435,900 in operations costs, totaling \$3,766,729. The District's total debt was \$362,952. The proposed FY2011 budget includes \$3,448,008 in personnel costs and \$450,900 in operations costs, totaling \$3,899,908. With salary adjustments the FY 2011 budget would be \$3,609,222 in personnel costs and \$450,900 in operations costs, totaling \$4,060,122. The total proposed debt is \$362,952. The FY2011 budget includes an \$118,179 increase in personnel cost. There is also a \$15,000 increase in operations cost and no increase in debt service. The total increase is \$133,179 from the previous year.

He stated there was \$859,000 in the District's fund balance as of June last year. They are projecting \$950,000 in the fund balance for the beginning of FY2011.

Mr. Flewelling asked if the increase in the fund balance is for the anticipation of a new facility in out years.

Chief Webb replied in the affirmative. The District was supposed to take action on a new facility two years ago, but it has been on hold.

Mr. Flewelling stated it is good the monies are being put away.

- **Bluffton Fire District**

Discussion: Chief Barry Turner reviewed this item with the Committee. The Fire District's FY2010 budget included \$8,297,941 in personnel costs and \$1,042,442 in operations costs, totaling \$9,340,383. The District's total debt was \$577,713 (\$180,713 in debt and \$397,000 in impact fees). The proposed FY2011 budget includes \$8,140,274 in personnel costs and \$886,242 in operations costs, totaling \$9,026,516. The total proposed debt is \$449,651 (\$176,651 in debt and \$273,000 in impact fees). The FY2011 budget includes a \$22,859 increase in personnel cost or \$67,230 increase in personnel cost with salary adjustment. The District is requesting \$500,000 of reserve fund use to supplement \$300,000 in impact fees for the purchase of property for a fire station and \$100,000 to partially fund the District's post retirement benefit liability. They are also requesting \$300,000 in impact fees to supplement the \$500,000 in reserve funds for the purchase of property for a fire station.

Mr. Sommerville wanted to know how the District decreased personnel costs. Chief Turner stated this year the District budgeted for 90 employees contrasted with a budgeted 96 the previous year. He also stated the fund balance as of June 30, 2009 was \$2.8 million. The projection for this fiscal year is \$3.1 million.

Mr. Stewart stated in looking at the numbers for the expected mill value on April 27, 2010 it showed that the Bluffton Fire District's change in millage will go down by \$13,000 a mill but the Town of Bluffton's mill will go up by \$53,000 per mill. Since Bluffton represents a considerable portion of the Bluffton Fire District, how can the mill values be right? It needs to be explained.

Also, he stated there are significant things being put on hold – increasing staffing, new fire stations, etc. He is concerned. Have the calls/service demands gone up?

Chief Turner stated service demands, on an annual basis, from this year to last year are about the same. There is more of a demand for medical and decreases in other calls. This year seems to be the same volume as last year. Also, what makes them big items is that when you build a station you must purchase the equipment and the "man power." That is when it will hit. It is all warranted with the growth we will have. The strategic plan identified the growth areas. This year we are purchasing property for that.

Mr. Stewart stated in the past the District has not grown with what was anticipated. Has there been any progress made with Palmetto Bluff? Chief Turner replied in the negative. It was

tabled with the Crescent development. They filed their financial documents and at that point it was put on hold. We are waiting for them to contact us. We are being proactive and are ready for when they want to construct and go forward.

Mr. Stewart wanted to know how emergencies from that area are handled. Chief Turner replied the Pritchardville Station covers the emergencies. They are the closest station. There are some areas outside of the 5 mile boundary, in Palmetto Bluff.

Mr. Stewart believes it to be important that we maintain a level of service needed.

Mr. Sommerville stated the District's impact fee contribution to debt dropped from \$100,000. What does the impact fee look like? Chief Turner stated it is believed to be approximately \$800,000.

- **Daufuskie Fire District**

Discussion: Chief Ed Boys reviewed this item with the Committee. The Fire District's FY 2010 budget included \$830,193 in personnel costs and \$91,400 in operations costs, totaling \$921,593. The District's total debt was \$65,000. The proposed FY2011 budget includes \$835,720 in personnel costs and \$90,579 in operations costs, totaling \$926,299. With salary adjustments the FY2011 budget would be \$882,520 in personnel costs and \$94,108 in operations costs, totaling \$976,628. The total proposed debt is \$0. The FY2011 budget includes a \$5,527 increase in personnel cost or \$52,327 increase in personnel cost with salary adjustment. There is an \$821 decrease in operations and \$65,000 decrease in debt. There's a \$4,706 total increase in budget from current year or \$55,035 total increase from the current year's budget with the salary adjustment.

Mr. Sommerville wanted to know the impact fee balance. Mr. Boys stated it is about \$13,000.

- **General Discussion/Closing Remarks**

Mr. Stu Rodman stated we generally look to the councilman in the individual district where the fire district is, to have a strong say in the millage increase. He encouraged councilmen to look at that. Also, the people who primarily would like to look at the details of the fire districts are those in their district. Anyone who wants additional details about other districts, please feel free to ask for the data. This is a good first pass. These are difficult times. It sounds as if difficult decisions have been made. Underway is an EMS study which may or may not be useful as we go through this budget cycle.

Mr. Hill stated the EMS study will be part of the FY2011 budget. It is a new initiative. Currently we are in the process of relooking at our description of services to see how we can fund that study. The Finance Team is trying to get all the numbers out as early as possible going forward. More detail will be on the web within the next 24 hours for all districts.

Mr. Rodman stated we've talked, for the past couple years, about getting the salaries back in line. As we go forward we need to understand the fund balances and mill values.

Mr. Rodman stated the Airports Board raised the issue of whether or not that Fire District should be paying some rent to the County. We were going to leave that to the staff whether or not they want to leave it as is or whether they want to have the Fire District pay something to the Airport.

Mr. Baer stated it is one part of the County being subsidized by the rest of the County.

Without objections this will go forward for first reading with the County Budget.

Recommendation: Council approves, on first reading, the Fire Districts proposed budgets.

2. Off Agenda Item – Hilton Head Public Service District

Discussion: Mr. Rodman distributed, to the Committee, a letter from the Hilton Head Public Service District regarding general obligation bond authorization for the purpose of constructing portable water storage and transmission improvements, including an Aquifer Storage and Recovery Well as a key part of their efforts to replace drinking water supply lost to continued saltwater intrusion into our groundwater source. Council can either bring this item back before the Committee or take this item to Council, for first reading by title only. Without objection, this item will go before Council, for first reading by title only. Mr. Baer stated they raised the millage each year.

Recommendation: Council approves on first reading, by title only, the authorization of the Hilton Head Public Service District to issue general obligation bond debt in an amount not to exceed \$4 million for the purpose of constructing portable water storage and transmission improvements, including an Aquifer Storage and Recovery Well as a key part of their efforts to replace drinking water supply lost to continued saltwater intrusion into our groundwater source.

INFORMATION ITEM

3. FY 2011 Budget Questions – County Council / School District

Discussion: Mr. Rodman informed the Committee that the State is cutting back so much in some areas that effect those in the County. A couple years ago when the State had money they ballooned their funding. We as a State spent more money than the next closest state, by a factor of 2, as a percentage increase. It ballooned up to \$7 billion in the general fund. By law, they have to balance the budget. They are now in the \$5 billion range and next year will be even worse. There is a series of things, such as mental health and special needs the State isn't going to fund. It may fall to local governments to have to take care of those. As we move forward, we need to understand what the magnitude of some of those short falls and how it affects particular agencies.

Mr. Stewart stated he asked, at the last Council Meeting, a summary of all of the State cuts be provided.

Mr. Hill stated they will have to be broken out in two pieces – general fund and enterprise. He stated they are in the process of doing so and are trying to provide projections of where we think we will end up and where we think we will be reduced. As of right now, the general fund is down 2.5% to 3% of the total general fund state funding. If we get it, great, but if not we have made provisions for it from other areas. He stated a matrix will be provided going forward.

Mr. Stewart stated if there is a cut in the budget, by the State Legislature, and a mandate to the local county, the county will be able to reduce the amount of the mandate the same percentage as the state reduced. The Senate passed it by two votes and it is now being sent to the House. Many of the counties, in the State, are supporting that legislation. We are being asked, by SCAC, if we are or are not supporting it. We need to get that information to our House members to inform/convince them that they should vote in favor of that bill.

Mr. Stewart stated he wonders if that would apply to school funding as well. He assumes it is any mandate, which include the school districts.

Mrs. Phyllis White stated there are many mandates in the School District's every day operations, but are either not funded or partially funded. She could provide Council with that list.

Mr. Stewart stated between what we look at with the School District and the County, we have very reliable and good numbers. As we move forward the important thing is to look towards the concerns and initiatives we would like to address.

Mr. Sommerville stated staff did a fantastic job with operations. Sooner rather than later we need to decide whether or not we are going to come up with an alternative for a millage increase on the debt side. There are a couple of things we could do: (i) Slow down some CIP expenditures to absorb the additional debt cost; (ii) look at some Accommodations/Hospitality Tax dollars; (iii) borrow more money to pay debt to extend the debt off.

Mr. Baer said if we do not spend anything, we will still have a 4 mill increase.

Mr. Rodman stated his understanding of the CIP is we have \$14 million in cash, plus \$2 million retainer not encumbered by specific projects yet. Some of that money came from interest earned on the fund balances we carried forward. We can use that money toward debt service, but it would come at the expense of reducing past approved projects.

Mr. Baer stated it was his understanding that the \$14 million was committed. It would be a good thing to investigate.

Mr. Rodman's understanding is that it could be used, but a project would have to be eliminated. Also, it cannot be done beyond the interest that was earned. It would allow us to get a handle on things without getting into CIP projects. If we look at the Rural and Critical Lands Program – we have on-hand \$13 million. Of that, \$10 million was earnings of interest on outstanding balance. We have the ability, if we wanted to, to take a portion of that \$10 million and use it to reduce the tax increase this year. We could ask staff to let us know the impact of taking some portion of the funds on hand in order to have a zero millage increase on the RMC side. That would give us a quick view of what we can and cannot do. Whatever that mechanism is, the same would apply to the CIP.

Mr. Stewart stated the Rural and Critical Lands Board worked very hard to get matching funds to stretch the dollars out. They, therefore reserve savings for additional money to spend for other purchases. By taking the monies and using them to pay down the debt, it defeats the purpose of having gone out, worked hard to get additional funding and support on purchases of lands. He personally believes it to be a mistake to do so.

Mr. Hill stated he will look for a statute in ordinance. This conversation may be a moot conversation.

Mr. Rodman stated the funds could not be used for anything other than rural and critical. Since we borrowed the money sooner than needed, and earned interest on it, is it fair game to say rather than taking the interest and buying more property than anticipated to cut back on what we buy and not charge the tax payers an increase for the fact that we borrowed the money early.

Mr. Rodman stated there was a presentation by the School District/Board of Education a week ago. It was a comprehensive presentation. We need to get the expenditure budget done. The District offered to have a work session/educational session next Monday, before the County Council Meeting. Mr. Flewelling is in support of the work session/educational session.

Mr. Flewelling stated he is interested to see the change in law regarding the step increases.

