

COUNTY COUNCIL OF BEAUFORT COUNTY

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SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA COUNTY COUNCIL OF BEAUFORT COUNTY

Monday, August 9, 2010

4:00 p.m.

Council Chambers
Administration Building

Citizens may participate in the public comment periods and public hearings from telecast sites at the Hilton Head Island Branch Library as well as Mary Field School, Daufuskie Island.

- 4:00 p.m.**
1. CALL TO ORDER
 2. PLEDGE OF ALLEGIANCE
 3. INVOCATION
 4. REVIEW OF MINUTES – [July 12, 2010](#) and [July 26, 2010](#)
 5. PUBLIC COMMENT
 6. [COUNTY ADMINISTRATOR'S REPORT](#)
Mr. Gary Kubic, County Administrator
 - The County Channel / Broadcast Update
 - [Two-Week Progress Report](#)
 - Recognition of Fred Furman, Disabilities and Special Needs Employee
 7. DEPUTY COUNTY ADMINISTRATOR'S REPORT
Mr. Bryan Hill, Deputy County Administrator
 - [Two-Week Progress Report](#)
 - South Carolina Association of Counties Presentation / J. Mitchell Graham Award

Over



CONSENT AGENDA
 Items 8 through 10

8. CLELAND CONSTRUCTION FOR THE CONSTRUCTION OF BLUFFTON PARKWAY PHASE 5A ROADWAY PORTION ONLY ([backup](#))
 - Public Facilities Committee discussion and recommendation to approve occurred August 4, 2010 / Vote 5:1
 - Contract award: Cleland Site Prep, Inc., Ridgeland, South Carolina
 - Contract amount: \$11,578,529.71
 - Funding source: 1% Sales Tax Road Improvement Program, Account #33401-54500

9. AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010C, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$9,000,000 ([backup](#))
 - Consideration of first reading approval August 9, 2010
 - Finance Committee discussion and recommendation to approve occurred August 4, 2010 / Vote 7:0

10. AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO ADD THE DAUFUSKIE ISLAND COMMUNITY PRESERVATION PLAN TO APPENDIX F, SECTION 7, TO THE BEAUFORT COUNTY COMPREHENSIVE PLAN OF 2007
 - Consideration of second reading approval August 9, 2010
 - Public hearing Monday, August 23, 2010 beginning at 6:00 p.m. in Council Chambers of the Administration Building, Beaufort
 - First reading approval occurred July 26, 2010 (Presentation) / Vote 11:0
 - Natural Resources Committee discussion and recommendation to approve occurred July 29, 2010 / Vote 5:0 ([backup](#))

11. [COMMITTEE REPORTS](#)

12. PUBLIC COMMENT

13. EXECUTIVE SESSION
 - Discussion of negotiations incident to proposed contractual arrangements and proposed purchase of property

14. ADJOURNMENT

County TV Rebroadcast	
Monday	4:00 p.m.
Wednesday	9:00 p.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

Special Joint Session
Beaufort County Council and Hilton Head Island Town Council
July 12, 2010
Visual and Performing Arts Center
Hilton Head Island High school
70 Wilborn Road
Hilton Head Island, SC

<u>Beaufort County Council</u>	<u>Hilton Head Island Town Council</u>
Weston Newton, Chairman	Tom Peeples, Mayor
Paul Sommerville, Vice Chairman	Ken Heitzke, Mayor Pro Tem
Steven Baer	Bill Ferguson
Rick Caporale	Bill Harkins
Gerald Dawson	Drew Laughlin
Brian Flewelling	John Safay
Herbert Glaze	George Williams, Jr.
William McBride	
Jerry Stewart	
Stuart Rodman	
Laura Von Harten	
Gary Kubic, County Administrator	Steve Riley, Town Manager

Mayor Peeples called the meeting to order at 4:03 pm. The invocation was led by Councilman Glaze. Those assembled recited the Pledge of Allegiance.

Mayor Peeples reviewed the procedure for the meeting; he said he'd preside over the meeting until the point of public comment, after which time Chairman Newton would take over. Mayor Peeples said a noise study in the airport area was to be funded, to be done before tree cutting begins. The county will work with the Town of Hilton Head Island; each body will provide \$25,000 to do the noise study. Mr. Kubic affirmed this. Chairman Newton also made some procedural points.

Talbert & Bright Administrative Report

Mr. Johnson of Talbert and Bright said he appreciated being partners in the Master Plan. He introduced the consultants Carl Ellington, Bill Pearson, Pat Turney and Judy Elder. There have been three public sessions thus far. They have received more than 1400 comment sheets. They had been asked for their professional opinion based on their own skills and abilities and FAA guidelines. They have reviewed their findings with the FAA and they are prepared to assist in implementation as the town and county see fit.

He showed a slide about the determination of runway length. The length of runway recommended is based on a maximum take-off weight and will accommodate private and

commercial aircraft. The existing runway configuration is 4300'. The first step in the Master Plan will take the existing airport and bring it into compliance. They were asked what is possible using the airport as it exists today.

- Extend the runway safety area: purchase property or install EMAS
- Remove displaced thresholds on both ends
- Relocate taxiway A from 200' to 300' from the centerline
- Improve runway capability in a limited way

Alternative 1: a 5499' runway, unconstrained configuration

- Relocation of Beach City Road, Fish Haul Road, and Dillon Road (purchase of 21 parcels or portions of parcels)
- Relocation of St. James Baptist Church
- Additional tree clearing for approaches

Alternative 2: a 5400' runway, constrained configuration on property that already exists

Phase 1 of this alternative would create 5000' of the runway.

- Construction of an EMAS on both ends of the new runway
- Landing thresholds would be located to match the current tree clearing project
- Operational weight restrictions on certain aircraft

Phase 2 of this alternative would create a 5400' runway.

- Relocation of Beach City Road (purchase of 5 parcels or portions of parcels)

Alternative 3: 5400' runway realigned, constrained configuration

- Construction of new runway and taxiway system
- Construction of an EMAS on both ends of the new runway
- Relocation of air traffic control tower
- Relocation of aircraft rescue and fire fighting building currently under construction
- Purchase of property including Exec Air
- Additional tree clearing in approaches

Mr. Johnson called this "the least attractive alternative." He said Alternative 2 is the most attractive for the purposes of the 20-year Master Plan and the consultants' recommended option.

JOINT RESOLUTION OF BEAUFORT COUNTY COUNCIL AND THE HILTON HEAD ISLAND TOWN COUNCIL ENDORSING ALTERNATIVE 2 OF THE 2010 HILTON HEAD ISLAND AIRPORTS MASTER PLAN UPDATE TO ENDORSE ONE OF THE PROPOSED ALTERNATIVES PRESENTED BY TALBERT AND BRIGHT AS PART OF THE HILTON HEAD AIRPORT MASTER PLANNING PROCESS

Hilton Head Island Town Council

It was moved by Mr. George Williams, seconded by Mr. Bill Harkins, that Hilton Head Island Town Council adopt a joint resolution with the Beaufort County Council endorsing Alternative 2 of the 2010 Hilton Head Island Airports Master Plan Update to endorse one of the proposed alternatives presented by Talbert and Bright as part of the Hilton Head Airport Master Planning Process.

Beaufort County Council

It was moved by Mr. Stu Rodman, seconded by Mr. Paul Sommerville, that Beaufort County Council adopt a joint resolution with Hilton Head Island Town Council endorsing Alternative 2 of the 2010 Hilton Head Island Airports Master Plan Update to endorse one of the proposed alternatives presented by Talbert and Bright as part of the Hilton Head Airport Master Planning Process.

PUBLIC COMMENT

Mr. Joe Zimmerman, member of the Beaufort County Airports Board, said he had voted “no” on June 10. He feels there isn’t sufficient information to endorse anything. There are only 2 options; he feels the ways to attain the objectives as offered by the consultants are “throw-aways.” The FAA representative said that the decision is to be local. He wondered where the other options are. The “cookbook approach” is advisory, not mandatory. He asked how many more runway feet are needed for commercial airline business. He proposed an option that is “easier, faster and less expensive” that would mitigate tree cutting and noise concerns, among others.

Mr. Peter Buchanan, chairman of the Beaufort County Airports Board, said they had recommend alternative #2 for the Hilton Head Master Plan. June 10 they recommended this and sent it to County Council. He offered the history of the matter. The Airport Board was kept out of the consultancy to keep it local. Talbert and Bright offered their information, and the Airport Board tabled the motion to allow for study. The June Airport Board meeting was moved up to allow them to move quickly. They wanted to expedite it because the questions put to Talbert and Bright were beyond the scope of their work. Many of the questions would be answered in the next phase of the Master Plan. The board felt some questions were “done as delaying tactics.” He thinks this should be expedited because there will be another 5 years between now and lengthening the runway. Talbert and Bright complied with FAA standards. If there is not building to meet those standards, the commercial airlines won’t fly to Hilton Head anymore. They need to move now to have commercial operations.

Mr. Daniel Clare, Hilton Head Island, said everyone needs to be good stewards of public dollars. He feels that the money is being spent to fund those wealthy enough to have private jets, and he finds that “shameful.” He doesn’t feel it’s the right thing for the greater good of the community and the country. He wondered why this issue is so important, and then answered

that the FAA was to bear the major costs of airport expansion. Those funds are also citizens' tax dollars, he said. It's not "free money." He feels Americans need to "shut the faucet off" for unnecessary spending. They shouldn't spend money on an airport that's safe and convenient already

Mr. Charles Raley, Hilton Head Island, offered that he is in favor of extending the runway to 5400'. He said the issue is the economy, not spending tax dollars. Hilton Head Island is losing visitors and funds and dipping into reserves; it needs more revenue which would increase with greater commercial and corporate traffic to spend money and benefit the island. The FAA funds 95% of the airport if they approve it. Those tax dollars will be spent on some airport somewhere, no matter which. He said that it's not an earmark, its general appropriations. He said there's no real economic reason to do the 2 steps to get to 5400'. The conclusion of it will give the FAA a chance to not fund the 2nd phase of the project. The consultants know what they're talking about, he feels. The church can move if they choose to; for safety they should move but it's their choice. He said the land is historical, not the church. Two phases only continues the controversy. It should be one phase with 5400' now, he believes.

Mr. Leo Brennan, Hilton Head Island, asserted that he didn't feel either council should be voting tonight. The 5400' runway is based on aircraft that used the airport in 2008, only 2.4% of the total aviation at that time. 94% of the aircraft included in the study only require a 4800' runway. The FAA officials he'd consulted with were in agreement with this, though the consultants were not. Information that is important to the public was not included in the information presented by the consultants. The 5400' runway will not have any more usable landing length than the current one does before the trees are cut. The plan included 450' for each of the EMAS installations. The proposal is a reduction by 150' from the standard EMAS installation. Other alternatives need to be considered.

Mr. Joseph Mazzei, Hilton Head Island, is on the Airport Board and has a private plane. He doesn't need a longer runway for it, but he thinks the facility should be looked at and upgraded. He hopes councils will not disparage the engineering company that was hired. He feels that anyone who says the airport is currently safe is not qualified to make such statements since they're not all engineers and pilots. As a commercial passenger into the airport, he knows they have the shortest commercial runway in the US. He asked councils to consider the fiduciary responsibility of upgrading the facility and to provide the travelling public a safe facility in which to operate.

Ms. Becky Guin lives near Fish Hall Creek, parallel to the runway corridor. She and her husband bought their home in 1998 and were told that the airport runway would never be expanded and that there were documents in place to prevent it because there was insufficient room. In 2003, when talk surfaced about lengthening the runway, they knew it would affect quality of life in the area and drop property values. They wanted to sell their home before property values fell. In 2004, resolutions were passed that the runway wouldn't be lengthened, so they decided to keep their home and invested more money in it. And now in 2010, the councils'

resolutions appear useless. She finds it “repulsive” that Hilton Head Island residents are callously ignoring the effects of this on her and her neighbors for the convenience of a small special interest group “and their toys.”

Mr. Tom Hatfield lives in Hilton Head Plantation and is in “easy earshot” of the airport. He said they “have one bite at this apple,” and he wants to do it right the first time and supports the 5400’ runway. He agrees that Hilton Head Island needs a viable commercial airport. Most airplanes are phasing out turbo props. The 5400’ runway will accommodate commercial and non-commercial jet aircraft. Private aircraft are flown in for business and corporate executives, not just tourists, and they won’t fly in if they can’t be professionally accommodated.

Mr. Henry Fox lives on Ft. Walker Drive in Hilton Head Plantation. He feels the runway shouldn’t be extended because the larger jets will bring greater noise, which is a huge strike and will have an impact on a lot of people. The project will decrease his property value; it will probably increase the taxes they pay. To keep current commercial airlines, they don’t need to increase it. He doesn’t think the consultants have learned enough to dispute these points. The big benefactors will be the “fat cats”: large private plane owners and their pilots.

Mr. Bob Gentzler is on the Palmetto Hall board of directors and has spoken to both councils about the noise study, and he thanked them for their support to do that.

Dr. Charles Bertrand, Hilton Head Island, feels government spends too much, and everyone’s taxed too much. Money should only be spent on essential items, and this is not essential. He said he wanted to retire on “good land” and bought 3 parcels near the airport. Beaufort County assessors taxed him excessively, he feels, and after his protests, the taxes were reduced microscopically. After 15 years, he had to go back to work to pay taxes.

Mr. Don Schwarz, Hilton Head Island, said the Master Plan and its alternatives should focus on the need to maintain commercial service and shouldn’t be driven by general aviation services. They don’t carry the number of passengers they are capable of carrying because of customer demand. The airlines could carry 111,000 passengers daily at the current load. He asked what a runway extension would add if they could add so many people *without* any runway extension. He said that the resolution says consultants presented their recommendations but the focus hasn’t been on the commercial, critical aircraft. Those are the aircraft that serve the public.

Mr. Jim Fisher, Hilton Head Island, urged the councils to vote no. He said there’s a lot of history involved and he presented some of it. He said no one’s inventing anything new. In 2001, consultants said they needed a 5000’ runway, and the proposal was rejected by town council. John Curry was the chair of the Airport Board for many years; the negative effects of the expansion on the communities surrounding the airport were important to him. He quoted a 2000 piece by Curry from *The Island Packet* about this issue. He was involved in 2006 to look at methodology. He thinks the consultants are “puppets of the FAA.”

Mr. George Salome lives in Palmetto Hall. In the decision-making process, he feels that the business case has not been made for any potentially large expenditure that will have to be made for any Master Plan alternatives. He asked what benefits will be gained for the costs. The councils can't make a truly informed decision without fully understanding the business case for each alternative. Citizen tax dollars are being proposed to be spent on the airport, regardless of what they're called. Why they are being spent is important to him. It appears that the Master Plan for the cost of all alternative is being driven by private operators, not commercial operations, which generate the revenue, not private aviation. The cost for additions (tree replanting, etc.) needed to reduce noise levels back to what they are before trees are cleared has not been addressed, and this should be done *before*. The difference between the current runway and an alternative must justify the expenditure. He recommended 2 detailed analyses in the recommendation, including costs for all alternatives; they need to know the costs vs. revenue due to changes to commercial and private aviation. He said he can't recall when others presented a plan with options that didn't have a bottom line.

Mr. Tom Jans, Hilton Head Island, was an airline executive for a major carrier. He said people approach the problem as "if you build it they will come." He said this is not the case. Future jets could serve this airport; turbo jets that serve it will be retired at some point, and they need to look at larger aircraft. Analysis may show that no carrier can serve this airport no matter how long the runway is. Airlines will look at this, as well as the arrival of low-cost carriers; if situation occurs, yields will be depressed, and it will be more difficult to make money. He encouraged further analysis, looking at whether an airline can fly and make money with those restrictions.

Mr. Bill Coleman lives in Palmetto Hall. For him, the issue is the impact on property values for the Master Plan alternatives. The alternatives will increase noise and decrease property values, which will lead to a net decrease in tax revenues to Beaufort County and Hilton Head Island. Mitigation costs must be defined and added to alternatives. The effect on prices is highest in moderate and expensive neighborhoods. He said quiet neighborhoods have 18.6% higher property values. Potential real estate buyers are hesitant to commit due to the uncertainties of airport expansion. He recommends that Talbert and Bright be directed to give detailed analysis on this affect on property values and the resultant impact on the county and town tax base.

Mr. Ed Batten, president of the Hilton Head Island Land Trust, referred to historic Fort Howell, saying that the realignment of Beach City Road would put it through the site of Fort Howell; he described what would be taken away. He hopes this is an oversight and not a trend to put development ahead of historic sites on Hilton Head Island. The Land Trust urged councils to vote against the alternative 2 resolution.

Mr. Ron Smetek is a retired navigator. He thanked council for working on the noise study. The US Air Force is investing in 2 major projects of turbo prop aircraft, he said. Assuming that the noise study is completed successfully, no trees are cut down until the noise study is analyzed, and the respective communities are consulted, they need to confirm that the FAA improvements (doesn't need to be spent quickly) also cover mitigation activities, i.e., sound

barriers so as not to cut down 2400 trees and then spend 15 years figuring out how to get to the pre-build sound levels. He thinks commercial, not private operations, should be considered. The baseline noise study will establish the basis for future decisions. There is a need for detailed data and it should be elicited as part of the Master Plan.

Ms. Cynthia McAllister is with the homeowners' association of the Spa on Port Royal Sound. She lives 10 – 15 minute walk from the end of the runway, directly under the flight path. They were not part of original noise study and hope to be part of the new one. She invited people to experience firsthand what it's like to live in her area when planes are coming in for a landing and urged councils to vote against the extension.

Mr. John Morrisette, Hilton Head Island, said there are 35,000 people in the town of Hilton Head Island; 134,000 clicked the turnstiles at the airport. He has asked the Airport Board how much it will cost to do 5000' or 5400'. He's not seen the numbers and only heard theories. He would like the figures to be developed and published. If 5000' is done, he asked if they will tear up the EMAS after 5-10 years, do another environmental study, another noise study, or another Master Plan before the full extension (additional 400') is done. He thinks the land for 400' should be bought before the 5000' is done. 97.5% of the land is being paid for.

Ms. Ken Skodacek of Port Royal Plantation addresses the needs of the commercial airlines. Hilton Head is in competition with other major resort residential areas along this part of the coast. The John's Island airport that services Kiawah and Seabrook Islands has two 5000' runways and no commercial traffic. He gave other examples in Amelia Island/Fernandina; the St. Simons airport has two runways, one that is 6000' and no commercial traffic. The St. Augustine airport has an 8000' runway. The community needs to be protected in regard to that traffic. He's also tired of "the rich are evil" argument.

Mr. Phillip Schumann, Hilton Head Island, said change is difficult. He's in real estate and feels that community represents more than themselves as individuals, including business people coming into the island and other drivers of the Hilton Head Island economy. Those realtors who were not present at the meeting, he said, want an extension of the runway. He believes property values will increase, not decrease. Other resorts are easier to get to, even though they're inferior to Hilton Head. He has heard people say they won't come back to Hilton Head Island because they find it too difficult to fly in. The runway extension will increase the property base, etc. and he thinks they should do it at 5400'. He said it is like the Cross Island Parkway, which people fought, too.

Mr. Tom Crews chairs the planning committee and is a candidate for mayor. He supports the single application to the FAA of the 5400' runway. Commercial air carriers will be able to operate. At the Savannah airport in 2009, they had 646,950 passengers with a Hilton Head Island destination. Those passengers represent \$15 million in rental car revenue and \$6.6 million in parking revenue. They had to get to Hilton Head Island by ground. Corporate

hospitality could be developed if the runway is extended. The economic future needs to be addressed with good planning.

Ms. Ruth Rivers-Latford said that Hilton Head Island is her home. Her mom has been here for 92 years. The runway now runs directly over her home. St. James Baptist Church was her mom's parents' church from the 1880's; relocating the church relocates families and history. She urged councils to consider history and values. She urged them to vote "no" on the extension for many reasons. Each of the relocations of the roads and the church directly affects her family.

Ms. Marge McDougal said she has lived on Hilton Head Island for 19 years and has been a realtor for 17 years. She understands both sides of the issue and supports the limited EAS alternative. Common airport concerns in Palmetto Hall have been the noise and safety issues and the unknown expansion affects on Palmetto Hall. She asked if the property values will be affected and answered a definitive "yes." The concerns should be the residents, not airplanes.

Ms. Lottie Woodward is also a realtor and a 31 year resident. She said she is aware and appreciates history but she's concerned about the future: jobs, property values. She has had clients who came through Savannah because they didn't know about the Hilton Head Island airport. There are 4 times more visitors coming in the Hilton Head Island airport than locals. If they don't come, the property values will decrease. She doesn't understand why there's discussion about trimming unsafe trees. She thinks not listening to the consultants is "absurd." The tourism engine needs to continue "to get gas." Tourists drive the economy.

Mr. Charlie Reed said he has lived in Hilton Head since 1980 and he is in favor of the 5400' runway. \$80 million of economic impact to Hilton Head Island is generated by the airport, he said. He feels that without the extension, the airlines will leave Hilton Head Island, which will decrease property values, fewer people will come to visit, and the economy will suffer. He urged the councils to consider all of the information.

Mayor Peebles interjected that the trimming of the trees has been approved and it is not an issue.

Mr. David Pardue, Hilton Head Island, said the current capacity of the air carriers, particularly Delta's, can't take off with a full load because of the length of the runway on a hot day. He said many people would prefer to fly in and out of Hilton Head Island, not Savannah; the revenue makes Savannah a competitor. He doesn't use private jets, but he hates "the class warfare" because they're a benefit to the island. Major services won't fly into the island. He agreed with Chuck Reilly that it shouldn't be delayed.

Mr. Nick Esposito, Hilton Head Island, thinks the public has been misled by some council members. Talbert and Bright was the best choice of Master Plan professionals, he said, and is being criticized because people don't like what they hear. He has been bumped by Delta and US Air at the Hilton Head airport. He feels that the users of the airport require more safety that would come with the 5400' expansion.

Mr. David Ruckno, Hilton Head Island, said there are many issues on the table. He asked the councils to consider what the community will look like in 15 years when there are more homes, and how it will look to get to the airport. Building in Bluffton can't be controlled. He asked that councils consider the ability to get to the airport as opposed to getting to Savannah's. He also asked them to consider what type of planes might be flown into the airport in 15 years. The 2 airlines here have gone in and out of bankruptcy in the time he's been here.

Mr. Ken Ryan from Care Corp International said he supports the expansion to support the economy so companies like his can get clients in and out of the island to spend money. The expansion will also allow his business to grow.

Mr. James Wedgeworth, Hilton Head Island, said on a recent trip, he and his wife had changed planes in Atlanta and the flight to Savannah was cancelled. He found that there was no weather problem; the available air carriers couldn't land in Hilton Head Island. They landed in Charleston and got on a tour bus at 40 mph to Hilton Head Island. It was unpleasant, and he said it wouldn't have happened if they had a better runway on Hilton Head Island. He described other issues he had experienced or knew of in Savannah. He thinks it would be a great convenience to the residents to Hilton Head Island to have better airport service.

Mr. Richard Lieberman, Hilton Head Island, is a pilot. He said one of the biggest money makers in the resort community is the golf courses. Three years ago, Verizon pulled out because they used Gulfstream airplanes and couldn't land them at Hilton Head Island. They once could but their insurance now says that they can't land a Gulfstream on a runway less than 5000'. The golf tournaments can't be lost; the airport is jammed up with people during the tournaments and that a lot of money to the town.

Mr. Perry White, Hilton Head Island, said there was a time there was no bridge to Hilton Head Island and people still found their way there. He said the island is blessed with 12 miles of beach: that's an attraction that even the airport can't begin to touch. If the beach doesn't go away, the people will not go away. For 37 years, residents have been hearing the same stories and arguments about the need to improve the airport. What they set out to do at the beginning of the study was to make the airport safe; to provide emergency evacuation; to deal with commercial service; and to save the St. James Baptist Church. He feels like that can be done with the 4300' runway with improvements. In 2009, a C-130 test on the runway proved that evacuation can occur in an emergency on the existing runway. General welfare is as important as individuals' concerns. Beaufort County is not the town of Hilton Head Island. He said he hoped those who represent Beaufort County will think about outlying parts of Beaufort County as well as just the town.