Mrs. White stated that law passed the Senate. The latest legislative update said that students have the option to suspend the step increase for teachers, but if they do they must furlough administrators for two days. There are some opportunity to take away the teacher supply money and distribute it as a whole district. It can be used for general operations.

Mr. Stewart wanted to know if the Senate passed on being able to forego the step increase for teachers and if it were to become a law would the District be in favor of that and take advantage of that.

Mr. Bequette stated the cost of living in Beaufort County is the highest in the State. We do not have the highest average teacher salaries in the State. Knowing how tough it is for the teachers, he stated he would be opposed to taking any money away from teachers. We are already asking them to live in the highest cost of living county in the State.

Mr. McBride stated all County employees live in Beaufort County and are faced with the same situation as the teachers. The County is not able to make these exceptions for County employees.

Mr. Flewelling stated it would not be taking money away from teachers, but instead not giving them an increase. There is a difference.

Mr. Bequette stated with the substantial cost of living increases, inflation and the fact we are not paying teachers the amount competitive with other professional people's salaries. Taking money away from the teachers/not giving them additional money to take care of inflation is not fair. We need to think about paying teachers better. Many college students don't get a degree in education because the starting salaries are so low.

Mr. George Wilson stated it is impossible for someone to move here for a low \$30,000 income and live on their own. Many teachers have a spouse to help them out. At one time we were paying starting teachers bonuses to help. That was taken away because of the economy. In this County we have a high percentage of teachers who will be retiring in the next five years. It's about 28%. That is a big number. How will we fulfill that? USCB just took the Masters Program away. There are a lot of people who wanted to teach for job security, which has now been taken away as well. We will end up seeing a massive shortage of teachers in the next five years. All of this makes teaching less and less attractive.

Also, is the County going to have all their administrators go down the same percentage as the School District? Legislatures seem to say if you are an administrator then you are not worth anything and money will be taken away, but teachers are great. Look at where we are and our percentage. There numerous people that commutes to be our public servants – teachers, fireman and policeman. It is a serious problem to try to find affordable housing in this area. It is a strong consideration that we all need to take a look at.

Mr. Flewelling stated if an employee has been around for a long time, has the benefit of step increases for a number of years and that employee retires he is replaced with a new teacher, the personnel cost will go down. Over the next couple of years, we may see a reduction in cost because of attrition. Also, he stated he is wondering whether or not the District has trouble filling a position at the wage we are offering. Whether or not we advertise there is a position open and no one shows up.

Also, he wanted to know if Council could get copies of the latest CAFR for the School District. Mrs. White stated it is on the website.

Mr. Rodman wanted to know what would "fall off of the table" if the District had to live with no tax increase.

Mrs. White informed the Committee their data employee was out last week, but the document will be given in a week or so.

Mr. Rodman wanted to know if the data could be provided at the next meeting, Monday May 10, 2010. Mrs. White stated staffing by category and general funds/all funds may be difficult because they are collapsed together with most special revenue. It is not something that was done for the Board. She stated by putting them all together, the District is pretty transparent.

She stated she does not understand the purpose of Council wanting the last five years of numbers. Mr. Rodman stated it is helpful for him to look at trends over the years. Mr. Flewelling stated looking at the trends actually helps the School District.

Mr. Wilson stated in looking at the five year trend about \$12 million has gone away from the State. Those dollars were made up by cuts because there was not enough increases other places. In that money is also stimulus money which is being used for some of the "at risk" schools. That should be handled separately because that will go away. The District did some things and spent some money for remedial work to try to bring those schools as opposed to putting the money in the general budget. It should be broken out separately. Those programs will have to leave if there is not funding to replace that.

Mrs. White informed Council that no positions were funded through stimulus.

Mr. Stewart stated he asked the County to tell Council where and how much the cuts are. He is interested in seeing how the cuts the County is experiencing compare to those of the School District. The District has a higher budget than the County for operations, therefore, the County may get cut fewer dollars but proportionately it may not be any less or any more than the District. It is important to understand that and to compare what is happening to both. Also, in looking at the proposed millage, the values of the mill that the Finance Team has given the District's operations mill is increasing \$20,840. That is about a \$2 million increase that the District will benefit from. The County's mill value is held constant and is not getting that increase. In addition to the 2% increase that the District is asking for, it is actually an equivalent of 4 mills. He stated he is looking at how we can absorb the cuts, is it not possible for the District to do the same. Especially if the District can forego the step increase for teachers, perhaps they should or should only do a fraction of the step increase. The County has not had any employee increases for 3 years. County employees have had three years to try to absorb the cost of living where the teachers have not had that requirement.

Mrs. White stated the prioritization was done in tiers and was brought up with last week's presentation. The tiers were the same as those of the previous year.

Mr. McBride spoke in regard to retention of teachers and the recruitment of new teacher – almost every day on the television is urban school districts firing teachers or not renewing their contract because they are broke. Right now would be an ideal time to recruit teachers from other parts of the country. These people are completely out of work.

Mr. Wilson stated he is worried about teachers coming in the pipeline. There are not advantages in being a teacher. They don't have the job security and are not one of the better paid

positions. You have to love what you are doing. Beaufort is a difficult place for a new teacher to come in and start out.

Mr. Bequette stated the State of South Carolina has requirements that teachers must meet. They cannot automatically begin teaching.

Mr. Wilson stated they have to be a substitute teacher unless they go through a lot of qualifications. Many choose not to go through the qualifications because it is not worth it to them.

Mr. Rodman mentioned the fact that Daufuskie is a high cost for a few kids. He also spoke about the Pre-K program growing and would like information in that regard. It would be useful to see the trends in the County.

Mr. Wilson stated from a School Board policy standpoint, Pre-K is one of the stronger areas the Board supports. Kids here are behind by 1 to 1.5 years than those up North. Many kids do not know their colors by Kindergarten. Some don't even know what a pencil is. If you do not get the kids early, you will never get them. You will find that throughout the State there are more Pre-K classes than ever before.

Mr. Bequette stated the four-year-olds have to take a test to show whether or not they are ready for kindergarten. In the state last year, there were 20,800 four-year-olds. They forecast there will be 40,000 in a couple of years. If those kids are not ready for Kindergarten, they get behind and they never catch up. That is one of the reasons the poverty areas have a high dropout rate. Kids get there and are not ready for high school. Many kids are only waiting until they are 16 years old and can drop out of school.

Mr. Flewelling stated the graduation rate at Battery Creek High school, a poverty area, is 71%. That is pretty good.

Mr. Baer is concerned about the rationing of those programs. He is in favor of pre-k education but they are rationed.

Mr. Rodman stated a work session will be schedule a week from now for the purpose of further discussion and an overlook of the documentation requested from the School District.

Status: This item was for informational purposes only.

NATURAL RESOURCES COMMITTEE

May 3, 2010

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Natural Resources Committee met on Monday, May 3, 2010 at 2:00 p.m., in the Council Chambers of the Administration Building, Beaufort, South Carolina.

ATTENDANCE:

Natural Resources Committee members: Chairman D. Paul Sommerville, Vice Chairman Jerry Stewart, Steven Baer, Gerald Dawson, Brian Flewelling, William McBride and Stu Rodman attended. Non-committee member Laura Von Harten also attended.

County staff: Dan Ahern, Director Stormwater Management; Tony Criscitiello, Division Director – Planning and Development; Bryan Hill, Deputy County Administrator; Bob Klink, engineer; Gary Kubic, County Administrator Rob McFee, Division Director – Engineering and Infrastructure; Rob Merchant, long-range planner; Jim Minor, Solid Waste and Recycling Manager; Dave Thomas, Purchasing Director;

Media: Kyla Calvert, *Island Packet/Beaufort Gazette*, Richard Brooks, *Bluffton Today*

Public: Scott Dadson, Beaufort City Manager; Robert Franzen, Steam Services of America; J.L. Goodwin, Yemassee Town Mayor; Joe Lee, Port Royal Town Council member; Dean Moss, Beaufort Jasper Water and Sewer Authority general manager; Van Willis, Port Royal Town Manager; another 30 members of the general public.

ACTION ITEMS

1. Request for quotes for tourist railroad on Port Royal Railroad Right-of-Way

Discussion: Mr. Paul Sommerville asked those present, “Who is here to speak on the railroad?” The majority of the room raised their hand. He added the Northern Regional Implementation Committee discussed this matter on a few occasions and minutes are included in the backup documentation for Natural Resources members. The Northern Regional Implementation Committee’s recommendation is to recommend consideration of historic train use of rail bed if the proposal is made in the best interests of the county. However, Mr. Sommerville stated we have not seen a formal proposal we can sink our teeth in. He asked the Committee to consider whether or not to ask staff for a request for proposal or request for quotes to gauge who is interested; to determine how applicants will approach the project and if they can meet requirements.

Mr. Sommerville said he would like the requests of proposal to consider the following contingencies – 1. Protect the County from legal liability. 2. It has to be of no cost to the County. 3. It has to be contingent on applicant negotiating purchase of the rails. 4. It must not preclude or prejudice a walking trail. 5. The applicant would have to reach agreement with Surface Transportation Board Rail Bank to either take the right-of-way (ROW) out of the Rail Bank or

get permission to operate it within the Rail Bank. 6. It is contingent on Beaufort County finalizing an agreement between Beaufort / Jasper Water and Sewer Authority (BJWSA) and Beaufort County transferring the ROW from BJWSA to the County.

Mr. Dean Moss, Beaufort Jasper Water and Sewer Authority general manager, said the transfer of ROW is in the drafting stages.

Council members asked for clarification between a request for proposal (RFP) and a request for quotes (RFQ). Mr. Dave Thomas, Beaufort County Purchasing director, came forward to discuss the difference between the two. He stated quotes are under \$25,000. Proposals are when we do not really know what we want to do, but we want someone to tell us what the best proposal to use. In this case, I know we have to deal with several entities, for example BJWSA. It will take an investment by a qualified firm with significant backing. He added it does not cost to put it out for solicitation other than the advertising.

Mr. Flewelling asked where requests for proposals go to garner national exposure needed. Mr. Thomas replied there was a Request for Qualifications put out for a feasibility study last year, and narrowed it down to one company. They did not go forward for many reasons, one of those being money. There is a list of companies in the dinner train business, so they could send the RFP to those, and they can advertise in the newspapers. He gave examples of some cities which have tourist trains. Mr. Thomas gave additional information at Mr. Sommerville's request regarding RFQ's sent out last year to see if there was an economic feasibility to put in a tourist train or bike train, or even a secondary emergency route. It was cancelled because of lack of money.

Mr. Jerry Stewart referred to the Memorandum of Understanding (MOU) draft. He said any applicant would have to negotiate with BJWSA the terms and cost, so there is really no cost for Beaufort County or operating. We are simply leasing the land under the rail and what we could do under it. So, he said he was not sure why the County is the one putting out the RFP. Second, he added the County is beyond when BJWSA said, when they purchased the land, when they said they would sell the rails. He questioned whether or not we really have the time to go after these RFP's, if BJWSA will extend those dates.