Mr. Lawson Lowery, Hilton Head Island, said putting in the runway is for the good of everyone, not just for the good of a few. Without commercial airline support, Hilton Head Island would be just another beach or just another town. His company doesn't have meetings on the island because it's too expensive to fly them into Savannah and then transport them in.

Mr. Ray Warko, with the Hilton Head Island Chamber of Commerce, said the chamber supports Talbert and Bright's recommendation of alternative #2 and further that Talbert and Bright will provide the information to the community about whether the expansion should be completed in one or two phases.

Mrs. Fran White, Hilton Head Island, said when National Geographic came to Hilton Head Island, they said it's a beautiful place but lacks a soul. She said some people love the natural beauty and how it's been developed with some conscience. Those who want an airport at any cost should not be acceptable to the council at any cost. She asked that council ask themselves why they would extend the runway in a climate of such uncertainty and when the questions are subject to change. Even the consultants have said more information is needed. How can an airport that depends on town, county and taxpayer subsidies be an economic benefit to anyone except those who use it? 96-97% of those who come to the island come some other way than the airport, by highway or through the Savannah airport, then the highway. To say it's an economic necessity is uninformed or the opinion of those "blinded by political ambition." The Talbert and Bright report said the St. James Baptist Church shouldn't be physically affected by the expansion, but larger air carriers will pollute more, including noise pollution, so it *will* be affected. She feels the town and county councils need to ask more questions.

Mr. Scottie Davis said that flying in and out of Hilton Head Airport is more expensive than going to Savannah. She's opposed to the extension because she's one of the 84% of people who use the airport – residents. 16% are tourists. According to the plan, the new runway would be 300' closer to Highway 278. She hopes they'll consider that when they consider the proposals.

Mr. Charles Samson is president of the Association of Realtors. He has lived on Hilton Head Island since 1972 and has seen the growth from 6000 people to today. Economically, he feels they need the airport, and for safety, the airport must be improved. He said the consultants are smart and have given councils a plan. They need to move on and get it done.

There being no further public comment, the public hearing was closed.

After a short break, the meeting resumed at 6:08 pm.

Chairman Newton said the joint session was meant in part to demonstrate that they "are all partners in this facility." He reviewed the rules for the council speakers.

Councilman Baer showed a slide entitled "Gain vs. Pain of Major Steps." He said there are misconceptions that trouble him. He called the various options for the airport "like click stops on a dial." Each has a cost-benefit. The plan **to illuminate those cost benefits** is desperately needed, **but** he said unfortunately, **it seems that we are being asked to pick an option before we see the costs, benefits and pain of each.** Each option has some benefits and costs/pain and delay. He said some options will lead to lawsuits.

4300' plus tree work involves unknown costs. 4600' will cost \$6-7 million; after that, the pain goes up exponentially because of the effect on the north end residents. At 4600', all known commercial turboprops will benefit. General aviation will also benefit. At 5000', a few more private jets will be helped at a great cost; at 5400' a few more private jets will benefit at even greater impact and cost; and 5500' will bring in regional jets, but a large regional jet at 5500' is not a good idea.

Councilman Baer said he's drawn some conclusions:

- The study is "tilted toward large private jets."
- Commercial service to hubs is not in jeopardy. But if we do find that instead of extending into neighborhoods and the Church, we want subsidies for hot day empty seats, he'd rather subsidize commercial aircraft than GA, as we do today.
- The 5000' and 5400' proposals have a large impact on the north end with little commercial gain.

He feels a better plan is to use the part of the Talbert and Bright plan that adds 300' to the south end only to equal 4600'. He also feels that they should do the noise measurement *before* any tree cutting. He thinks it's essential to minimize and mitigate tree and noise impacts and assure that adequate mitigation funds are available. They should also determine other *Useful Good Neighbor* steps.

Councilman Harkins said this is a matter of the economic infrastructure. In many areas – cultural base, health care, etc. – in his opinion leaders do exceptionally well on the key pillars of the community. Transportation, though, fails considerably. The airport is a key element of the transportation system. It's a key economic resource. Talbert and Bright are recognized as national experts and have distilled the FAA information to non-experts. They say that for *today's* air carriers' equipment, not of that of the future, the FAA recommends a 5400' runway. He personally endorses it and has a high confidence in the Talbert and Bright analysis. The \$80 million commercially enjoyed per year doesn't include what's missed due to Savannah fliers. He added that he feels that general aviation's economic value is not understood. Many companies might come here for a seminar or a meeting which would lead them to think of putting in offices on the island and buying homes. He wants to make it right with those who have legitimate claims.

Councilman Sommerville said he'd like to see this resolved. He feels a responsibility to be a steward of this economic engine. He said it's their job to make it safe, accessible, and profitable. Extending the runway to 5400' will make it safer; there will be greater accessibility. Net jets require 5000' feet. It's an economic engine and will provide the economy with millions more than the current \$80 million. The Heritage tournament is in jeopardy and a more accessible runway would be a way to maintain it. The noise study will determine mitigation on those issues. He's supporting alternative #2, with expansion to 5400'.

Councilman Caporale asked if anyone knows what kind of plane Heritage flies. There was no answer. He said Heritage can't be preserved if people don't know what kind of plane they fly. He'd like to vote for the resolution but the way the debate has shaped up, as soon as the resolution is passed, there will be a massive lobbying effort to do it in two phases, and there will be a big push to do it in one. He asked Talbert and Bright what is gained in commercial air service at both 5000' and 5400'.

Mr. Pearson said they had examined the type of air carriers in a C2 airport. The larger Gulfstreams are a larger model than what's being designed for; most require 5600' of runway for take-off. Councilman Caporale said there are clearly other questions to be answered. He asked, at 5000', what they guarantee themselves in commercial air service. Mr. Pearson said all of the current air carriers they have require 4800' of runway for maximum take-off on the hottest day of summer. 5400' was arrived at by comparing what kind of runway length was required to land a 200 and 700 model series. All required 5400' + runway taking off at maximum weight on the hottest day of the year. There would be a lot of time in which they could take off on a shorter runway because of the temperatures.

Councilman Caporale said they will find themselves in the same position re: commercial regional jets. He feels a good many people misunderstood what will be gotten with the 5400'. The bombardier Q400 requires 5200', but 5600' for another model and 700 requires 5500'. Delta and US Air aren't flying those, Councilman Caporale said. The Bombardier may be available for service by a future airline serving Hilton Head Island.

Councilwoman Von Harten said she wants economic development and safety and convenience but also wonders what the essence of Hilton Head Island is; is it its real estate values, a golf tournament, a church? She said that some people are saying the church isn't historic, but it's at the heart of the community and other historical assets could be affected. If it's special enough to be in the National Gullah-Geechee registry, she feels they should be good stewards of the culture. She added that she would like an alternative where the runway could be built hugely if there's a hurricane that wipes the area flat.

Councilman Safay said he's "torn" on the issue. He, too, wants a vibrant community economically, but a town is more than the statistics. It's a soul, and they should be thinking about the effects on their neighbors in addition to the economy. He said Councilman Baer has outlined a compromise and has put a lot of work into it. He said Councilman Baer is suggesting a small extension to the south end which would go with the tree clearing. Those two things would appear to assure a good atmosphere for commercial service into the foreseeable future. He doesn't see commercial service to New York and Chicago as being viable. The numbers that come to the airport as tourists is only 3-5% and even if that grows, he asked if it was worth the pain to the community. He will not vote for 5400' extension, and he reiterated his support for Councilman Baer's plan that will accommodate most private jets and most if not all of the commercial aircraft. He added that he finds it astonishing that fiscal conservatives, who usually

decry all spending, “are saying let’s spend tens of millions of dollars to extend the runway to 5400’”. He questions whether the benefit is worth the cost.

Councilman Ferguson said he’s torn between two different worlds: commercial and residential. Those on the north end of the runway need to have more input, and he’d like the two councils to arrange for the consultants to meet with the people – residents and property owners who will be most affected by this process – for a more comprehensive understanding of the whole process. He said the 5th and 7th “Whereases” in the resolution are in conflict; the 7th appears to override the 5th.

Councilman Ferguson said they’re talking about voting on the resolution today, but when the next phase is hasn’t been discussed. Alternative #2 is in two phases. Before most people on the councils came here, there were people here, and certainly long before the airport was built. He’s in favor of regional transportation but doesn’t believe this facility can handle it. There needs to be long-term consideration of financial impact in the future; there seems to be thought only of today. He said he favors Councilman Baer’s proposal but he can’t vote for an expansion of the airport runway to 5000’ or 5400’ because of environmental and local impact on residents surrounding the airport and other areas of Hilton Head Island. He would like the residents to have a voice, and if they vote tonight, they will not be able to have a voice.

Councilman Laughlin said this is difficult for everyone. He’s heard similar conversations over his 33 years here. He’s heard that economic well-being is based on those who could choose to go elsewhere, including those who are fortunate enough to travel by private jet. He wondered how much is enough? He said it’s a question of general aviation. A decent regard for the interests of everyone including those who own property around the airport dictates that they make decisions based on data and facts, not on simple beliefs. When the Master Plan is completed, more decisions will be made about whether to proceed in one phase or two. Commercial aviation will be sufficiently served for the foreseeable future with a 4800’ runway. They have an interest in accommodating the needs of general aviation. He can see where Beach City Road would be affected and how property owners in that area will be affected. He doesn’t think the decision has to be made today until the completion of the Master Plan. His bias will be to do what he thinks is necessary for Hilton Head Island to sustain itself economically. 5000’ may prove to be enough.

Councilman Heitzke said he represents the constituents in the airport area and all the surrounding properties; Hilton Head Plantation, Palmetto Hall, Port Royal, etc. are all in his ward. The obvious answer is not to expand the airport. He feels he can’t make a decision tonight on this resolution because it doesn’t contain all the information he feels he needs. The 4th through 6th “Whereases” state the consultants are making the decision for the councils. The people who live in the area around the airport bought their properties, aware that the airport was there. He explained some history of the area. He said his issue is that he doesn’t have enough information, and the recommendation lacks details, no cost estimates, no timelines, and this is “not a neat way” to look at the alternatives and their pros and cons. It’s so complex

he can't get his mind around it. He has trouble understanding why this need for expansion is a major problem now; safety will be taken care of with the cutting of the trees. The airport represents 1/10th of 1% of the economic value of the island. He also said there is no doubt there will be lawsuits.

Councilman Rodman said he's in favor of Alternative #2. He feels it gives direction to the consultants to proceed down the path to detailing the financial aspects, etc. He feels they've been creative and know what they're doing. He said on the question of a subsequent phase, whatever they do, they should do it once and do it right, he feels. That should be on the table as part of the plan. The FAA is probably not going to give all the money at one time, so it will be likely to be done in phased construction.

Councilman Rodman said he looks at 5000', not 4600', as the break point, unlike Councilman Baer. He said the south end runway is close to Highway 278 and a long way from Dillon Road. He said everything that can be done on the south end should be done, including the EMAS material. The north end would be clear cut. Then perhaps there is sufficient over run in the cleared area that it might suffice.

5000' feet "seems like a magic number" and Councilman Rodman is "very good to go" on that. Moving to 5400' he doesn't feel is fully justified yet. He said they've purposely focused on flying to nearby hubs, knowing that was a factor. There was agreement to maintain service to nearby hubs, not to faraway cities. He offered a proposed new phase one (enhanced south end):

Modifications

- Relocate EMAS 100' Nearer the Property Line
- Utilize Clear Cut for Overruns
- Add 300' to North End
- Finish Cutting South End Trees

Benefits

- Runway Lengths - Takeoff: 5,000, Landing: 4,600' (same as Alt #2 - 5,400')
- Logical 1st Phase
- Less Controversial
- Reduced Cost
- Reduced North End Noise

In terms of the phase 2, Councilman Rodman said he feels they need to do it to bridge to the 5400' FAA runway length methodology. He presented the case that he felt Talbert and Bright had not yet made; there are open issues and questions about mitigation plans pre-and post-cutting of the trees.

Mayor Peeples said he's ready to vote for the resolution because he feels it's in the best interest of the town long-term. He said the church should not be moved, and no one's home should be displaced. He said Councilman Rodman's alternatives sound like they're worth exploring. He asked for a commitment to going forward to refining alternative #2 and a Talbert and Bright representative agreed.

Chairman Newton said he thought there should be joint meetings more often with direct communication with the public. He said he's aware of the impact on the individuals around the

airport. He's looking forward to the future when his children come to see him and he hopes they'll have a safe airport to travel to. He said they had hired professionals when they hired Talbert and Bright from the 5 companies that responded to the RFQ. They spent \$423,000 to fund this process. They stand to get considerable money back from the FAA. The investment was made because it's a topic of particular significance for safety and for economic sustainability of the island. The competition for resort dollars is very keen, as well as as a retirement location. They must consider the economic prosperity of the future. He intends to support alternative #2 and the resolution as prepared, not precluding going to 5400' in one phase nor requiring that.

Councilman Dawson said he would vote against it because it's unclear, and there's a lot of uncertainty about the impact of the extension to 5000' or 5400' on the church and existing private homes. He said he feels that's a contradiction in the resolution in the part beginning "Now therefore be it jointly resolved..." and in the paragraph that precedes it regarding the relocation of the church or private homes in both potential phases. One says it will *not* affect them and the other says they will confirm or refute whether they'll be affected. Until he knows for sure that there's not a direct impact on the homes and the church, he won't vote for the resolution.

Chairman Newton said the resolution was offered jointly by the town and county staff.

Councilman Stewart said he is prepared to vote in favor of the resolution as an indication of what they want the consultants to continue with, and it will be refined. As a county council member, he's looking at it with concern as to the benefits of the county as a whole; it's important to the economic well-being of the entire county, not just to Hilton Head Island. He also feels that perhaps there's too much emphasis being placed on the non-general aviation; general aviation should be a key part of this debate. There's a need to increase non-tourism business activity to bring more technical business to the island.

Councilman Heitzke asked Talbert and Bright referred to page 15 – land and facility requirements – and said he'd like to know what they will get out of it and when. Mr. Johnson said they can expect to define in more specific detail what the impact might be on the airport, adjacent property, and the buildings on both. There might be several steps, and they will be given the costs and the definition of what it includes. Councilman Heitzke said he's concerned about "quantifying potential impacts." Mr. Johnson said noise would be included. Mr. Pearson said they had shown the impact of noise in the slides they presented on the various areas. These are studies based on their forecast of the kinds of air carriers that might use the airport in the next 20 years. For the purposes of the Master Plan, they haven't considered trees or other abatement.

Councilman Baer said in regard to safety that the FAA said there's nothing unsafe about this airport now, and when they cut the trees, it'll be even better, so it's a non-issue. The issues with the proposed plan bring it 800' closer to the church which is a safety concern. They were

never told the vertical impacts until they asked the questions. Vertical impact on the steeple will go down to 12.5', so safety in that case will be decreased. The more the runway is lengthened, the more fuel will be overhead, with larger and heavier planes and maybe even a regional jet at 5400'. This will bring safety down, not up. He thinks there are other approaches: adding 300' in the south is painless, has a lot of benefit, but as soon as the north is touched, he believes there's deep trouble. He will support a plan that moves to the south but not the north. They need to consider the people living in the north end and the churches there.

Councilman Baer said in regard to noise, the FAA isn't going to pay for work if they're not in the 65 DNL zone. He advised people to think of that and recommended Figures 1-4 in the Talbert and Bright report; they're still below 65 but coming closer. When there's no economic justification, he feels it's a bad move to add on to the north. He thinks it's fairest to maximize the south.

Councilman Caporale said that no one has worked harder on analyzing the data than Councilman Rodman and Councilman Baer. In regard to noise, the FAA meeting was called by some constituents. The FAA acknowledged that the airport is safe and noise is treated differently than it might be for those outside the study. The noises are averaged over 24 hours. Noise samples weren't taken from everywhere, including Palmetto Hall. He asked about the timeline for a noise study and whether it would be done before the tree cutting commences. Mr. Riley said they have talked to Talbert and Bright about amending the contract to do that, and everyone's on board with that. The staff will work out the details about that additional study, but he can't promise anything.

Councilman Caporale asked about the tree cutting: the FAA noise studies don't take into account vegetative mass that would have an impact on noise. Talbert and Bright concurred that this is correct. The trees will be cut and Councilman Rodman's plan would save 200 live oaks, if his ideas could be worked into the tree-cutting plan. He asked staff if this plan would be given significant consideration. Councilman Rodman interjected that he "doesn't really have a plan"; he looked at the original proposal and what happened with the ordinance the town council passed, and he believes he could save 200 live oaks. He calculated what was done in the ordinance they passed. Chairman Newton said the ordinance they have passed incorporates those thoughts as they exist today. Councilman Rodman said he has some tweaks that may save a few more trees going forward. He thinks the ordinance is good.

Councilman Caporale asked Councilman Rodman if it satisfies his intent in submitting the ideas to staff. Councilman Rodman said it expands the buffer and goes to a more frequent maintenance cycle on the hardwoods, so fewer trees will need to be cut down.

Councilman Safay asked about the vote and resolution itself. He said many council people have misgivings about not having enough data to make a decision. He asked if the resolution is voted down, if they can go to the next phase of the Master Plan and have Talbert and Bright give a more detailed analysis of doing it. Chairman Newton said he believes that this resolution allows

the Master Plan process to move forward; it determines what they're going to do a feasibility study on. They need the joint council to pick an alternative to be studied. After that's chosen and they do their work, then the councils will make the determination on the whole data set and determines what happens at that point. It was shelved in the past. If this is not moved forward tonight, Talbert and Bright will be "stuck."

Councilman Safay asked if they could move it forward with some mutually agreed upon amendments. If it's voted for as written, he feels there will be a mindset on the island that the councils have agreed to go to 5400' which will be disruptive to the island. He would like Councilman Baer's option examined as the 5000' and 5400' options will be. Mr. Johnson said they would like some direction and focus as they complete the study, but Councilman Rodman's and Councilman Baer's ideas could be considered. Councilman Safay said if they could move forward at the next meeting they could have all the data to make a good decision.

Chairman Newton asked if it would increase the cost. Talbert and Bright are asking for a direction as to whether they are moving forward based on their recommendation. There have been suggestions made by Councilman Rodman and Councilman Baer; he asked if Talbert and Bright can add in these other two suggestions without going outside the existing scope of the contract. Mr. Pearson said they've narrowed it down to extending the existing runway. They will look at any reasonable alternative within the existing runway whether it's 5000' or 5400'. They don't want to start the cycle over, but in the final documents, they will be based on the selected alternative. There *would* be additional cost "to do this three or four times" with a variety of alternatives.

Councilman Baer said politically few are prepared to endorse a 5400' runway, but they could live with Talbert and Bright's best opinion for 4600', 5000', and 5400' and then vote on it. Mr. Pearson said they can show the runway being built in phases if that's what they desire. His fear would be that they are doing a Master Plan, not designing. They're looking at the 20-year vision. If councils decide to remove the runway length and make it shorter than 5400', and ten years later decide that they should have included it, they'll have to start again. They could decide 5400' is the ultimate plan, however, and only go to 5000'; they will have that data.

Councilman Baer said he'd vote for Talbert and Bright to write a reference document with the pros and cons of the 3 sizes of runway. Chairman Newton offered an amendment to the resolution to see if it was satisfactory to the councils: in the 7th "Whereas" clause, the last sentence could end at "feasibility" to end the apparent ambiguity.

A second modification would be to add the language: "and further that the sub-options discussed on July 12 be added into the process." With these two changes, the resolution will stay intact, clear up the ambiguity, and add in possible sub-options. Councilman Baer said "it still smacks of the 5400'". Mayor Peeples surveyed the maker and second of the motion on the Town Council and they had no objection to Chairman Newton's suggestion; the same was true for County Council's maker and second of the motion.

Councilwoman Von Harten felt that “this is scary,” and she’d “rather not spend any more money on this right now.” Councilman Ferguson, referring to the reference to 5400’ in the “Whereases,” asked if it’s concrete and asked if Councilman Baer and Councilman Rodman’s figures could be included as an amendment. Chairman Newton said the “Whereas” clauses have gotten them to this point, and the “Now therefore...” language says they endorse alternative #2. Councilman Baer and Councilman Rodman’s alternatives would be added into the sub-options.

At the top of the resolution (text in bold), Chairman Newton suggested adding an endorsement of “further study of” alternative #2. Councilman Rodman said “endorsing and studying” would cover Councilman Baer’s concern. Councilman Baer said “no.” He doesn’t want to endorse alternative #2 without understanding the cost-benefit of the sub-options. Councilman Williams asked for clarification of the language changes under discussion. Chairman Newton said Councilman Baer had offered language that would replace *endorsing* alternative #2 with “endorsing further study of alternative #2.” The maker and second of the motion didn’t agree, so the language in the resolution remained unchanged.

Councilman Harkins said he thought their role was to give direction to the consultants, “not to legally ratify anything.” He feels like “now they are abdicating their leadership responsibility and confusing themselves and the public.” Mayor Peeples called the question.

Chairman Newton reiterated that the vote on the resolution would include 1) eliminating the language in the 7th “Whereas” clause after “feasibility” to end the apparent ambiguity and 2) add the language: “and further that the sub-options discussed on July 12 (i.e. 4600', 5000', 5400') be added into the process.”

Hilton Head Island Town Council vote was: Supporting - Mr. Drew Laughlin, Bill Harkins, Mayor Tom Peeples, Mr. John Safety and Mr. George Williams. Opposing – Mr. Bill Ferguson and Mr. Ken Heitzke. The motion passed.

County Council vote was: Supporting – Mr. Rick Caporale, Mr. Brian Flewelling, Chairman Weston Newton, Mr. Ste Rodman, Mr. Paul Sommerville and Mr. Jerry Stewart. Opposing – Mr. Steve Baer, Mr. Gerald Dawson, Mr. Herbert Glaze and Ms. Laura Von Harten. The motion passed.

There being no further business, the meeting was adjourned at 8:00 p.m.

Official Proceedings
County Council of Beaufort County
July 26, 2010

The electronic and print media was 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, July 26, 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 Herbert Glaze gave the Invocation.

MOMENT OF SILENCE

The Chairman called for a moment of silence in remembrance of Mrs. Sharon Flewelling, mother of Councilman Brian Flewelling, who died July 16, 2010 in Corinth, New York.

The Chairman called for Council's prayers for Capt. John Keough, a deputy with nearly 20 years of service with the Sheriff's Office and retired Marine, who was hospitalized after an off-duty motorcycle collision with a log truck in Jasper County left him seriously injured.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD JUNE 28, 2010

It was moved by Mr. McBride, seconded by Mr. Flewelling, that Council approve the minutes of the regular meeting held June 28, 2010. 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.

PUBLIC COMMENT

The Chairman recognized Mr. Aaron Crosby, Chairman of the Daufuskie Island Council, who said Council will be discussing tonight the proposed Community Preservation Plan for Daufuskie

Island. It has been a long journey to get there. It has been more than five years since a committee was formed by the County to look at zoning issues on Daufuskie Island. The Committee has done a fantastic job guided by Mr. Brian Herrmann and Mr. Tony Criscitiello in putting together a plan that truly captures the essence of what Daufuskie Island residents think and believe Daufuskie Island can evolve into -- ultimately the jewel for all of Beaufort County. As Council is giving the Plan consideration today, please know that it is something that has the full support from Daufuskie Island. The Plan pointed out a number of things that we all recognize need to be addressed and this gives us, at least, a platform to slowly work our way through those issues and an appropriate time as things become available for us to battle them. This is a wonderful document. It reflects a great bit of collaboration between the people of the Island, the county and staff. He commended all of them this evening. He hopes Council will find favorable for this report as it considers it this evening.