Mr. Moss came to the podium and clarified one matter first. He said for the record the RFP, MOU is in fact final. It is signed by him and Gary Kubic. In the MOU, BJWSA gave a 6-month date at the Budget and Control Board meeting in Columbia, SC during October. They agreed to wait 6 months before doing anything, by request of the S.C. Governor. Obviously, BJWSA would like to recover as much of its investment as it can. He asked BJWSA staff to put out an RFP to buy the stuff (to get a salvage company pay and pull out the rails). One reason they put out an RFP is to get a price, what the rails are worth on the market at this date. The MOU indicates if you do not want me to pull those rails up, you need to tell me this. What to do on the surface of the ROW is the County's decision. Protecting the pipes and infrastructure is his concern, in addition to recovering some of the cost. He added they have no problem delaying tearing up the rails while Council works out the issue as long as they let him know.

Mr. Stewart said, in earlier discussion, there was mention of a modification to the agreement with the Federal Rail Bank. Is there anything there that would be a problem? Mr. Moss said he is not an expert on that. First, the property is in the Rail Bank as established by the Federal Surface Transportation Board giving it a particular legal status. There are circumstances a railroad can continue in that ROW, with the Rail Bank in place. He added taking it out of the bank, and putting it into rail service, requires petitions filed with the federal government to affect that transition. He said his principal concern is BJWSA spent \$3 million on the railroad, \$300,000 in legal expenses to fight through a long legal process. He said he advised Council two years ago about this, that his objective was to get out of federal Appeals Court, and asked for Council's assistance. He said he has spent all of the money he wants to on legal expenses, but this process will incur some additional legal expenses which someone will have to assume.

Mr. Stewart asked whether there is a legal opinion on whether the rail could be operated under the Federal Rail Bank. Mr. Thomas answered he has not talked with legal counsel. Mr. Sommerville said a caveat in the RFP is the applicant must reach an agreement with the Federal Surface Transportation Board, whether to keep or take out of the Rail Bank.

Mr. Stewart said he is concerned about us taking forever. He wants the legal opinion. He is not in favor of just taking our time, especially when we have a partner in BJWSA, with financial implications and concerns.

Mr. Baer said his blood pressure is rising as he listens to this. This MOU gives BJWSA the rights and profits, and it leaves the County the maintenance and liability. We took on the responsibility for this and it scares me, he added. All that said I like trains and trails. I love them. We do not know the costs or impacts of this thing. We do not have a good sense of what the community wants.

Mr. Sommerville asked who present is in favor of the rails. About 20 people raised their hands. One man spoke out, "as long as it doesn't cost the County and taxpayers money."

Mr. Thomas said it is an agreement to allow us to move forward with some potential proposals. There are a lot of unknowns, one of those being the tracks' condition and what it will cost to repair. Mr. Baer said his concern is the thing just sitting there is a liability if people want to play on the trusses and injure themselves; someone could sue us. Mr. Sommerville said he thinks the MOU will come before the Council as an agreement for approval. Mr. Thomas agreed.

Mr. Moss came up to discuss the MOU (page 2, item 2). He added the point is to include an agreement between the County Administrator and Dean Moss and it proposes the terms in such an agreement. Mr. Kubic said it is about a surface lease that is about to be determined. BJWSA bought it for the ROW as an easement. If County Council decides to do nothing, then the surface agreement would be developed as a place the grass is cut. If there is a bike path, someone is responsible. There is no contingent liability until you decide what to do with the surface, but it outlines the intent.

Mr. Baer said he was concerned with Paragraph 10. Mr. Kubic said it was vetted through County Attorney Mr. Lad Howell. This outlines the “what ifs?” Mr. Kubic added. Mr. Moss said the County gets it for \$1/year.

Mr. Flewelling asked how long it will take to get the RFP, to figure out the price of the rail. Mr. Moss said 30 to 45 days.

Yemassee Mayor J.L. Goodwin came to the podium. He said when the Committee Chairman asked about who was in support, the comment was made, “I am as long as it doesn’t cost the County.” Does this apply to everything for example putting a bike trail in? Will everyone play to the same rules? Whoever does the project will pick up the entire cost, it seems. He said he does not see how the County can pick and choose. Mr. Sommerville read Mayor Goodwin’s letter into the record.

Mr. Franzen, Steam Services of America, said he would like Mr. Thomas to come up and give us the timeline for the RFP.

Mr. Thomas said if we do a bid, it is 30 days, but if we do an RFP it is 60 to 90 days. There will be interview times. It takes 90 days. Mr. Franzen came back up. As a railroad operator he said the RFP would be written by the County and operators would submit bids. The RFP would say the operator would negotiate with BJWSA for purchase of the rail. The operator would take responsibility. He said they estimate the capital investment at \$5 million to \$10 million in the first few years before it turns a profit. The RFP would say part of it would be with the water authority for fair market value of the rails, which he estimates is between \$500,000 and \$800,000. There is also the cost of taking the hardware up, which would be subtracted from the value of the railroad. Then, the County will set parameters of what they feel should be involved in the operation of the train – i.e. no cost to the county, rail banking, etc.

As far as the trail issue, Mr. Franzen commented it is not a related issue for the railroad companies. The trail will not be part of the railroad. There is no company that will do that. We are here to make money, economic development, etc. If you go to the Top 15 railroads, this project has the potential to be one of the leading tourist railroads in the nation with the flow of visitors in the area. The one thing that needs to be understood, for private business, the county and water authority have to give this thing a chance to get off the ground.

Mr. Flewelling said he suspects the protocol has to deal with areas of the track that would not be dual use. For instance, the overpasses and places where the tracks are so narrow it would preclude our stated objective of having a trail. If we make this just for a train, it would preclude a trail because it is so narrow. Is that not something you would deal with? Mr. Franzen said no. The reason is, there is federal funding available to put trails in and the county will continue to put in requests for that money so a private company should not deal with it. The likelihood of the County getting this money in this economic climate is low. Why should private business come in and build a trail? That could all be done with the federal funding. Right now, the trail/rail can only be built with the requirements set forth in the ROW of BJWSA. Mr. Franzen also commented on the Rail Banking saying to take the railroad out of the Rail Bank costs \$1,800 and

a letter to the Surface Transportation Board. The bank was designed to put railroads back into rails. There are certain areas you cannot put the trail in. It is not even a continuous trail. We want to run our rail from Beaufort Station and Yemassee.

Mr. Sommerville said in the interest of time, there are many questions. He brought to question whether they want to move it to the RFP or not.

Ms. Von Harten said she thinks it is the wrong thing to talk about this in terms of rails versus trails. She said she does not want to delay the process of the Rail Trail Process, she does not want to exclude trails and she wants to leave open the possibility of rails. Ms. Von Harten spoke about the possibility of having trail and rail together and acknowledged it would be a more complex process but might be something more of the community wants.

Mr. Rodman said he thinks it is a now or never thing, compared to the rails where when you pull them up it is hard to put them back. There are a few competing interests here. You should and possibly could combine the rail and trail and cycling. There is a national greenway in the process of developing on the East Coast with the potential for us to be a part of that. He added he struggles with the economics of whether or not the railroad would work here. He said he ends up on this issue thinking going out with an RFP takes a lot of time and he does not know they gain a lot. He said they could communicate with people in the industry, ask if they have interest and talk to Mr. Thomas about what they think they could do. He said it seems Mr. Franzen has some sort of financial model for trips, fares, etc. Without taking the 90 days, the County and you could look at it to see if it is viable and should be pursued. He said he does not think the project should have to pay for itself. There will be some cost to the county. He said he is pessimistic about the numbers, but we should do an RFP before we pull the rails.

Mr. Flewelling said he thinks the RFP will reveal answers to a lot of the questions.

It was moved by Mr. Flewelling, seconded by Mr. Baer, for the purposes of discussion, the motion authorizing the Beaufort County Purchasing Department to develop and issue a Request For Proposal for the use of the Beaufort Jasper Water and Sewer Authority's Port Royal Railroad easement as a potential dinner or historic train. In addition, the RFP should: 1. Protect the County from legal liability. 2. It has to be of no additional cost to the County. 3. It has to be contingent on the applicant negotiating purchase of the rails. 4. It must not preclude or prejudice a walking trail, or at least take dual trail/rail use into account. 5. The applicant would have to reach an agreement with Surface Transportation Board Rail Bank to either take the right-of-way (ROW) out of the Rail Bank or get permission to operate it within the Rail Bank. 6. It is contingent on Beaufort County finalizing an agreement between Beaufort Jasper Water and Sewer Authority and Beaufort County transferring the ROW from BJWSA to the County.

Mr. Baer said it seems to him 1. BJWSA precluded use of a trail in some areas. 2. The rail use will preclude a trail in some areas. 3. We do not really know the condition of the bridges. Is the prime use a rail or a trail? If we do this RFP for a rail, who is the body to determine the places we cannot do a trail and what it would cost to do one there?

Mr. Moss responded by saying BJWSA initiated the acquisition of this ROW and put into the Rail Bank. It was challenged by a bunch of landowners at every move in Washington, D.C. It was appealed to the U.S. Court of Appeals. If it is important to the County this ROW be available, in the public sphere with the option to do something from one end to the other, the county should step up and help with defending and associated legal costs. The county elected not to do that. I made the decision to complete negotiations of those landowners and therefore negotiated exclusion of trail in those areas – roughly Poppy Hill Road to the edge of the creek crossing onto McLeod Property, and a section of Highway 17 to Sheldon. This does not preclude the rail. As soon as there is a railroad there, those agreements disappear; those agreements hinge on a decision from a state or federal agency to relinquish the rail bank. Mr. Flewelling said when we discuss a rail to trail system he does not want citizens riding through Clarendon Plantation in the middle of hunting season without some protection.

Mr. Rodman said if we go forward with an RFP, applicants would propose what they would do, but also say what they estimate the cost would be to restore a railroad. Mr. Flewelling concurred. Mr. Rodman said he suspects we will learn through the process the County will have to finance a portion through bonds.

Ms. Von Harten talked about qualifications in the RFP, not prejudicing the trail. Mr. Tommy Logan, a Beaufort City resident, came to the podium to say the way he understands it, to relieve the burden of BJWSA and county, and not preclude the walking trails, it is nothing more than a license to operate, and the train is allowed to come into use it puts it back to the original status. He added about 75 percent of the easement is 200-foot wide.

Mr. Dawson said he is curious what the RFP will find. He said he will vote in favor of the RFP to see what information will come to Council. He added he is not optimistic.

Mr. McBride said he will support the motion. He does have some concern about the time sensitivity.

The Committee asked Mr. Franzen if he could complete within the time required and he replied, yes they are prepared. They have a business plan, inspected the track and bridges and have a good idea of what it will cost to rehabilitate the railroad - \$800,000 to \$900,000 to rebuild the track and \$2,000 to \$3,000 worth of bridge work. The company owns the equipment required to operate the train (dinner train, coaches, locomotive, etc.) He added right now, you do not have the funding for the trail, but it could be found later. We as a rail operator are prepared to come in and establish a railroad. I have been here 2 years trying to get this railroad off the ground. We wrote a letter to Weston Newton in November and he sent us to the Northern Regional Implementation Committee. We put together a \$15,000 presentation on this proposal. You were supposed to get a CD, which answered all of these questions. He said the company has been ready to go, but has not gotten a chance.

The vote was: FOR- Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Mr. Flewelling asked Mr. Moss to share with Council the information on rail values coming out of BJWSA's request for proposals.