Mr. Bill Greenwood, Co-Vice Chairman of the Daufuskie Island Council, gave a history of the Daufuskie Island Council (hereinafter DI Council). Members of the DI Council were elected earlier this year by members and stakeholders of Daufuskie Island. It is the first vote of this kind in a very long time. The DI Council is tasked with representing its citizenry and hopes Council finds this Plan favorable. Members of the DI Council look forward to working with Council in the future as this Plan is realized.

The Chairman commented recently there have been some articles in the newspaper about the convenience center on Daufuskie Island. The DI Council has taken a recent position that perhaps an alternative location on the Island would be more appropriate. Mr. Crosby was on the telephone conference with Mr. Kubic, the county engineering staff and others with regard to the County's determination to move forward at the site, but also with the commitment to work for a comprehensive solution including the opportunity for perhaps a public-private partnership for recycling efforts the residents want for the existing site. The expansion of the existing drop-off center going from the unmanned, *a.k.a.*, boxes in the woods, to a more modern facility is fitting if we are going to have that service provided in Beaufort County. In Chapter 2 of the Plan on page 116 the expansion of that very site is included in the Plan with the commitment that it is time to comprehensively examine waste disposal across the entire Island.

COUNTY ADMINISTRATOR'S REPORT

The County Channel

Mr. Gary Kubic, County Administrator, said The County Channel has now won a few awards on the *Coastal Kingdom* series. Broadcast Services is now in production of *Creatures of the Night* which features horseshoe crabs, alligators, bugs and snakes. The episode will air in August. *Coastal Kingdom* stars Mr. Tony Miles, who is a naturalists and an educator with the Lowcountry Institute. Messrs. Scott Grooms, Rob Lewis and Jake Krielcamp do the shooting and editing which is superb. They have been working nights to capture these critters on camera. The next upcoming production is *Beaufort County's Forensics Lab*. It is a documentary. Most people think of the Beaufort County Forensics Lab as the DNA Lab. Through our documentary process we have learned the Forensic Lab, under Sheriff P.J. Tanner, has the capacity to conduct

drug and chemical analysis and arson investigations, as well as DNA analysis. Messrs. Scott Grooms, Rob Lewis and Jake Krielcamp have been working with the Sheriff and lab specialists to bring you the complete story on this new and valuable law enforcement tool. A new programming schedule is in effect to accommodate our new partnership with MCAS Beaufort. We now feature *Grill Sergeants*, a cooking show produced by the Pentagon. It airs Monday, Tuesday and Thursday at 11:00 a.m. on The County Channel.

Sun City Veterans Association

Mr. Gary Kubic, County Administrator, reported he and Councilman Jerry Stewart last week had the pleasure of attending a Sun City Veterans Association meeting at the invitation of Mr. Ed Ray, Beaufort County Veterans Affairs Officer. We were there to recognize members of the Association who have provided an essential and great service to our local disabled veterans by transporting them back and forth from Beaufort to the Charleston VA Medical Center. Disabled America Veterans (DAV) volunteers Charles Carney, David Casperson, Von Gates (corridor for the DAV van volunteer drivers), James Gilliard, Charles MacDonald, Ronald Mitrook, Frank Rahilly, Tom Smith and Gordon Waterworth have put in thousands of miles performing this invaluable service every Tuesday and Thursday. The project began in 1999 and the number of total hours amounts to 940 and the number of miles total 15,353. Our heartfelt appreciation and gratitude goes out to all Sun City veterans and their Commander Jim Quirk.

Beaufort County Water Festival Raft Race Team *Something Ferocious*

Mr. Gary Kubic, County Administrator, said there are more than 1,200 employees in our organization and it is always important to recognize special service especially when employees band together for the honor and pride of representing all of their colleagues in Beaufort County government. *Something Ferocious* raft team members Stephanie Cocco, Alexis Garrobo, Dominique Sansotta, Andres Dalkos, Ted Anderson, Joanne Romine, Ashley Moore, Corey Ellis, Scott Grooms, Sonya Grooms, Beth Lewis and Rob Lewis competed in the 55th Beaufort County Water Festival raft race on Saturday, July 17, 2010. Mr. Kubic displayed several photographs from the race. *Something Ferocious* placed second in the heat and was very proud to represent Beaufort County. Each member was given a team photograph as well as a ping-pong paddle to commemorate the event.

Four-Week Progress Report

Mr. Gary Kubic, County Administrator, circulated copies of his Four-Week Progress Report, which summarized his activities from June 28, 2010 through July 23, 2010.

State Legislative Update

Mr. Kent Lesesne and Mr. Joshua Rhodes, staff attorneys with the South Carolina Association of Counties (SCAC), gave a Legislative Session update.

SCAC is the only organization dedicated to the statewide representation of county government in South Carolina. Located in the state's capital of Columbia, SCAC is a non-partisan, non-profit association that strives to build stronger counties for tomorrow by working with county officials to provide education and training, legislative reporting, research and technical assistance. SCAC has a warehouse of research information. SCAC offers Workers Compensation, Insurance Trust Program, Set-Off Debt Program, and throughout the year offers various training opportunities through the Institute of Government. SCAC prepares a *Friday Report*, which is a snapshot from a County perspective, of the various bills moving through the Legislature that affect counties. Throughout the term of the Legislative Session, SCAC will send out Legislative Alerts drawing special attention to a particular piece of legislation for action.

Mr. Lesesne highlighted Workers Compensation. Because member contributions (premiums) are based upon both the accident histories of the individual counties (experience modifiers) and on the membership as a whole, both Trusts (S.C. Counties Workers' Compensation Trust and S.C. Counties Property & Liability Trust) employ very aggressive risk management strategies. The philosophy adopted by the Trusts is that it is cheaper to prevent accidents than pay claims. Accordingly, the Trusts risk management staff conducts seminars, safety audits and other activities designed to reduce the probability of accidents and liability exposure for members. The benefits are lower premiums and a safer working environment. For the last three years Beaufort County's premiums have decreased approximately \$900,000 which is attributed to its successful risk management programs.

SCAC has been assisting counties and other public entities with debt collection since 1992 through the Set-off Debt Collection Program. Through this Program Beaufort County (EMS, Beaufort Memorial Hospital and other public entities) has collected approximately \$2.5 million between January 2010 and June 2010.

This particular Legislative Session has been a difficult year. Section 86, Local Government Fund, funding level is \$202.7 million. This represents a cut of \$27.6 million from FY 09-10 and a cut of \$46.8 million from the statutory amount of \$249.5 million. This is below FY 98-99 levels. Because much of the budget this year contains one-time (stimulus) money, it is anticipated next year's budget will require cuts of at least \$1 billion. Talk has already begun of the possibility of a supplemental budget in January should the federal government not pass an extension of the increased Federal Medical Assistance Percentages, which represented around \$170 million in this year's budget.

Proviso 86.8 allows a political subdivision receiving aid from the Local Government Fund to reduce its support to any state mandated program or requirement, for which a specific level or amount of support or funding is not provided by law, by up to a percentage equal to the percentage reduction in the actual amount appropriated to the Local Government Fund as competed to the last completed fiscal year.

R.4247, H.4838, effective May 28, 2010, states that for FY 2010-2011 a local school district is not required to pay teachers STEP increases. This decision must be voted on by the local school district board of trustees in a public school board meeting with public notice posted on the school

district website. If a school district chooses to not pay the increase there will not be a negative impact result to teacher experience credit. A local school district board of trustees, choosing to not pay the STEP increase, may provide for an increase in salary for district administrators and school administrators and their compensation may not be higher than the actual amount received in FY 2009-2010. School districts are to continue to pay teachers and school and district administrators for changes in their education level.

Next year the General Assembly is starting out with between \$1.1 billion and \$1.4 billion deficit.

Collective Bargaining Bill. The U.S. House of Representatives attached the contents of the Public Safety Employer-Employee Cooperation Act, which is federally mandated collective bargaining with police, fire and EMS unions, to H.R.4899. H.R.4899 is the Iraq-Afghanistan War Supplemental Appropriations legislation, and it is in a conference committee to iron out differences between the House and Senate versions of the bill. The Public Safety Employer-Employee Cooperation Act would pre-empt South Carolina's public policy of prohibiting collective bargaining for public employees and require, at a minimum that: (i) Police, fire and EMS workers have the right to form and join a union that is the exclusive bargaining representative of the employees; (ii) State and local governments recognize and bargain with those unions; (iii) Bargaining would cover hours, wages, and terms and conditions of employment; and (iv) Enforcement would be through state courts of the rights, responsibilities and protections under state law.

The Federal Labor Relations Authority (FLRA) would review state laws to determine if those laws meet federal minimum bargaining standards. Any state standards failing to meet federal standards would have to change their laws to come into compliance or be subject to regulation of collective bargaining agreements by the FLRA. The FLRA would have considerable authority to determine the appropriateness of collective bargaining units, conduct hearings to resolve disputes involving unfair labor practices, and supervise and conduct elections, among other things.

Mr. Flewelling remarked Beaufort County is faced with problems created with the inequities of the EFA funding formula for school district budgets. County Council again solicits SCAC support and active participation in trying to get that funding normalized so that Beaufort County would not be the only county in the state that receives zero dollars from the EFA funding formula. We need your help to get that fixed.

Mr. Rodman spoke to the State \$1.1 billion to \$1.3 billion deficit. Is that next year versus what the state settled on this year? Is it out of the total budget or out of the general fund budget? Mr. Lesesne replied, "Next year's budget because much of the budget this year contains one-time stimulus money." Mr. Rhodes Josh replied, "It is out of the general fund. This year was approximately \$5.155 million. It will be \$1.1 million to \$1.2 million with the Federal Medical Assistance Percentages money off that \$5.155 million. It is about a 25% decrease from this year. In 2007 when the general fund balance was at its peak, it was between \$7 billion and \$8 billion. We are looking at about \$4 billion next year.

Mr. Rodman said several years ago the state budget was about \$18 billion and was split one-third between what came from the federal government, fees and general fund. Two things have happened. South Carolina outspent the next closest state by double over a couple years on the general fund. We are talking about coming off close to 40% of that peak. Education funding is 45% of that budget. If we were to hold education funding, we would be talking about a 30% or 40% decrease in the rest of the services. It is extremely serious. Another interesting piece, if you look at the percentage shift, is the general fund was historically about one-third, this year would put it at about 25% and if the general fund is decreasing, we are going to be down about 15% to 20% of the total state budget. There are a lot of critical services that are passing through the general fund which is running out of money. Fees are staying somewhat level. And the federal piece has probably gone from about one third to about 40%. The budget is getting more and more out of whack and we are in for an extremely difficult time at the county level.

Ms. Von Harten said our nation is engaged in two wars. What can counties do to provide the services people need without federal money? We are spending tons of money on federal defense and there are things that are no longer getting funded. Mr. Lesesne replied consolidation of services is one possibility.