Recommendation: County Council approves the motion authorizing the Beaufort County Purchasing Department to develop and issue a Request for Proposal for the use of the Beaufort Jasper Water and Sewer Authority's Port Royal Railroad easement as a potential dinner or historic train. In addition, the RFP should: 1. Protect the County from legal liability. 2. It has to be of no additional cost to the County. 3. It has to be contingent on the applicant negotiating purchase of the rails. 4. It must not preclude or prejudice a walking trail, or at least take dual trail/rail use into account. 5. The applicant would have to reach an agreement with Surface Transportation Board Rail Bank to either take the right-of-way (ROW) out of the Rail Bank or get permission to operate it within the Rail Bank. 6. It is contingent on Beaufort County finalizing an agreement between Beaufort Jasper Water and Sewer Authority and Beaufort County transferring the ROW from BJWSA to the County.

2. Text Amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article V, Section 106-1098 General Use Table (to allow a small towing business to be able to do business in commercial regional zoning)

Discussion: Mr. Sommerville said the owner is present. Mr. Bachelor, the owner, submitted a packet of information to the Committee members. The applicant for the text amendment is actually Mr. Bachelor's tenant, Mr. Sigler.

Mr. Criscitiello said this is an application for a text amendment to the ZDSO, Article V, Section 106-1098 General Use Table, not site-specific. Given this is a high visibility use and the singular use of a towing business in a major corridor, the planning staff recommended denial. These often become accessory to other types of businesses, such as automobile repair. The Planning Commission voted in the same manner.

Mr. Sommerville said the applicant asks for everything to be rezoned. Mr. Criscitiello said the use table, where it excludes this use, be amended to reflect the use be allowed in commercial regional. Mr. Sommerville said his guess is they want a special use for him. I would guess he does not want to change the whole county. Mr. Sommerville said if he wanted a special use he could go before the Zoning Board of Appeals. Mr. Criscitiello said if Council's intent is to create a special use condition the above statement is true.

It was moved by Mr. Stewart, seconded by Mr. Baer, to accept the staff's recommendation to deny and to forward to Council a text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article V, Section 106-1098 General Use Table (to allow a small towing business to be able to do business in commercial regional zoning).

Mr. Flewelling asked Mr. Bachelor a question. He asked if there is a rental company. He said no, he rents it himself.

The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: The Natural Resources Committee recommends Council denies the text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article V, Section 1060-1098 General use Table (to allow a small towing business to be able to do business in commercial regional zoning).

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3. Stormwater Best Management Practice (BMP) Manual modifications for volume runoff control

Discussion: Mr. Dan Ahern, Stormwater Utility Manager, said this requests endorsement of the issuance of volume control updates. In October 2009, there were changes on stormwater volume control incorporated into the ZDSO. The changes to the BMP manual were developed to provide technical guidance on implementing the ordinance changes for stormwater volume control.

Mr. Sommerville asked about reference to coordination with Bluffton. Mr. Ahern said there was an administrative cleanup, and the previous manual said the county would incorporate Bluffton's ordinance in the May River, but Bluffton got rid of that ordinance. So we need the municipalities to work on this. Mr. Ahern reviewed the stance of the various municipalities.

Mr. Stewart asked about Bluffton's volume control ordinance wording. Mr. Ahern said they have an ordinance compatible with the County's ordinance wording. However, Bluffton needs to also adopt the technical. Mr. Stewart he wants to know if Bluffton will adopt the technical changes.

Mr. Flewelling said with such an important subject, we might want to be the first, to be the leader. He said he is willing to do this. Mr. Stewart said he would like to do it, but he wants to know the parameters within which we are doing this. He added he wants to know whether it is encompassing or piecemeal; rivers know no boundaries. Mr. Flewelling said he got the impression Beaufort and Port Royal intend to follow along but will have slightly different volume control.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, support forwarding onto County Council Stormwater Best Management Practice (BMP) Manual modifications for volume runoff control. The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: Council approves Stormwater Best Management Practice (BMP) Manual modifications for volume runoff control.

4. Form-based code – Memorandum of Understanding among Beaufort County, City of Beaufort and Town of Port Royal; selection of form-based code consultant Opticos Design, Inc.

Discussion: Mr. Criscitiello, Division Director – Planning and Development, said this is the first step in bringing form-based code to reality. The City of Beaufort and Town of Port Royal are municipal partners with a Memorandum of Understanding (MOU) crafted among them, the total cost is \$550,000. The County's portion is \$350,000 for Phases 1, 2 and 3. The municipalities in their portion would contribute \$100,000 a piece. We provided an MOU, scope of work and a road map. This also contemplates close coordination with the Town of Bluffton

through their design firm, 180, of Kansas City, MO. Mr. Criscitiello said he hopes this prompts similar change in Hilton Head Island. If successful, the County will be one of the few counties in America to have a coordinated zoning code with a collective vision of what we work toward.

Beaufort City Manager Mr. Dadson said it is important to know whether all entities in the county have the same codes before the BMP's because land use is the first best management process. To go back and talk about the policy between the town and city, we elected to hold back on our adjustments because we have different zoning and density requirements. The City Council unanimously passed the MOU. We added the need of an oversight committee, or possibility it be driven by the Northern Plan Implementation Committee.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, to approve and forward onto Council a Memorandum of Understanding among Beaufort County, City of Beaufort, and Town of Port Royal for form-based code, which totals \$550,000 of which the County will contribute \$350,000. In addition, language will be added to give oversight to the Northern Regional Implementation Committee or Metropolitan Planning Commission.

Mr. Rodman asked in the Northern part of the County if everything in the growth boundaries in the northern part of the county have the same zoning. Mr. Criscitiello said the districts would be similar between the county and the unincorporated area, and the lexicon would be compatible. Mr. Rodman said he has reservations – they are still waiting for information coming out of the test on Daufuskie Island. He said he will abstain. Mr. Flewelling said they are still 2 years from implementing the code.

Mr. Baer, said the devil is in the details on what transect is applied to what area. He said there is no mandate the same transect will apply across Beaufort growth boundary.

Mr. Merchant said we are not building from scratch. We are building upon things in place for the Future Land Use Plan and Northern Regional Plan. Also, Port Royal and Beaufort have more detailed sector plans. The concern that the whole growth area will be high density will be addressed through the plans which further detail those areas. Also there is a great deal of planning for the Burton area. There will be a detailed charrette with the community. There are details with the ACUIZ, airport overlay.

Mr. Stewart said he has not always been in agreement with the Northern Regional Plan, but he said he appreciates how it is being done and they are working together. He wants to see the Southern Regional Implementation Committee get in shape like they are in the North.

Mr. Rodman said something about not thinking one size actually fits all. He asked if it makes sense to have different form-based codes for North and South, as well as Bluffton.

The vote was: FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSTAIN – Mr. Rodman. The motion passed.

It was moved by Mr. Flewelling, seconded by Mr. Dawson, to approve and to forward onto County Council the selection of form-based code consultant Opticos Design, Inc., of

Berkeley, California, to develop a form-based code for unincorporated Beaufort County, the City of Beaufort, the Town of Port Royal and several redevelopment districts within the Town of Hilton Head; and to be funded through the County's General Fund, Fiscal years 2011 and 2012. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSTAIN – Mr. Rodman. The motion passed.

Recommendation: 1. Council approves a Memorandum of Understanding among Beaufort County, City of Beaufort, and Town of Port Royal for form-based code, which totals \$550,000 of which the County will contribute \$350,000. In addition, language will be added to give oversight to the Northern Regional Implementation Committee or Metropolitan Planning Commission. 2. County Council approves the selection of form-based code consultant Opticos Design, Inc., of Berkeley, CA, to develop a form-based code for unincorporated Beaufort County, the City of Beaufort, the Town of Port Royal and several redevelopment districts within the Town of Hilton Head; and to be funded through the County's General Fund, Fiscal years 2011 and 2012.

5. Consideration of Appointments and Reappointments

Rural and Critical Lands Board

Mr. Sommerville said Mr. Stephen Olsen's name was removed from Rural and Critical Lands as he moved from Beaufort County. We have another applicant from District 7, Mr. George Johnston, of Dataw Island.

It was moved by Mr. Flewelling, seconded by Mr. McBride, nominating Mr. George Johnston, representing District 7, for appointment to serve as a member of the Rural and Critical Lands Board. The vote was: FOR- - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

Beaufort Jasper Water and Sewer Authority

Mr. Sommerville stated there is one expiring member. Mr. Flewelling placed Mr. Skeet Von Harten's name in nomination; he added considering his experience he would be a good fit.

It was moved by Mr. Flewelling, seconded by Mr. McBride, nominating Mr. Skeet Von Harten to serve as a member of the Beaufort Jasper Water and Sewer Authority.

Mr. Rodman asked if this is an at-large position. Mr. Sommerville replied yes. Then, Mr. Rodman asked when the next vacancy comes up. Mr. Flewelling replied the City of Beaufort one is coming up, and after that it will be awhile before another vacancy.

Mr. Rodman said he wanted to nominate Mr. Jim Carlen. Mr. Flewelling said we do not have to make a choice right now. We can put them both forward. Mr. Sommerville said the Committee should forward one name onto Council and the second could be brought forward before Council. He added since there is a motion for Mr. Von Harten, the Committee should vote on it.

The vote was: FOR- Mr. Baer, Mr. Flewelling, Mr. Sommerville and Mr. Stewart. ABSTAINED – Mr. Dawson, Mr. McBride and Mr. Rodman. The motion passed.

Recommendation: Council considers the nominations of Mr. George Johnston to the Rural and Critical Lands Board and Mr. Skeet Von Harten to the Beaufort Jasper Water and Sewer Authority.

6. Executive Session

It was moved by Mr. Flewelling, seconded by Mr. Stewart seconded, to go into executive session to discuss negotiations incident to proposed contractual arrangements and proposed purchase of property. The vote was: FOR - FOR - Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville and Mr. Stewart. The motion passed.

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PUBLIC FACILITIES COMMITTEE

May 3, 2010

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Public Facilities Committee met on May 3, 2010 at 6:00 p.m., in the Executive Conference Room of the Administration Building, Beaufort, South Carolina.

ATTENDANCE:

Public Facilities Committee Members: Chairman Herbert Glaze, Vice Chairman Steven Baer, and members Gerald Dawson, Brian Flewelling, William McBride, Paul Sommerville and Jerry Stewart attended. Non-committee members Stewart Rodman and Laura Von Harten also attended.

County staff: Eddie Bellamy, Public Works Director; Bryan Hill, Deputy Administrator; Collin Kinton, Engineer; Bob Klink, Director Engineering; Rob McFee, Division Director - Engineering and Infrastructure; Jim Minor, Solid Waste and Recycling Director.

Public: Joe Lee, Port Royal Town Council and John Suffay, Hilton Head Island Town Council

Mayors: Billy Keyserling, City of Beaufort and Samuel Murray, Town of Port Royal.

ACTION ITEMS

1. Discussion – Town of Hilton Head Island Curbside Trash Pickup and Recycling Initiative

Discussion: Mr. Jim Minor, Solid Waste and Recycling Director, reviewed this item with the Committee. The Town of Hilton Head Island has been working on a program to implement the curbside collection of waste and recycling. During the planning for this program the Town discovered a large number of condos/villas within the Town of Hilton Head Island have been disposing of their waste as residential. The Code of Ordinance, Chapter 62 Solid Waste defines single-family residential units as “residential properties classified by the county assessor as having only one dwelling unit per property or parcel.” Multi-residential units are defined as “residential properties that consist of dwelling units classified by the county assessor as having more than one dwelling unit per property or parcel. This definition includes, but is not limited to, apartments and mobile home parks with multiple units where aggregate collection of municipal solid waste (MSW) is provided as part of a rental agreement.”

Residential waste disposal is paid for by Beaufort County. The properties involved are multi-family units and should be paying for the disposal of their waste as commercial. This is a violation of the Beaufort County Solid Waste Ordinance. The same issue exists with the

recycling part of their program. We do not pay for processing recycling from commercial properties. The property owners are most likely now aware the ordinance is being violated. The Town and their consultant have inventoried properties and determined there are 5,592 multi-family units serviced by roll cart.

Mr. Minor showed photos of some of the multi-family properties with individual carts.

We estimated the annual disposal cost to be approximately between \$192,000 and \$264,000. The Town needs a decision from the County as to how to address who will pay for the waste disposal and the recycling processing costs so they can move forward with their program.

Staff recommends the Committee approves and recommends to County Council staff's interpretation that we consider the violation to be acceptable based on the residential waste definition in the ordinance and not pursue the disposal fees. We will be fully supporting the Town's Initiative; we will not increase any cost to the County as we are already paying the disposal costs and we will be decreasing disposal costs in the long-run by supporting increased recycling.

Residential solid waste is "any and all accumulations of solid waste (including unrecovered recyclable materials) generated by single-family residential units or multifamily residential facilities where aggregate garbage collection is not provided to the tenant as part of a rental agreement."

Mr. Minor stated these individual roll carts meet the spirit of that definition. He stated the Town cannot go back to 5,592 individual properties and police whether or not it is part of their rental agreement. The intent is for properties such as those shown, to have a central roll off container. He stated he does not see any way to police it without tremendous headaches. We could go to the companies that service these units and inform them it is a violation and that they'll have to structure disposal cost into their billing in which the money would be billed back to the individual property owner. It can be done, but it will be difficult. Also, we probably have other properties out there doing the right thing. In this case, in looking at the photos, it is obvious this has been going on for numerous years. The County is already paying the disposal cost. It will not cost us anymore. Right now, for the first time in history, it costs us less to recycle than to dispose. The Town's program will transport that material to the morph. In this process they may work a deal with someone totally different than the County's contractor and take the material to be processed elsewhere where it does not incur any cost to the County. The tonnage the Town creates through curbside recycling initiative is going to wind up reducing the disposal cost that we are currently paying.

Mr. Sommerville inquired as to what is not being paid. Mr. Minor stated currently the County is paying the disposal costs. We are only supposed to be paying it for residential properties. These are multifamily. They should be commercial. Not only is the complexity in billing and deciding which properties to pick up, but there is also an issue in trying to design and structure a rate for a customer based on multifamily and residential.

Mr. Baer wanted to know if the carts are dumped in the back of the garbage truck and if so couldn't they also go to restaurants and pick up garbage. Mr. Minor stated they could but if they are caught, the County would suspend their solid waste hauling permit and they won't be able to do business.

Mr. Flewelling stated it would be much cleaner, neater and easier on the eye to have a dumpster. Why don't we require them to get a dumpster? Then we would not have to be confused about where the trash is going and where it came from. It would then be commercial. Mr. Minor stated that is another solution to the solid waste side of it but is more complicated when it comes to recycling.

Mr. Flewelling suspects someone "gamed" this system. They figured it out that they get a break by not having it be called commercial.

It was moved by Mr. Baer, seconded by Mr. Sommerville, that Committee approves and recommends to County Council staff's interpretation that we consider the violation to be acceptable based on the residential waste definition in the ordinance and not pursue the disposal fees. We will be fully supporting the Towns Initiative; we will not increase any cost to the County as we are already paying the disposal costs and we will be decreasing disposal costs in the long run by supporting increased recycling. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: Council recognizes staff's interpretation that we consider the violation to be acceptable based on the residential waste definition in the ordinance and not pursue the disposal fees. We will be fully supporting the Town's Initiative; we will not increase any cost to the County as we are already paying the disposal costs and we will be decreasing disposal costs in the long run by supporting increased recycling.

2. Consideration of Contract Award – Public Works Tire/Baler Building Design Project

Discussion: Mr. Eddie Bellamy reviewed this item with the Committee. In 2008, Beaufort County received a \$65,000 grant for SCDHEC to purchase a baler to process recyclables. The baler created the opportunity to bale recyclables on a limited scale. However, no facility was available to install the equipment out of the weather. Beaufort County recently received funds through the Energy Efficiency and Conservation Block Grant to begin an Office Recycling Program. The two grants together create the opportunity to collect, process, bale and then market recyclables collected from County facilities. In addition, a program to collect waste tires and hold them for transport to a tire recycling facility has been in place for many years without the proper holding area under roof to prevent them from becoming a mosquito breeding habitat. In response to these program needs, Beaufort County issued a Request for Proposal for qualified firms to design and build a Tire/Baler Building located on Shanklin Road next to Public Works. The projects includes a 80' X 100' building with a 25' X 100' lean-to, 3 rollup doors, a loading dock with space for three trucks, sidewall lights, pervious paving, security fencing and a 12' X 24' office. The County received the following nine proposals on January 28, 2010.

<u>Firms</u>	<u>Proposal Amount</u>
Mashburn Construction Columbia, SC	\$483,752
Beaufort Construction Beaufort, SC	\$491,022
Brantley Construction Charleston, SC	\$521,600
Newtech, Inc. Bluffton, SC	\$599,000
Tucker Building Beaufort, SC	\$614,177
Clifton Construction Evans, GA	\$731,100
REA Contracting Services Beaufort, SC	\$724,797
Collins Construction Services Thunderbolt, GA	\$810,000
Brundage Construction Savannah GA	\$864,450

A selection committee of the County's Solid Waste Manager, Public Works Director, CIP Implementation Manager and CIP Manager interviewed the firms. The proposals were evaluated and ranked on the "best value offered." Beaufort Construction, Inc. was selected as providing the best value for the design and construction of this project. After ranking the County negotiated with Beaufort Construction, Inc. to improve the design, perform value engineering and scope of work reductions. In response, Beaufort Construction, Inc. revised their proposal on April 8, 2010 in the amount of \$491,022. Beaufort Construction, Inc. proposal complies with the County's SMB Ordinance. This project will be funded by account 22600(tire fund) for the amount of \$485,214 and account 33390-54600(capital account/solid waste) in the amount of \$5,808.

Staff recommends the Committee approves and recommends to Council for approval of a contract award to Beaufort Construction, Inc. to design and to build the new Tire/Baler Facility for \$492,022 with funding from account 22600 (tire fund) for the amount of \$485,214 and account 33390-54600 (capital account/solid waste) in the amount of \$5,808.

Not only is Beaufort Construction, Inc. a local business, but all of the subcontractors, except for the building supplier are local businesses. That is certainly very worthwhile.

Mr. Baer stated there were two grants, of which one was \$65,000. What was the amount of the other grant?

Mr. Jim Minor stated the total energy block grant received was \$630,000, which was spread over a number of projects.

Mr. Bellamy stated the building could be used for anything in the future. An immediate use will be in the event of an evacuation. Any heavy equipment not taken will be moved to that building.

Mr. Dawson wanted to know the balance of account 33390-54600. Mr. Minor stated it is approximately \$129,000.

Mr. Dawson said he thought this is one of the better utilization of the use of our local businesses. He inquired as to who is doing the painting. Mr. Bellamy stated if any painting is to be done, it would be minor and Beaufort Construction would do themselves.

It was moved by Mr. Sommerville, seconded by Mr. Dawson, that Committee approves and recommend to Council for approval of a contract award to Beaufort Construction, Inc. to design and to build the new Tire/Baler Facility for \$492,022 with funding from account 22600 (tire fund) for the amount of \$485,214 and account 33390-54600 (capital account/solid waste) in the amount of \$5,808. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Sommerville and Mr. Stewart. The motion passed.

Recommendation: Council approves a contract award to Beaufort Construction, Inc. to design and to build the new Tire/Baler Facility for \$492,022 with funding from account 22600 (tire fund) for the amount of \$485,214 and account 33390-54600 (capital account/solid waste) in the amount of \$5,808.

INFORMATION ITEM

3. Discussion – Town of Port Royal and City of Beaufort Support of Re-Designation of Highway 280 to Highway 21

Discussion: Mr. McFee reviewed this item with the Committee. The County received a letter, dated March 16, 2010 from the City of Beaufort Mayor Billy Keyserling informing Council of the City's support of the Town of Port Royals request of the re-designation of Highway 280 to Highway 21 with the following conditions:

- Temporarily re-designate the route and measure the impact to verify if the change increased traffic counts. Council needs to have the ability to anticipate the impacts. Current traffic counts exist and are available
- The Town emphatically wants Ribaut Road resurfaced from the Bell Bridge to Lady's Island Drive. We requested this since the original inception of the project list for the penny sales tax referendum. Unfortunately the scope of work approved did not include complete resurfacing as was requested by the town.
- Reduce the speed limit from the Bell Bridge to Lady's Island Drive to 35mph.
- Ensure no opposition to potential signalization of key intersections on Ribaut Road from the Bell Bridge to Lady's Island Drive from SCDOT or the City of Beaufort that is warranted due to increased volumes, including potential port redevelopment traffic.

- The city will not prohibit truck/rv traffic through the City

Mayor Keyserling stated a long time ago the old Beaufort Area Transportation Committee came up with the concept of doing a bypass around the City. At that time Highway 280 was part of the plan and the other part was the Northern Bypass. During the construction of Highway 280 there was a question regarding the survivability of Carteret Street with big trucks and the Woods Bridge. At that time, the City agreed truck traffic should be re-routed around Downtown Beaufort. At that time Ribaut Road became “temporarily” Highway 21 and “temporary” became permanent. As with the new bridge going up, the City’s Boundary Street redevelopment, and Port Royal’s work on Ribaut Road, the City was asked to look at all of their traffic and see what could mitigate the congestion over the Woods Bridge and Downtown. The group did a study which includes everything from signage for parking, signage for Port Royal and better signage for the Islands. That Committee recommended Highway 21 from Highway 280 be routed and Highway 280 would become Highway 21 with what is today Highway 21 from that point on. Also, when you come across the Broad River Bridge the sign to Highway 21 would be to the right and Highway 21 business would go the same way. The converse of that would happen coming off of Lady’s Island. Port Royal was the City’s partner in everything. They had some disagreements with that. At the last BTAG meeting the Chairman asked if we were ready for action and the response was no. Port Royal and the City had to work out their differences. Since then, those differences have been worked out with the caveat of (i) Beaufort City supporting Port Royal and urging SCDOT to finish paving in one piece rather than the swaths they been doing. (ii) That we would not propose any additional lights on Ribaut Road through Port Royal. (iii) The City would then support their effort to reduce the speed to 35mph. The reality is that the City and the Town are trying to do what each believes to be smart and to grow within. We are now unified in giving the report to this Committee to be approved by Council. SCDOT says they do not feel comfortable making that decision without the Town, City and the County being for it.