RFP Response to Railway Tourist Train Services for Beaufort County

Mr. Gary Kubic, County Administrator, reported on the RFP process that began as a result of the May 3, 2010 Natural Resources Committee wherein the Purchasing Director was asked to develop and solicit a request for proposal (RFP) for a Tourist Train Service from capital tourist train companies. This was a result of several meetings that were held prior to May 3, 2010 that involved Mr. Franzen and the Northern Regional Implementation Committee. On May 19, 2010 the RFP was advertised in the *Island Packet* and *Beaufort Gazette*. Staff mailed directly to 11 potential vendors and kept B/J Water and Sewer Authority informed of all the information. The RFP was emailed to the Association of American Railroads, Tourist Railroad Association, Great American Station Foundation, American Shoreline & Regional Railroad Association, SC Department of Commerce, SC Railways Organization, The SC Association of Railway, CSX Transportation and Norfolk Southern Railroad. The original bid opening date was June 23, 2010 at 3:00 p.m. At the request of Mr. Franzen it was extended to July 20, 2010. At the June 20, 2010 pre-bid conference, in attendance were Councilman Sommerville, purchasing staff, planning staff and potential vendors Mr. Franzen, Mr. Logan (Port Royal R/R), and Mr. Vint (R.G. Vint, Inc.) reviewed the document and requirements and bids were extended to July 20, 2010. That formal addendum was mailed out, changing the RFP closing date to July 20, 2010 at 3:00 p.m. Four days prior to the bid opening, July 8, 2010, the county received a letter from The Great Walton Railroad Company stating they would put in a proposal for the railway use and then contacted Mr. Franzen. The Great Walton Railroad Company and Mr. Franzen did not participate in the RFP process. It is important to recognize that in the course of those dates, B/JWSA let and received bids from the value of the railroad equipment and the ballast. Their bid numbers are \$1,539,777 for the rail equipment and the materials associated with removal of the rails themselves. B/JWSA met and made a recommendation to proceed with removal and Council should now consider the surface lease now with B/JWSA and start to vet those ideas, concepts and incorporate them without the rail service. Beaufort County is involved currently

with B/JWSA in discussions for some of the ballasts associated with the railway bed. They bid that and a company is prepared to remove it. The County may want to piggyback on that and either purchase directly from the company, at wholesale, while they are removing it.

Mr. Newton remarked in conversations with Mr. Dean Moss, Executive Director of B/JWSA, they are proceeding this week, given the constraints within their contract, to remove the rails unless Beaufort County was in a position to step up and agree to reimburse B/JWSA for leaving the rails in place, which is approximately \$1 million.

It was moved by Mr. McBride, seconded by Mr. Stewart, that Council abandon the concept of a tourist rail system project.

Mr. Rodman inquired of the financial requirement portion of the RFP. Mr. Kubic summarized any expenditure necessary to make the concept of a tourist rail system viable had to be at the private interest and no support financially from Beaufort County.

Mr. Rodman suggested leaving some of ballast as part of the trail bed.

Ms. Von Harten stated there is a lot of overgrown vegetation because no one has maintained the tracks. She cautioned with use of herbicides given the recent history of problems with improperly applied herbicides.

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.

Announcement of \$3.1 Million Grant Award for Multiuse Trail and Pedestrian Connectors

Mr. Gary Kubic, County Administrator, recapped on Thursday, July 8, 2010 the County received notification from US Senator Lindsey Graham's office that it was the recipient of a Federal Transit Administration (FTA) grant award in the amount of \$3.1 million. The title is Bus and Bus Livability Project Selections: Multiuse Trail and Pedestrian Connectors. SCDOT is grant recipient and Beaufort County is sub-recipient. The original grant request for the entire project was \$24.7 million.

Mrs. Billie Lindsey, Beaufort County planner, explained the three-prong project includes a transit service, development of a multi-use trail and pedestrian connectors. (i) The transit service will be a fixed-route linking Beaufort County residents to major employers, retail and services. (ii) Multi-use trail is a railroad right-of-way and a 6.7 mile trail will be constructed from Port Royal to Laurel Bay Road. (iii) Pedestrian connectors will provide sidewalks to promote network continuity by connecting the trail and transit routes to major employers, retail centers and residential areas. At this point SCDOT will assist in administrative work with the FTA and also the environmental compliances. The Northern Beaufort County Multi-modal Task Force, whose members are representatives from the County, Parris Island, MCAS Beaufort, Lowcountry Council of Governments, and Lowcountry Regional Transportation Authority, will

provide staff support and spur a Local Participation Agreement with SCDOT for project administration of the \$3.1 million grant. The Beaufort Transportation Advisory Group (BTAG) will review staff / Task Force recommendations for approval.

Transit Service details. There are four regular fixed-route loops. Express service to MCAS Beaufort and Laurel Bay as well as Parris Island Graduation Express, limited to Thursdays and Fridays connecting hotels to Parris Island. It will include complementary paratransit as well as innovative Intelligent Transportation System (ITS) features. Buses, shelters and signage will be purchased as part of the grant. Mrs. Lindsey displayed a map, a bus photo and a circular network schematic of the four transit loops – Downtown Circular, Lady's Island Loop, Port Royal Loop and Burton Loop. Features of the transit service include a kneeling bus (avoid having to set up when boarding) with a bike rack and informational signage at bus stops.

Multi-Use Trail details. This includes a 15-foot wide, 6.7 mile trail from Port Royal to Laurel Bay on the former right of way of the Port Royal Railroad. There will be five trail heads with restrooms, benches, water fountains and parking. There will be two wooden trestles and one concrete bridge. Emergency features include emergency telephones every ½ mile and emergency vehicles will have access between SC Highway 170 and North Street. Pedestrian connections will link trail to major destinations (Beaufort Memorial Hospital, Technical College of the Lowcountry, downtown, etc.)

Mr. Baer likes this Plan, public transit and linear trails. Is \$3.1 million enough for this Project? Mrs. Lindsey replied, "No, it is not." Where is the extra money going to come from? Is there a scaling plan? Mrs. Lindsey replied we are not sure how we are going to apply it. We have not yet received specifics from FTA. We are hoping to jumpstart all three aspects of the Project – pick what is most like to succeed and well-received by the public and then, hopefully, raise enough money to complete the entire Project.

Mr. Baer comment the whole Project is \$24.7 million and the grant award is about 12%. Public transit systems usually are constrained by operations costs, not so much as capital costs. What are the Task Force's thoughts on operation costs? Mrs. Jenny Kozak, Planning Director, Lowcountry Council of Governments, stated it is easy to get capital, but it is often very difficult to obtain operating funding. The military's Transportation Incentive Program (TIP) subsidizes members of the military and civil servants on military installations to ride public transit. This program is being used in Georgia and other parts of the country quite effectively. TIP would be one revenue stream. The Task Force has involved the private sector and one participant owns several hotels. In this situation a hotel subscribes/buys a number of bus passes/tickets and uses that as an amenity for its customers. FTA was very clear that grant funding involve the three-prong Project. We know that we cannot do the whole project and there is a much better chance of getting further funding from other sources. The State of South Carolina was awarded one grant and Beaufort County was the recipient. Georgia was awarded two grants and North Carolina received one grant. Our project is receiving some national attention. The American Association of State Highway and Transportation Officials (AASHTO), which labels itself as "The Voice of Transportation," Mrs. Kozack will present on the project at their conference in

Seattle next week. We will be bringing the word on how we worked so well together to transportation planners and officials from all over the United States.

Mr. Baer remarked FTA requires you to do all three parts, but you only have 12% of the funding. Mrs. Kozak replied that is why we are going to do segments – segments that work together. The Project is a system, it is not independent segments. It has to work together. If you cannot get to the bus stop, there is no point having public transit. One of the problems, not just in Beaufort County, but in the entire United States is the lack of sidewalks so people can get to public transit with any degree of safety.

Mr. Newton asked, “Conceptually, will this route system interface somehow with LRTA”? Mrs. Kozack replied in the affirmative. Is Beaufort County administering the grant? Mrs. Lindsey replied it is still to be decided. A meeting has not yet been had with SCDOT regarding the details. Mrs. Kozak said the grant award is to SCDOT and they are preparing the formal application to FTA. Mass transit is likely to have an agreement/contract with Beaufort County and then Beaufort County will be reimbursed to allow us to administer the grant. This is totally unprecedented since this is federal stimulus money and is something different.

Mr. Newton noted it is best if administration of the grant is handled locally rather than out of Columbia. Mayors in northern Beaufort County agree with that concept. They have offered their support if needed when Beaufort County is communicating with SCDOT and urging them to allow us to move forward in that fashion.

Resolution to Award Health Benefit Advisory Services to Gallagher Benefits Services, Inc.

Mr. Gary Kubic, County Administrator, explained Employee Services utilizes a benefits consulting company to assist the County with selection, implementation and oversight of the County’s employee insurance benefit program. The benefit program includes health, dental, vision, life, AD&D, short and long term disability insurance, and EAP services, which total in excess of \$10 million annually. Services provided by the benefits consultant include review of the current coverages, recommendations on coverage changes and employee contribution rates, marketing of the County insurance offerings, compliance assistance and updates on regulatory changes, as well as day to day assistance with benefit and compliance questions. The County’s prior contract, which was with Mercer, expired June 30, 2010. The Benefit Consultant RFP yielded eight proposals. Those proposals and subsequent interviews with the top four candidates resulted in a unanimous decision by the five-person selection committee (Employee Services Director, Deputy County Administrator, Employee Services Benefit Coordinator, Detention Center Director and Purchasing Director) to recommend Gallagher Benefit Services, Inc. with annual fee of \$85,000.

In addition to services that have been provided to Beaufort County in prior years, the comprehensive proposal submitted by Gallagher includes some services that are not offered or are offered at an additional cost in some of the other proposals. This includes customized employee satisfaction surveys and results analysis, design and population of customized enrollment communication material for open enrollment and new hires, creation of a customized

benefits website housing all benefits-related information, and on-site annual HR training with Gallagher's Director of Compliance.

It was moved by Mr. McBride, seconded by Mr. Baer, that Council adopt a resolution authorizing the County Administrator to execute and enter into an agreement with Gallagher Benefit Services, Inc., to provide health benefit consulting services to Beaufort County in the amount of \$85,000. This agreement also provides four annual options to extend it subject to the mutual consent of both parties for each annual extension.

Mr. Baer inquired as to how this price compares to the prior contract. Mr. Kubic replied our service fee last year was \$50,000, this year it is \$85,000. Gallagher was not the lowest bidder. The lowest bidder last year was Mercer, but we have changed the scope of benefits to be provided under this contract. We had an expected that we would not price it the same. Mr. Kubic will provide Council a list of bidders under separate cover.

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSTAINED - Mr. Flewelling (He did not receive a copy of the resolution nor corresponding background material). The motion passed.

Workers Compensation

Mr. Gary Kubic, County Administrator, said it was referred to earlier in today's meeting that our workers' compensation premium has reduced over the years by nearly \$1 million in the process. The County is now involved in communications with other political agencies looking at trying to see if there are some economies of scale in trying to find opportunities to consolidate the effort for that type of service in the public realm in out years if some of these negative projections continue. We are trying to lay some foundation and groundwork that in these types of professional service areas there may be some benefit gained. The School District goes through the state process, but several agencies in Beaufort County do not. We are going to try that exercise and will report to the Employee Services Subcommittee of Finance Committee.

Update on Technical and Energy Efficiency Programs at the Technical College of the Lowcountry

Mr. Everett Feight, Industrial Technology Division Dean, gave an update on Technical and Energy Efficiency Programs at the Technical College of the Lowcountry (TCL). He introduced Mr. Dick Eckstrom and Dr. Thomas C. Leitzel, TCL President. TCL received a \$100,000 Walmart Foundation grant. The funds were used to purchase equipment for use in classroom instruction. Our military installations employ many TCL graduates. The military has a mandate by 2020 to have 50% of its energy from sustainable areas. The military is working in some of the same areas as TCL. TCL has a very successful tidal generator program because Beaufort County has a very successful tidal swale. TCL harnessed that power and is now experimenting with tidal power research. It powered the 2009 Christmas tree. TCL has a small solar farm used to charge batteries. These batteries are then converted to AC for use in classroom projects. The

solar panels located outside Building 14 are generating approximately 800 watts. TCL is receiving requests from some government agencies to assist them in reducing their electricity costs.

TCL received a \$92,000 grant from the State of South Carolina to operate a weatherization or energy efficiency center. Mr. Dick Eckstrom, Civil Engineering Instructor Industrial Technology, said TCL is exploring wind energy. Students are installing a one watt turbine atop a campus tilt-top tower to serve as a research station. MCRD Parris Island is installing a meteorological tower (met tower) the most common means for measuring the wind speed and direction at a site. Before a wind energy facility can be constructed, developers need to determine the wind resource of the site with a high degree of certainty. It takes about five kilowatts to run a house. Some people in Beaufort County want to live off the grid. Several newly constructed homes are built off the grid. Solar thermal is the low hanging fruit available in solar energy heating water with the sun. This technique is popular in other parts of the country, just not here in Beaufort County. It is very cost effective. Systems sell for less than \$8,000 and can carry 85% to 90% of the electrical demand energy cost for heat and water.