Mayor Murray stated it was tough to get the Town Council members to agree to this.

Mr. Stewart wanted to know if there are any maps to show exactly what is being proposed. If one is coming from Lady’s Island or the north, how is this helping?

Mayor Keyserling stated it is the converse. It is when you come in on Highway 21 and get to Highway 802 intersection, Highway 21 would take a left and Highway 21 Business would go straight. It would route across the expanded Highway 802 through the second bridge, around Ribaut Road. The Challenge on Highway 802 is that every 300 feet there is a drive way.

Mr. Stewart stated he is having a hard time visualizing this plan.

Mayor Keyserling stated the potential would be rerouted out and around.

Mr. McFee presented the Committee with a map and Mr. Flewelling explained the City and the Town want to take Highway 21 from the north and go down Highway 280 and around and over the McTeer Bridge. Highway 21 Business will continue to come Downtown and down

Ribaut Road. Highway 21 will come down Highway 280. From the south, Highway 21 would come across the Broad River Bridge and will go down Highway 802 and up to the McTeer Bridge. From Lady's Island, Highway 21 would direct you to an intersection of Highway 21 business and Highway 21.

Mr. Glaze stated coming from the Air Station and making a right on Highway 280, you would be leaving traffic from one area and not considering Highway 280 with the travel. In normal circumstance, making a left turn from the County Shed Road to get on Highway 280 is almost impossible. We are talking about changes, but what are we going to do about the signalization in that particular area. As you travel now and come to Grober Hill Road, it is a disaster. What are we doing to make sure the signals are there before we do any of this? Traffic will be leaving one area but will be causing a substantial problem on the other. There is no way one could get out, especially during rush hours. Until we have the necessary lighting in that particular area, moving traffic from one side to another is not practical for the individuals that have to face the traffic in that particular area. What is going to happen when all of the traffic is directed from Highway 280 to connect to Highway 21? There is a serious problem there. A problem we need to look at. He stated he has been trying to get signalization from the County Shed Road for the longest. They always say it is almost there, yet it never happens.

Mr. Flewelling stated the problem has always been an insufficient traffic count in those areas to justify a signal. This may be the traffic count needed to get a light there. As far as County Shed Road, he agrees something is needed there. That is a different problem. The closeness of the two lights is the real issue.

Mr. Joe Lee stated the problem of signalization hits us more at the end of the McTeer Bridge than anyplace else. This whole thing began by looking at the area as a tourist would look at it and see how confusing things are. 40 signs were remodeled in Beaufort County. Highway 21 was a part of that but was not the only part.

Mr. Baer stated usually when we do things like this; we have traffic studies, not just traffic counts. Have we got that?

Mayor Keyserling stated he assumes that was done when Council made the decision to go with the second McTeer Bridge.

Mr. Collin Kenton stated the impacts of re-designation and what it would do to the Corridor has not been studied.

Mr. Baer stated if County Council is to vote on it, wouldn't we want to have such a study. Mr. Dawson agreed.

Ms. Von Harten stated if you look at how Highway 21 comes into the City of Beaufort, there is a bottleneck. It is a four-lane road with one way in and one way out. That creates a real problem. There is not a center lane for people wanting to turn in or to turn out of their driveways. People have had to make modifications to their driving because of this rerouting. Any change

made always affects people. Some people in Burton would be affected by this. We need to try softening the impact. There is so little road to work with.

Mayor Keyserling stated the City is talking about doubling the size of the City a mile and a half as part of their intel. The City is anticipating it getting worse and worse. We are trying to undo what was a temporary decision years ago.

Mr. Kinton stated Highway 21, between the Air Station and Parris Island Gateway, is currently carrying 28,000 cars per 24 hours. Boundary Street redevelopment area is the highest volume road carrying 36,000 -37,000 cars a day. That is the closest road to capacity for a 4/5 lane facility. The next highest is down Ribaut Road between the Bell Bridge and Lady's Island Drive with 26,000 cars a day. Ribaut Road, between Lady's Island Drive and Boundary Street has about 22,000 at its highest. Similarly Highway 280 is carrying about 14,000-16,000 a day. From a capacity standpoint, Parris Island Gateway has the most excess capacity, compared to Ribaut Road.

Mr. Flewelling pointed out when he wants to go to Lady's Island, he goes through Ribaut Road. He believes it will only impact 25%. Mr. Kinton believes it will impact less than that. There is no magic change in traffic that will happen with this.

Mr. Stewart stated all of these roads are currently available to everyone and the majority of traffic is with folks that live here. Only tourists who do not understand where they are going are going to follow the signs, and use the new route.

Mr. Flewelling added many of the tourists will have reservations in Downtown Beaufort and are not going to go all the way around.

Mr. Caporale also noted many people will be using their GPSs in their cars.

Mr. Stewart stated usually when changes like these are made; it is to divert truck traffic out and around, not downtown through the main area. That is not being done here. Truck traffic is still being allowed down Ribaut Road.

Mr. Flewelling stated the requirement by the Town to have traffic counts and analysis done afterward is very wise and important.

Mr. Dawson stated it is obvious the Town and the City reviewed, studied, and discussed this amongst themselves and Council; however, he stated his concern is if the traffic engineer reviewed or analyzed this to any extent. Mr. Kinton said he reviewed the letter but has not done any modeling or significant analysis of it.

Mr. Dawson stated he will be very uncomfortable voting for something without having our traffic engineer analyses and come before the Committee with his recommendations. He has not even given us the downfalls of what might be potential "bad spots" where the signalization

should be required. Without having him review this and provided the Committee with a report, we will vote against it at present.

It was moved by Mr. Dawson, seconded by Mr. Baer that Committee refers this to the County's Traffic Engineer for further analysis and then report his findings back before the Committee. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Sommerville and Mr. Stewart. The motion passed.

Status: This item was referred to the County's Traffic Engineer for further analysis.

DRAFT

PUBLIC SAFETY COMMITTEE

May 3, 2010

The electronic and print media were duly notified in accordance with the State Freedom of Information Act.

The Finance Committee met on Monday, May 3, 2010 at 4:00 p.m., in the Executive Conference Room of the Administration Building, Beaufort, South Carolina.

ATTENDANCE

Public Safety Committee members: Chairman Jerry Stewart, Vice Chairman Brian Flewelling, and members Rick Caporale, Gerald Dawson, Herbert Glaze, Stu Rodman and Laura Von Harten attended. Non-committee members Steven Baer, William McBride, Weston Newton and Paul Sommerville also attended.

County staff: Phil Foot, Detention Center Director; Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; Jim Minor, Solid Waste and Recycling Manager; Dave Thomas, Director of Purchasing; William Winn, Division Director – Public Safety.

Media: Josh McCann, *Island Packet/Beaufort Gazette*; Richard Brooks, *Bluffton Today*.

Public: Jan Baxter, Palmetto Electric Cooperation and Lowcountry Economic Network; Tom Lietzel, Technical College of the Lowcountry; Kim Statler, executive director of Lowcountry Economic Network; Jessica Bridges, director of business development Lowcountry Economic Network; John Safay, Hilton Head Island Town Council; Dean Moss, general manager Beaufort Jasper Water and Sewer Authority and Lowcountry Economic Network Board of Directors; Andrew Palmer, Lowcountry Economic Network; Joshua Horton, Fripp Island Fire Department fire chief; Lewis Hammett, legal counsel Fripp Island; Anthony Barette, Bluffton town manager; Joe Croley, Hilton Head Island Association of Realtors; Carlotta Ungaro, Beaufort Regional Chamber of Commerce; Rick Toomey, Beaufort Memorial Hospital; Billy Keyserling, Beaufort Mayor.

ACTION ITEMS

- 1. Discussion of Issues before the Legislature that would affect Beaufort County and the surrounding region.**

Senate Bill 1291 Solid Waste Flow Control

Discussion: Mr. Stewart introduced Mr. Jim Minor, Solid Waste and Recycling manager, to speak on the above issue. Mr. Minor said there is a bill before the Senate, 1291 – Solid Waste Flow Control, which he was made aware of the bill last week by some people in the waste industry. He told the Public Safety Committee he talked with his peers in Horry County.

Mr. Minor gave some background information. Two years ago, (State or Federal) Supreme Court issued a ruling on flow control. By state and federal law, the county is

responsible for waste within the county. Basically, the county built a facility to handle its waste, to fund and pay for the waste, they build a solid waste transfer station. Then, there was an ordinance stating all waste within the county had to go through that waste facility. However, the waste industry in the area took issue with that and the county's ability to take care of the waste. This put the county in the position of not being able to guarantee the waste stream to fund and operate the facility it built. The Supreme Court ruled in favor of the county saying, it was legal for the county to pass a flow control ordinance. It said it was in the best interest of the public to control its waste, to fund it and ensure funding stream made sense for the county. There was an additional caveat, "as long as it did not violate state law."

Mr. Minor stated there is one group actively lobbying, not only in SC, to make flow control ordinances against state law. He used the example of Horry County, which has invested a great deal in its solid waste facilities and has a flow volume control ordinance. This bill was in the senate, on the floor, before I knew much about it. The bill is on the Senate floor, but on hold. The latest update is the Senate is watching this. The impact for Beaufort County is if you are charged with the responsibility to take care of the waste stream you have to have a way to pay and the facilities to do so. This topic will probably keep coming back. He stated he has heard if the bill does not pass this legislative session the lobbyists will be back next year with more money and a bigger effort. It is an issue all counties should be aware of and given priority. It will severely impact all of the counties. It limits our options and could be very detrimental in the long-run.

Mr. Stewart said he would put this under the Home Rule category. We have talked about building a transfer station to cut costs of disposal in the county. If this passes, we would have no way to ensure our facility's use. He asked for questions.

Ms. Von Harten asked who is in the lobbying group. Mr. Minor said he is unsure about the lobbying, who and how many companies are associated, in this particular bill.

Mr. Newton said this has not made the cross over date and there is a possibility it could be bootstrapped in this year. He asked if the SC Association of Counties made a stance on this. Mr. Minor said he thinks so. Mr. Stewart elaborated to say they say The Association of Counties posits counties should oppose on the basis of Home Rule even if a county is not affected directly. Mr. Newton said given the discussion of a transfer station, it seems in our best interest to maintain the best flexibility.

It was moved by Mr. Newton, seconded by Mr. Flewelling, that Council approves establishing Beaufort County's opposition of Senate 1291 or any similar legislation which makes it against state law to pass an ordinance regarding solid waste flow control. The vote was: FOR - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Jerry Stewart and Ms. Von Harten. The motion passed.

Recommendation: Council approves a stance opposing Senate 1291 or any similar legislation which makes it against state law to pass an ordinance regarding solid waste flow control or any similar legislation which makes it against state law to pass an ordinance regarding solid waste flow control.

Local Government Fund

Discussion: The Senate adopted the same level of funding for the Local Government Fund as the House at \$202.7 million. It is a \$17.6 million cut from fiscal year 2009-10, and a \$46.8 million cut from the statutory amount of \$249.5 million, according to the Association of Counties.

Mr. Stewart brought this topic to the Committee as another issue before the Association of Counties. He said he is unsure whether it is a proviso within the Senate budget or a bill. But, he added it did pass that a political subdivision received aid from the Local Government Fund, reduced its support to any state mandated program or requirement for which a specific level of support/funding is not provided for by law, by up to a percentage equal to a reduction in the Local Government Fund as compared to last fiscal year. Basically, if there is a mandate reducing funding for an activity and it is mandated down to local government, local government can reduce by the amount or percentage the state reduced the budget. It passed the Senate and is in the House. The recommendation of the Association of Counties is to encourage delegation to vote in favor of this issue.

It was moved by Mr. Flewelling, seconded by Mr. Dawson, to support the SC Association of Counties' stance in support of the Local Government Fund portion of the budget. The vote was: FOR - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Jerry Stewart and Ms. Von Harten. The motion passed.

Recommendation: Council supports the SC Association of Counties' stance in support of the Local Government Fund portion of the budget.

2. Consideration of Contract Award - Fripp Island Fire District Request Approval for Aerial Ladder Truck

Discussion: Mr. Stewart informed the Public Safety Committee this request by the fire unit for aerial ladder truck would be purchased by the developer; the request actually comes from them.

Mr. Lewis Hammett, who provides legal counsel for the Fripp Island developers Turtle Dunes 5WLP, came forward. He stated the developers want to build a condominium in the multi-family site. Under the ZDSO, a building taller than 35-feet must deal with any fire fighting issues. Now we have more stringent building codes. If there are any changes, they have to be approved by Council. No one is going to buy a truck tomorrow. The building may or may not ever start. However, when it comes to this fire truck, the developers, the Wardell family, wants, rather than argue they need a fire truck or not, a principle approval of buying a ladder truck. Loosely they want something to say, to get a building permit, you have to have a fire truck purchase. We seek endorsement of where we are heading.

Mr. Stewart asked if the developer really wants a formal contract. Mr. Hammett said he believes there are enough details to make an endorsement, and there are enough details to make a decision.

It was moved by Mr. Rodman, seconded by Mr. Caporale, to provide a recommendation on principle that County Council endorses the purchase of an aerial ladder truck by the Fripp Island developers for the fire district. The vote was: FOR - The vote was: FOR - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Jerry Stewart and Ms. Von Harten. The motion passed.

Ms. Von Harten stated it is a bad idea to build on Fripp Island, particularly buildings that height, because it is not in line with our coastal retreat. She said she recognizes it is a private developer doing a private thing. However, she noted the purchase of a fire truck leaves people on Fripp with less money to donate money to charities. Mr. Hammett said the subject asking for endorsement is the purchase of a truck entirely by the developer; also the current truck is from the 1980s and there needs to be more updated fire protection. Ms. Von Harten said the buildings might benefit from burning down. She said we are enabling further coastal development.

Mr. Stewart said the motion is to endorse the concept that the developer will be responsible. To purchase a ladder truck for Fripp Island before a building permit can be issued might step on the toes of the building department.

Mr. Newton agreed and said his reservation is about impeding on the jurisdiction of the Design Review Team. He suggested removing the last part about building permits.

Ms. Von Harten added a fire truck could be useful for plucking people from the pluff mud.

Recommendation: Council provides a recommendation on principle that County Council endorses the purchase of an aerial ladder truck by the Fripp Island developers for the fire district.

3. Consideration of Contract Award - Food Service Program for Detention Center

Mr. Dave Thomas, Purchasing director, said the 5 year contract is up. We're here to recommend another contract with ABL Management Inc., of Baton Rouge, LA. At \$386, 307, this will cost us less than what we pay now. It covers 3 meals a day, 7 days a week and kitchen staff. They were the top-ranking provider for food service.

Mr. Stewart said his concern is the balance is \$251,358 in the account listed to fund the contract, but the cost is \$386, 307. Mr. Thomas stated as Council approves the new budget, there will be additional money to cover the cost. Mr. Hill confirmed.

Mr. Flewelling said there is a substantial savings for Beaufort County Compared to last year.

Mr. Baer asked about the cost per meal. Mr. Thomas said this cost is guaranteed for 2 years.

Mr. Caporale asked if there are dietary requirements. Mr. Thomas said there are religious considerations made and a dietician on staff.

Ms. Von Harten asked about the factors used to decide. Mr. Thomas said the quality of their program comes out to be the best. Mr. Foot said they have had ABL for the last 10 years and are satisfied.

It was moved by Mr. Dawson, seconded by Mr. Flewelling, a contract award to ABL Management, Inc, the top-ranked firm, with an anticipated cost of \$386,307 annually for an initial contract term of one year with four additional one-year contract renewal periods all subject to the approval of Beaufort County. The vote was: FOR - Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Jerry Stewart and Ms. Von Harten. The motion passed.

Ms. Von Harten asked if we pay for staff meals or they pay their own. Mr. Foot replied we do.

Mr. McBride asked if the A/C was replaced. He said he heard it was out last weekend.

Mr. Rodman replied \$1.06 meals and no A/C is incentive to keep out of jail.

Recommendation: Council approves a contract award to ABL Management, Inc, the top-ranked firm, with an anticipated cost of \$386,307 annually for an initial contract term of one year with four additional one-year contract renewal periods.

4. Discussion County Acquisition of Lowcountry Economic Network Development Property at the Beaufort Commerce Park

Mr. Stewart said this has been discussed many times. There are many items. The Lowcountry Economic Network (LEN) will give us a presentation to address some of our concerns. Mr. Kubic and Mr. Stewart also serve on the LEN board, but attended the meeting in their role as county employees.

Lowcountry Executive Director Kim Statler gave a presentation, which is recorded in the meeting backup documentation. She reviewed some of the questions Council members had – What is the Network? What have you done for us, accomplished? What is the Beaufort Commerce Park's value and relationship with Beaufort County? This is really a public/private partnership. The LEN was formed in an effort to enhance economic diversity and quality of life in Beaufort County. Private Board members pay \$15,000 to have a seat at the table. In addition, there are more than 30 businesses in the private sector. There are multiple levels of membership. She went over the budget (the LEN fiscal year begins July 1). For 2009-10 it was 48% Private Sector, 48% Beaufort County and Alliance 4%. LEN has grown through private sector development. We take on business development, research and grants, and product development. We report to Council on prospects. We do not report on everything we do. She reported on the prospects in Beaufort County at this time. The majority of the prospects directly contact the

LEN. There are 11 prospects with 1,000 jobs on the table. Jasper County has 9 prospects. She spoke on marketing to address and change the image of not being business-friendly here. We do not think this is true, but perception equates to truth. We are trying to change this perception. She said diversification is about 20 years behind other similar markets. One of the key unique things, market niches, we can sell is the attention to vistas, trails and greenways here. We are making changes. Traffic is up by 50%. As recently as March 29, 2010, Beaufort was cited in *Charleston Regional Business Journal* as being part of the aerospace cluster. Branding different has a direct impact. Prospect traffic and private membership is increasing. LEN formed an alliance with Beaufort County; they work for regional marketing. Mrs. Statler reviewed milestones. She stated when the LEN started, the business environment was not here. There are not many major events, but we are working on getting the word out. It takes time to hit those major milestones. She continued onto the Beaufort Commerce Park, which has its own timeline. LEN purchased the park in 2006; it also got MCIP designation that year. The property was such a critical piece of dirt it was important to make sure it remained a business site and it gained infrastructure. The benefits of the Commerce Park include significant upland acreage (146 acres), some of the region's highest elevation, utilities on-site, streamlined permitting, MCIP and industrial zoning. We located on part of the aerospace corridor. The Commerce Park is located to the County's poorest census tract, 33% poverty. Then, Mrs. Statler talked about the economic impact of the Beaufort Commerce Park. She said they did a business plan, which focuses on job creation and improving the business environment. It is not about turning the land for profit. Considering the hypothetical full build out of the Commerce Park, there would be 21 prospects with a direct employment of 2,600, indirect employment of 3,193. They assumed the worst business climate they could and that each prospect wants land for free. To know the net benefits for local economy you have to look at how it flows through the economy. A moderate growth estimate yields slightly different results. They also ran a scenario if there is one big project; the project could generate 450 direct jobs with a \$10 million capital investment. This is how communities weigh the value. We look at whether we are creating jobs, whether or not they are good jobs, etc. We cannot do a financial analysis of money in and money out. It is more complex.

Mr. Newton asked if Beaufort County adequately funds economic development. Mrs. Statler said no. He asked what an adequate amount is. Mrs. Statler replied you could compare it with other communities. It should be much higher than we are looking at. But for us, from a staffing perspective LEN is in a good place. However, her concern is we were talking about reducing operating budgets. On the capital side, it is a different conversation. As prospects come in, we have to embrace the fact we have properties that are not ready to go. We have to have a place to put the prospect traffic.

Mr. Newton asked for the appropriate benchmarks to measure the success of LEN. Is it job creation? Is it growth and per capita wages, diversification of the tax base? What is the best way to use the money we do have to promote economic development? Perhaps \$270,000 is not enough, but over 10 years it might be. Ultimately, if we only have \$1 to spend on economic development what is the best way to deploy that money? Is it to fund this Commerce Park or to continue to help operations?

Mrs. Statler stated the LEN tries to separate those conversations. She explained. They are stewards of the county's \$270,000, matched by the private sector. There are multiple organizations represented. We have worked hard to keep the Commerce Park separate. As our public partner, we are talking about this property because we feel it is important for the overall county public and future. There are separate properties and businesses LEN also works with, so to comingle the conversations is very difficult. She said it is a capital discussion and then on the other had an operations discussion. She added as the public partner, this parcel is very important with an exponential economic impact. However, without control of the Commerce Park we have no ability to be as aggressive as we need to be in this market.

Mr. Newton said he understand this. With public funding as it is now the task for us is to spend money we do not have, incur additional debt. To take care of matters requires a tax increase to do it, or to put off public projects in order to do this. For us, it does have to be an either/or subject. It is a difficult decision for you to comment on. He needs guidance of the partnership to understand how best to spend that hypothetical \$1.

Mrs. Statler said many people will argue the viability of the LEN is important. If you take \$270,000 away, we diminish to a point where no one will be happy. She added to her the most important is the value of the LEN because we serve everyone. It is very hard to comingle the two. It is a one-time expenditure versus ongoing support of something that is an extension of the county. Mr. Newton said this does not give him the input he hoped.

Mr. Newton asked about the funding from Private and Public sources and how it breaks down. They are very separate, but it is split 48%/48%, Mrs. Statler replied.

Mr. Baer said he wants to go back to the business plan. Usually, they go for a 3 to 5-year plan. He does not call this a business plan because it is a one-year snapshot. He does not know what they will make in the land and dirt sales, etc. He wants to know how they will create a flow if the county invests. What are the pro-forma costs for the coming years? Mrs. Statler said it is hard to do a business plan on a public purpose. Mr. Baer wants to know the County will get its money.

Mrs. Statler replied she felt if she did land sale projections it would be guessing considering the current climate. Mrs. Statler said if the County owns the business park, it will be public for economic development. She tried to provide a financial analysis of what might happen in different scenarios of what will happen if the county buys the park. She said her concern with a pro forma was the argument of the money and price points.

The Committee briefly discussed competition with surrounding Commerce Parks, such as those in Jasper County. Mr. Stewart said there are markets suited for Beaufort County and others better suited to Jasper County. There is an agreement amongst us. There is not competition but best use for the corresponding park. Mrs. Statler said she argued more is better. The more possible locations I can show prospects then, the better off I am.