DEPUTY COUNTY ADMINISTRATOR'S REPORT

Four-Week Progress Report

Mr. Bryan Hill, Deputy County Administrator, circulated copies of his Four-Week Progress Report, which summarized his activities from June 28, 2010 through July 23, 2010 as well as copies of the FY 2011 general fund budget. As we move forward, information posted on the County webpage under the Finance tab will include graphs and charts to understand how the economy is treating us here in Beaufort County. Within the next quarter staff will provide Council an outline on a smart decline contingency plan. Tonight Council will consider an award of contract for professional services for Emergency Medical and Fire Support Study / Analysis. Both of these items are top priorities in Council's 2011 strategic plan.

U.S. Highway 17 Widening

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the U.S. Highway 17 project is a design-build contract for the widening of six miles of divided highway and major intersection in Beaufort County. The contractor is Phillips and Jordan of Knoxville, Tennessee. The project cost is \$100,471,305. The contract completion date is October 1, 2010. The project is 84% complete. The contractor continues work on the bridge and existing roadway upgrades at the Gardens Corner interchange.

New Bridge over Beaufort River / U.S. 21 / S.C. 802 Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported the new bridge over the Beaufort River will be a 4,200-foot bridge. The contractor is United Contractors, Inc. of Great Falls, South Carolina. The cost is \$34,573,368. The completion date is August 2011. The project is 30% complete. The contractor is installing drilled shafts, working on girder spans,

columns and footings. Council viewed a video clip on the roadway and bridge construction project.

S.C. Highway 802 Roadway Construction Project

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of 5.2 miles of SC Highway 801 (two sections). The contractor is Sanders Bros. of Charleston, South Carolina. The cost is \$10,852,393. The completion date is December 2010. APAC continues paving operations. Final phase of pipe placement is underway on the Lady's Island section. Shell Point pipe operations and grading operations continue.

SC Highway 46 and Simmonsville Road

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project involves the widening of SC Highway 46 to the Bluffton Branch Library and Simmonsville Road to Bluffton Parkway for a total of 2.15 miles. SCDOT is administering this project. The contractor is Rea Contracting of Columbia, South Carolina. The cost is \$7,503,367.03. The completion date is December 2010. Pipe placement and storm drain basin construction is 95% complete on SC Highway 26. Simmonsville pipe placement is 70% complete.

Disabilities and Special Needs Adult Day Care Center

Mr. Rob McFee, Division Director-Engineering and Infrastructure, reported this project is a 25,000 square foot multi-use facility with client activity and program areas and administrative space. The contract is Emory J. Infinger and Associates of Charleston, South Carolina. The cost is \$6,426,964. The completion date is March 2011. Foundations for 100% of the buildings have been poured. Masonry wall construction is underway. Installation of geothermal wells is underway.

Bluffton Parkway Phase 5A

Mr. Baer's recollection of Bluffton Parkway Phase 5A is that we cannot start Phase 5A until we know if we have enough money and we do not know if we have enough money until the Beaufort Transportation Advisory Group (BTAG) meets and the cost of Route 278 to 170 is known.

Mr. Newton replied Phase 5A was modified and has gone out to bid without the bridge portion. Once the 5A contract was awarded, that was one of the components to decide about this additional funding issue relative to SC Highway 170. Therefore, Phase 5A roadway portion was not being held up to determine if there was money.

Mr. Baer thought at the January 12, 2010 BTAG meeting, we had to determine how much money it would cost to expand Route 278 to SC 170, including the stormwater work on the bridge. And once that was known, that was the highest priority project (other than what was underway already) and we would know if there was enough money to finish Phase 5A without the bridge.

Mr. Newton replied Phase 5A bridge and SC Highway 170 widening projects were both question marks to determine whether there were additional funds to do other delayed projects including SC Highway 170.

Mr. Baer asked if it was certain that there was enough money for Phase 5A roadway at this point and that there are insufficient funds for the bridge and is this still true? Mr. Newton replied, “Absolutely.” Mr. McFee said that was a true statement. This is a new fact to Mr. Baer.

Mr. Newton said SCDOT has now delayed letting their contract on US Highway 278 until November 2010 because they could not get a Corps of Engineers’ permit. It was, until recently, supposed to be let in the very near term (August). And that was the query he made several weeks ago: (i) Phase 5A bids were coming to the County and (ii) US Highway 278 would be coming to SCDOT. BTAG contemplated meeting when it had shape around those two projects to understand how far the expenditures were going to go and what the additional funds or remaining funds may look like at that point to decide whether SC Highway 170 or portions thereof was one of the particular big highlighted items or other things on the project list that had not started to move forward. Where are we now on Phase 5A and the bid? With SCDOT delaying the proposed letting until November 2010 do we believe we can get a fairly good handle on those project estimates so we may be able to move forward?

Mr. McFee spoke to Phase 5A. After consultation with all municipal staffs as well as the County Administrator, what we are going to do is proceed with the bids in hand to an award through Public Facilities Committee as soon as time permits. We are still working on the Corps of Engineers’ permit and those two items will run concurrently. We are moving forward to award a contract (as soon as possible) to the apparent low bidder which is Cleland Construction.

Mr. Kubic suggested awarding the contract as soon as possible and then hold a BTAG meeting to discuss primarily the effect of some new funding initiatives through SCDOT and new funding opportunities that may be independent yet part of the total program.

Mr. Stewart requested representatives of the Town of Bluffton appear at the next meeting of Public Facilities for the purpose of discussing Law Enforcement Center traffic impact fees and the temporary signal Buckwalter Parkway (Parker’s Convenience Store).

Marshland Road, Hilton Head Island

Mr. Baer is frustrated about Marshland Road. What is the way to get closure on that?

Mr. Rob McFee, Division Director-Engineering and Infrastructure, replied the contract is awarded. All paving has to be completed by September 30, 2010. The contract completion date is May 31, 2011. A preconstruction conference is scheduled for Wednesday, beginning at 11:00 a.m. at the SCDOT office. A representative from the County is attending this meeting.

PROFESSIONAL SERVICES FOR EMERGENCY MEDICAL AND FIRE SUPPORT STUDY / ANALYSIS

It was moved by Mr. Stewart, as Public Safety Committee Chairman (no second required), that Council award a contract to CRA, Inc, the number one ranked firm with the anticipated cost of \$225,963 to perform an EMS/fire support study/analysis. CRA will have four months to complete the study. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO ADD THE DAUFUSKIE ISLAND COMMUNITY PRESERVATION PLAN TO APPENDIX F, SECTION 7, OF THE BEAUFORT COUNTY COMPREHENSIVE PLAN OF 2007

Mr. Brian Herrmann, Community Planner, presented the proposed Daufuskie Island Community Preservation Plan (DI Plan). Mr. Herrmann explained the CP Plan has two parts: a plan and a code. The form-based plan could be called a vision-based code, for which the idea is to go into the area through interviewing the people and walk the place to determine the best locations then code it correspondingly. This is a very sustainable plan. The idea was to preserve as much of the island as is remaining; there is a large area called D-2 on the island. As a result of this, we signed a contract and a small transfer of development rights (TDR) program in the D-2 areas to more intense areas. Daufuskie Island is a National Historic District and one thing we were able to do was build a sunset in two PUDs (Oakridge and Webb) to the plan. The plan is also island wide. The residents expressed the main things needed to get this island to reach its potential were ferry, tourism and housing. Daufuskie Island statistics cited in the presentation: Daufuskie Island is 5 miles long by 2.5 miles wide. 400 full-time residents call Daufuskie home, while there are an additional 600 part-time residents. PUD's comprise $\frac{2}{3}$ of the island. PUD's have infrastructure including ferry, water and sewer, roads and governance. Island services lack consolidation, lack economies of scale and there is a disparity of services. The lack of island wide infrastructure includes governance, communication, water and sewer, roads, ferry, and signage, among other things. The current zoning regulations do not acknowledge the range of island habitats. For example, there is the beach, then dunes, upland, etc. Instead of factoring this in, the zoning out there is "one size fits all." As a result, regulations encourage sprawl, automobile use on bridgeless island, no critical mass around ferry and no preserved or meaningful open space. 3,335 units approved in PUDs compared with more than 1,500 units possible in the CP district. This island is potentially going to grow quite a bit in the next 10 to 20 years. All of the aforementioned conditions hinder resident safety, quality of life and economic development, according to the presentation. The CP Committee identified nine topics to be tackled in the plan. Those are development patterns, ferry service, transportation, tourism and way finding, historic resources, housing, civic sites, economy and sustainability. First, we identified where people currently gather on Daufuskie with the idea of gradually identifying where our future nodes will be located. We identified some of the civic areas and further refined that to come up with a large area, where two major landowners are, as the primary portal (the Melrose ferry currently lands at this site at the top of the map). Then there is the area near the County boat landing and Marshside

Moma's restaurant. These would be the two primary civic points/primary growth areas. A large area in the middle of the island will be preserved.

The CP committee took a field trip to the Town of Port Royal to get inspiration. They said they liked the way the buildings address the street, the distinct architecture of the civic buildings and main street uses off Main Street. He presented several illustrations of possible development scenarios, a future land use map identifying those nodes (a sector plan). They met with big and small landowners on the island to show them ideas. Current developments on the island turn their backs on each other, and use their own resources. We did renderings showing what it would look like if everything was connected, and the development community liked this idea seeing it as far more sustainable. Mr. Herrmann spent some time on the portals showing walking distance, neighborhoods, and ferry landings, etc. He noted the residents said they wanted to keep the waterfront open much like the Henry C. Chambers Waterfront Park in Beaufort. He briefly spoke about pocket parks, small parks with a small focus to spruce up the area such as a historic home/ruin. A transect was used for the different code zones, D-1 to D-5, with special districts. There is a public district in the center of the island where schools and museums will be located. From this, the team came up with a zoning map, which shows the districts' locations in the context of the entire island. Other things they worked on were streets and future ownership which were very important on Daufuskie Island. The plan also addresses: encouraging a shift away from automobiles to smaller transportation methods such as golf carts; traditional methods of dealing with stormwater such as gravel/broken shell paving. The planning group examined existing building types on the island to come up with an archetypes list, each assigned to particular D zones. He mentioned an archetype called the everyday and ordinary to deal with mobile homes, which is a reoccurring topic on Daufuskie. They identified two beach districts and noted the islanders requested only four buildings — a beach, pavilion, welcoming pavilions at the portals, a meeting hall and gathering places. The plan also outlines civic types and in which districts those can be found such as a park in D-1, D-2 or D-3. Developments on Daufuskie must include a gathering place, Mr. Herrmann added. He went on to discuss some of the measures residents are involved in on Daufuskie such as a community farm with animals, cheese and green development.

It is important to note we helped to create a Daufuskie Island Council. We hope it would function as the group to not only provide one voice for the island, but will also be instrumental in implementing this plan. In the past, CP committees just lingered on and their role was never clarified despite taking on the role of zoning issues. There needs to be someone in each community implementing these plans, trying to secure funding, working on policy issues, etc., Mr. Herrmann said. This code and plan is set up to work as such. The CP committee will actually go away when this task is done and both of these documents pass. This new committee, the Daufuskie Island Council, will stay in place to implement the plan. There is also a team to review just architectural topics called the Sustainable Planning Team. They review buildings to make sure they fit the character of the island, as well at the "gray areas." For example, crushed stone/shell is applicable to D-2, D-3 and D-4, but it says nothing about D-5. The Sustainable Planning Team may review such an item and determine since crushed stone/shell is part of the island character it is acceptable in D-5 as well. The Sustainable Planning Team will report to the Corridor Review Boards and the Development Review Team.

It was moved by Mr. Sommerville, as Natural Resources Committee Chairman (no second required), that Council approve on first reading an ordinance of the County of Beaufort, South Carolina, to add Daufuskie Island Community Preservation Plan to Appendix F, Section 7, of the Beaufort County Comprehensive Plan of 2007. 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.