Mr. Rodman said he wanted to try to clarify something. The County would step in to pay roughly \$2 million to buy the land, and if selling it off over 10 years we would have to sell it for

about \$25,000. We would make no money. On one hand, if we buy it we could consider how we will get our money back. Another perspective is we could expect a lower sale in return for bring in jobs. County should be prepared to get little back in return for the creation of jobs. Mrs. Statler said it is not about making money on land sales, it is about job creation and capital investment.

Mr. Rodman said if we buy this, in large, we would essentially get a small return on the land in order to trade for job creation and economic stimulus. Let us put our investment banker hat on. If you look at the option and cannot restructure the payment with the banks – the county steps in, the banks take over and sell off, or there is a foreclosure. What is the sense if the county does not purchase this? Would this land work its way back to economic development? Is there another use?

Mrs. Statler said considering the overall plan, the highest and best use of the property is development and purchase for the County considering the County's overall economic plan. The banks will do interest only until December. LEN has \$160,000 in escrow. They are sounding the alarm because there are discussions going on about capital improvement priorities; we are not remiss in having this dialogue. The value of the property has increased. The concern from our legal counsel is we do not have the protections private entities have to be able to fold and start over. They would pursue a summary judgment if the LEN defaulted, which would follow the LEN for its life.

Mr. Sommerville asked about the deed covenants on the property. Whoever assumes property control gets an industrial park, which cannot be rezoned? Mrs. Statler said she is unsure about deed restrictions and transfer. Mr. Sommerville said there are so many limitations on this property; he doubts there would be a large applicant pool to purchase the property. He said worst case scenario in a default would be a \$900,000 judgment against the LEN.

Mrs. Statler said we get mixed messages from the County. We are dealing with 5 banks. Is the county's interest there, but the funds are limited? Is there no interest? Is there interest, but they need a partner? She said she needs some options. There is one thing to know, time is not on our side. We are looking for an indication of what makes sense, what the opinion is of this group and whether this should go into the Capital Improvement Plan (CIP). We do not want to diminish the value of the property as we turn around and try to sell it. Mrs. Statler returned to address how the LEN should be measured. Each year the board establishes goals. Those goals have been highly relevant to creating the environment for business development because it has not been there in the past.

Mr. Caporale stated he appreciates the analysis. At some point, any discussion can become too hypothetical. He said he is thinking of other ways to use taxpayers' money. He questions the value of the land, and we keep reaching for ways to assess value of the LEN and Commerce Park. He cited the way we purchase Rural and Critical Lands at 15 times more per acre than their value for property that in some cases might have an even more hypothetical value than the Commerce Park. He supports the purchase and he asks people to support as well.

Mr. Stewart stated he wants to get all of the issues and questions on the table, get things answered. He wants to make a decision today.

Mr. Dean Moss, general manager BJWSA and LEN board member, said he was involved in the LEN since its inception. When established, the members we could get involved were quasi-public sector entities. We could not get private sector to stick with us. The perception was the business environment was solely for government and tourism. It has taken us this long to get a private sector involvement. In terms of the Park, when the original sewer was put into the park it was owned by a consortium of private entities. The County decided to put sewer in and the County paid the cost. The quality of the property increased over the years. There is an opportunity the property presents.

Mr. John Safay, Hilton Head Island Town Council member, said he cannot speak to too many specifics. While I certainly do not know specifics of the budget, I can appreciate them. As far as hypothetical's, he suspects right now, at the nadir of our confidence, it is a bad time to make decisions. With a bit of forward looking, the tough decisions we make right now, in three-four years from now we will be glad we made that decision. We are talking about 146 valuable acres in the heart of our county, with Boeing coming on and the new development at the Air Station. If we do not do it now, we will regret it for years to come, I suspect.

Dr. Upshaw, University of South Carolina – Beaufort and LEN board member, said the partnership with the LEN has helped achieve baccalaureate status for USCB. We graduated 222 people into the economy last week. The next several years, those people will earn computer science, nursing and business management degrees and the focus of the LEN is why we have that program. If we develop the business climate we can keep those people in our economy. She added she thinks it is important to maintain a positive business environment. Beaufort County is open for business. Mr. Baer responded by saying he could see investing in Dr. Upshaw's university, however it seems less tangible to invest in the Commerce Park. Dr. Upshaw replied having the LEN is critical for USCB. She said the Commerce Park works toward a better future.

Beaufort Mayor Billy Keyserling, said he was listening as a realtor and as a mayor with a different business model and revenue stream. It is about whether you are willing to leverage the dollars to try to generate the exponential kinds of jobs Jane and Tom can teach to. Can they teach to people who will remain here? It's an investment to business licenses, to improved quality of life, to property taxes. It is not about buying a piece of land. It is about doing something people have talked about in Beaufort all their life. He said the Strike Fighter will come. One of the things missing from the environmental assessments of the Strike Fighter is the economic impact. We had a hard time getting the military to talk about supply chains and industries coming that will not locate on the base but outside. There will be an economic impact of that plane. The park is not a purchase, it is an investment. He said he ties the Strike Fighter to the Park because it is across the street.

Mr. Rodman said this strikes him that it is a hard one to close out today. First, if we are giving away the land, we could actually upsetting people who invested in their land. However, I wonder, if one thing not discussed is the need for a spec building. I wonder whether there is not a smaller amount of money the county could consider to provide the spec building, if that is the key to jumpstarting the economic development, and buy the underlying land. Maybe there is a lesser amount of money to start the spec building and provide more time.

Mrs. Statler commented on the spec building scenario. She said the prospects are asking for space, not land. She said their issue is leverage with spec buildings. If the county owns it then it could leverage with the utilities. She spoke about public/private models to examine. For example, you could put out an RFP, the private sector comes in to build the space and utility dollars come in because the property is owned by the county. Mr. Stewart said the potential public partners need to be able to take advantage of the utility dollars to go forward with a project similar to the discussed example.

Mr. Newton asked what is needed to leave the ownership where it is. Mrs. Statler said there were a few projected items ticked up for sales of the Beaufort Commerce Park. The real wrench was the restructure of our debt repayment on the Commerce Park last March.

Mr. Newton said the transfer station is a possibility, not a reality. If the acquisition of a portion of the Park for a transfer station would help alleviate the LEN problem, that might be a discussion point. He said at some point we have to move from changing business atmosphere to job growth and capital investment. Otherwise we will always spend money on changing the environment. There is a choice we have to make with this. There are not anymore dollars. Absent delaying our CIP program, or invading our fund balance, we have no ability to buy this park other than by raising taxes. We are already staring down the barrel of a 4 mill potential increase. There would be nothing that would please me more than to say we should purchase this today. I think this is a worth discussion to have, but we need to have a source of funding. What would the taxpayers be willing to give up to do this?

Ms. Von Harten asked what will give the most long-term benefit. Will it be the buying the railroad tracks? She stated she is willing to take money out of our CIP.

Mr. Newton said he is not arguing against it, but there is no money for even the railroad let alone the Commerce Park. But does accepting the Commerce Park delay Burton Wells, the Bluffton Park and St. Helena Library? The easiest thing to do is to say, "Let's buy it." The hardest thing to do is figure out where the money comes from.

Mr. Stewart said we have \$1.5 million in CIP. It is in the projection. Mr. Baer said it has not been approved. Mr. Newton said this will increase the millage. (Mr. McBride leaves).

Mr. Baer said a standstill without a new project is a 4 mill increase. If we do not spend more we still have an increase. Now we are talking about Rural and Critical Lands and the Commerce Park so it is 7 or 9 mills. Mr. Stewart said of the things we talked about, in that packet, is \$1.5 million. Of the things above the 4 mills, there are numerous projects including the Administration and Courthouse reconstruction. If that were accepted, we would talk about an additional \$900,000. Granted we may not approve those, but I doubt that is the case.

Mr. Caporale said does believe we cannot find a source for this money. He said we can give up some of the bond referendum from Rural and Critical Lands. Mr. Newton asked where does the money comes from. Since the CIP presentation illustrating the 4 mill increase, more than a few guys said we have to find a way to cut the millage increase. The real question is ask Mr. Kubic. Mr. Caporale said we should ask Mr. Kubic to examine this.

Mr. Flewelling said he cannot think of a better investment for Beaufort County's future than buying this property now. It is more important than protection of some property that may or may not be available through Rural and Critical Lands Program. If we have that referendum, we should include to the money to purchase this property.

Mr. Rodman asked if this would qualify as critical under Rural and Critical Lands. Mr. Flewelling said he thinks it would, semantically, but probably would not actually.

Mr. Kubic said this has probably been the best budgetary meeting he attended in a long time. It deals with a variety of ramifications: objectives, loans, partnerships, impact, etc. A decision like this, I like to have a list of all the questions related to the problem at-hand. Is it that the loan is callable today? Is it we do not want to make interest payments because we are not building equity? Is it about control and ownership of the land with a purchase? Does this change the decision making with the LEN? What do we want to do with the land, give it away? Do we have all of the partners here? He said he would like to see a list of 10 to 15 questions dealing with the dilemma of the present problem with the LEN. He said he is not sure of all the legal consequences. Then, he said he wants to look at all of the possibilities. He said if we want \$1.5 million, we can find it really quick in the fund reserve - \$25 million. The question is whether it is right. The right thing to do, I think, is to start with all of the issues we have up here. He said he does not agree with the banks in only charging interest. It is pouring money down an interest drain. In the next few weeks, as we decide our budget of which CIP is a large part, we have a huge question about what to do with the Rural and Critical Land Referendum. What are all of the things we want to put on the table? Do we pick and choose? There might be another combination we do not know yet. We are at a crossroads. I know we have a trade off. We do not have a lot of money in the debt capacity to go, so make your choice wisely. It is all a choice. If you want to do something, something else has to go. The deadline we have in this room is the third reading of the budget ordinance (June 17, 2010) because it reflect the combination of CIP, Rural and Critical Lands and general operation.

Mr. Stewart said this gives us less than six weeks. He said he hoped there were questions answered today. He said he wanted to leave it to the Public Safety Committee to decide what to do.

Mr. Rodman said we should put the \$2.5 million in the hopper with the CIP and review as we go forward, establish priorities and figure out whether we do or do not do it.

It was moved by Mr. Rodman, seconded by Mr. Caporale, Committee forwards to Council a motion to include the County acquisition of the Lowcountry Economic Network development property at the Beaufort Commerce Park in with the Capital Improvement Plan to be considered with the fiscal year 2010-11 budget. The vote was: FOR - Rick Caporale, Gerald Dawson, Brian Flewelling, Stu Rodman, Paul Sommerville, Jerry Stewart, and Laura Von Harten. AGAINST – Mr. Glaze. ABSTAIN – Mr. Baer and Mr. Newton. ABSENT – Mr. McBride. The motion passed.

Recommendation: Council includes County acquisition of the Lowcountry Economic Network development property at the Beaufort Commerce Park in with the Capital Improvement Plan to be considered with the fiscal year 2010-11 budget.

Status: Alternatives for funding/purchase of the Commerce Park must be submitted to the Public Safety Committee before May 24, 2010.

DRAFT