PUBLIC HEARING

FISCAL YEAR 2010 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM LOCAL SOLICITATION IN THE AMOUNT OF \$74,278

Mrs. Suzanne Cook, Financial Officer, Sheriff's Office, explained the grant is very self-explanatory. It is a direct allocation. It is a 100% federally funded grant in the amount of \$74,278. The grant funds will procure three additional police cruisers with light bars and radars. The police cruisers and accessories will provide additional support to our patrol/traffic division for continued enforcement of county and state laws throughout Beaufort County. All items are listed on the state contract.

The Chairman opened a public hearing at 6:50 p.m. for the purpose of receiving information from the public regarding a Fiscal Year 2010 Edward Byrne Memorial Justice Assistance grant Program location solicitation in the amount of \$74,478. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:51 p.m.

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

COMMITTEE REPORTS

Finance Committee

Possible School District Fiscal Autonomy Referendum Motion

Mr. Rodman commented when Council met June 28, 2010 and approved the School District (District) expenditure budget, we debated whether or not they needed a tax increase. We turned that down, but also said that if they felt that they were being harmed they certainly could come back. Councilmen Sommerville, McBride and Stewart met with three Board of Education (Board) members and some members of their staff. Mr. Rodman's sense of that meeting there were two interesting pieces that came out of it. One, even though enrollment levels have been flat the last couple of years their out-year assumptions had an increase in enrollment. They would have to confirm it, but Mr. Rodman's calculation was that if enrollment stayed at about the same rate of increase it had in the couple of years, it would probably offset the \$2 million. Secondly, the Board asked about the New River TIF, and Mr. Rodman subsequently followed up with Mr. David Starkey, Chief Financial Officer, about the TIF. Due to the growth in Bluffton, that money has been building up in that TIF and it is anticipated the last payment, the time they

can call the bonds, would be June 2013. At that point, the District will pick up \$4 million to \$5 million in income for both the capital side and operating side which would accrue to their fund balance. In any event, they elected not to take us up on the offer to revisit the tax increase. Therefore, Mr. Rodman sees that as a concluded item.

Mr. Rodman talked about a possible referendum. He has drafted a motion and placed a copy in front of each Council member “That fiscal autonomy be considered by referendum in 2011 or 2012 the question, ‘Effective January 2015 that Beaufort County School District expenditures be appropriate by and the schools taxes levied by either A. Beaufort County Council or B. Beaufort County Board of Education.’ Note, the 2015 date allows all Board of Education members to stand for election (2012 or 2014) prior to the referendum action taking effect.” He is not suggesting Council actually take up this issue today, but drafted it in the form of a motion because it might be easier to talk about and think about.

It has been almost 25 years since the last time the voters had an opportunity to act on whether or not the District ought to have fiscal autonomy. Under any circumstances, we all would believe that it is up to the voters and the voters should make that decision. The District has put forth a request to the Attorney General regarding budget approvals by Beaufort County. Mr. Rodman believes that it is nothing more than an attempt to actually get fiscal autonomy without taking it to the voters. If, in fact, fiscal autonomy were to be approved, there ought to be a period of time so that all of the Board members had to at least stand for election so the voters knew that they were electing people who would, in fact, set their taxes. Mr. Rodman suggested Council might want to consider not rushing to do something this particular year and, instead, the logical time would be the 2012 general election or sooner. Perhaps we might want to consider putting the question to the voters in 2012 after dialoguing with the Board to see if we can agree on what the language might be. If the question went to the voters in 2012, it would not take effect until 2015 thereby allowing all of the Board in either 2012 or 2014 election to have stood for election with this being a pending issue. He suggested Council comment and if there is some feeling that this issue is worth considering then perhaps assign the matter to the Joint Initiative Council / Board of Education Committee (Joint Initiative) to begin discussing.

Mr. Sommerville believes the District requesting an Attorney General unilaterally was wrong because they should have worked in junction with Council. If an Attorney General opinion needed to be sought, we should have done it together, as partners. Similarly, if Council is going to proceed with a referendum on School District fiscal autonomy, we should pursue it in partnership with the District. They have indicated they are not interested at this time. He would support it if the District and Council partnered and collectively agreed to do it. Otherwise, he could not support it.

Mr. Newton remarked Mr. Sommerville said the District is not interested in the “it.” Is “it” fiscal autonomy or referendum? Mr. Sommerville said the District made it clear they are not interested in a referendum at this time.

Mr. Newton commented it makes sense to seek through the Joint Initiative discussion about whether the District has an interest in looking at the out years. If the District has indicated they

are not interested in a referendum at this time, perhaps that means by 2012 they might believe it would be appropriate or perhaps they would prefer just to continue with their Attorney General request. Hopefully, that is not a precursor to a legal challenge against the County's role at least as it is today. It seems to make sense to have that discussion through Joint Initiative. He was about at the juncture, and has had discussions with some members of Council, about whether that Committee had served its original purpose and whether there was a need to continue to have that joint committee. The idea was to promote budget dialogue, discussion and planning issues to the extent the County would not be left with schools being built in areas in the county where there were no planned roads or otherwise that had happened decades before. Obviously, the growth pressures do not exist anymore. He believes it would be a ripe topic to have the discussion with the Board as to whether we want to collectively ask the public to weigh in, not because either of the two groups' hope for the desired outcome, but simply because it has been nearly 25 years. It is something that occupies an awful lot of Council's time, creates some level of acrimony and comes pretty close to dividing this Council. We have had 6:5 votes on that particular topic over the last three to five years. Perhaps asking the Board to have a good-faith discussion with Council about our continued role or asking the voters what their thoughts are about our continued role would be appropriate.

Mr. Newton referred to the drafted motion and the effective date, January 2015, which allowed all Board members to stand for election (2012 and 2014) prior to the referendum action taking effect. The referendum, as Mr. Newton understands the law, is an advisory, non-binding referendum. It still has to be changed by an Act of the General Assembly if they were going to do so. Members of the General Assembly have weighed in on this topic and said they would be interested in the outcome of a referendum for their purposes as well to understand whether the current system made sense or whether there is some other vehicle. It is unfortunate that this was taken as an affront by the Board as to the idea of the Attorney General being involved as if that is a threat over Council's authority. And the use of taxpayer funds to bring a lawsuit against one governmental entity by another certainly is quite a poor way to deploy the limited resources that we all are struggling to make do today. Clearly we are not moving forward this November with a referendum. Maybe it is a topic that does not gain attraction at that discussion, or gains a little bit of attraction with Council or maybe not, or maybe some with the Board or maybe not.

Mr. Stewart said the motion reads, "School District expenditures be appropriated by County Council and Board of Education." At present Council only deals with operating expenditures, not capital nor funds they receive from the federal government and other places as well. Is the intent all expenditures or operating expenditures?

Mr. Rodman replied the issue is open to discussion to make it a comprehensive approval. There is only one line item tax bill, called school taxes, and Council has to levy them.

Mr. Caporale commented this is not the first time the District has sought an Attorney General opinion. Perhaps they are waiting for the right Attorney General. Mr. Caporale recalls, as a former member of the Board, at least two occasions when the District sought the opinion of the Attorney General. It did not change the course of things although Council did change the

manner in which dollars were appropriate – switching from raw mills to actual dollars – to prevent the windfall the District was getting in most years.

Mr. Newton commented the Attorney General opinion does not answer the question. It is an elected lawyer's position, but it is not binding on either the Board or Council. It is binding precedence on the courts. He believes it is a precursor to litigation. That is the effort of why you would ask for it, otherwise, there is no reason to ask for it. That being said, it does make sense to visit this issue through Joint Initiative.

Ms. Von Harten is concerned about the opportunities that we lose because we spend so much time focusing on the District and because we are requiring them and their staff to spend so much time. Council spends a lot of hours looking at what the District is doing and that does not allow us the time and energy with some county initiatives that we might be interested in. It would be nice to give the voters the chance to express their thoughts.

Mr. Newton said there appears to be more than just a passing interest in this topic. To the extent there is more than just a passing interest, the suggestion of taking the issue to Joint Initiative in partnership with the Board to see what their thoughts are, perhaps is appropriate. It is not going to get on the ballot this November. In any event Mr. Ladson Howell, staff attorney, opined that he did not think it stood much chance to get a review by the Office of Civil Rights, Pre-Clearance in a two-week period.

Mr. Caporale said the issue would still need to be decided by the Legislature.

Mr. Newton replied the District lawyer clearly has opined over the years that he believed appropriately funded that that law could be challenged. It is like our talking about the inequities of school funding. Clearly, there is a Legislative solution to that. Perhaps there is a litigation solution to the fact the General Assembly does not fund public education in Beaufort County. There is always a way to bring suit to see if that brings about change.

Mr. Caporale does not think it is going to be decided in the courts. If it is going to be decided in the courts, Beaufort County to win would, essentially, give fiscal autonomy to every school district in the State. He does not think that is going to happen. The more appropriate route for the District, if they were serious about it, would be wooing our local Legislative Delegation. That may be the value of a non-binding referendum.

Mr. Newton does not know if the Legislative Delegation has taken a formal position.

Mr. Flewelling does not know if it is advisable to include the Board in the decision on this particular issue. If our state representatives want that information and it is up to Council to provide it to them, perhaps Council might want to consider proceeding whether or not the Board wants it. If they are interested in that information, we should get it to them.

Mr. Newton said this is all a subject that can be talked about in Joint Initiative.

Mr. McBride's interpretation of previous conversations he has had with members of the Board, they are continuing to gain more public confidence in the decisions the Board has been making in recent years. However, they have not yet reached their goal.

Mr. Baer said that depends if you are speaking with Board members from north or south of the Broad River. The Board has made enormous progress over the years. We share that.

Mr. Glaze said Council wastes too much time worrying about the Board. Council micro-manages too much. Why do we need a staff if Council members are going to present their own proposals? Council has a responsibility to let staff do its work. Let them do the ground work. We are all in one county. We are the same taxpayers. We are one, not divided.

Mr. McBride said there is no question if the Board had fiscal autonomy insofar as levying taxes much of the discussion and semi-hostility would not exist between the two bodies. The Board is of the opinion Council receives more information on their budget than on its own. There is some truth to that statement. Council looks at the District budget in much greater detail than its own. If the District had fiscal autonomy, they would answer directly to the taxpayers. If Council levies the taxes the District's need to operate and they perform well, they look good as well as Council. If not, the District says they cannot do the job because Council did not fund their budget. He would much rather see the District have fiscal autonomy so the voters would know they have voted for people who have the authority to reach into your pocketbook / checkbook to levy the taxes they need to operate the District.

Mr. Rodman said Finance Committee members thought that this was really an issue for the whole Council to consider rather than leaving it in committee. As long as voters historically have said that they want Council to approve the budget, Council has an obligation to defend its opinion.

Possible County Form of Government Referendum Motion

Mr. Rodman stated Ms. Von Harten brought up the topic of the County form of government and had asked the Clerk to Council to prepare a side-by-side comparison of the differences of the County Administrator versus County Manager forms of government. This issue is obviously triggered by the issues with the County Treasurer. There are four forms of government that are authorized and Beaufort County operates under the County Administrator form. When you sort through the legislation, the only difference is whether the Treasurer and Auditor are elected or in the alternate form of government, County Council would actually have the choice of either having them appointed or elected. This issue was discussed at Finance and members thought it was really an issue for the whole Council to consider rather than leaving it in committee. Mr. Kubic, County Administrator, has talked briefly about the fact when implementing some of the new software it would have gone a lot smoother if they were all under one party. They also tend to be positions where once someone is elected they are there for as long as they want to serve. It is fair to say that this problem we are going through now would not have existed if we had the County Manager form of government. York County and Greenwood County operate under the County Manager form. A third county switch to it, but later switched back. As it was explained

to Mr. Rodman it had to do more with personalities and some other extraneous circumstances. Given how finance is coordinated with the various departments, it is worth Council at least considering whether we ought to switch to the County Manager form of government. If the Treasurer is defeated in November 2010, the position serves until June 30, 2011.

Mr. Rodman talked about a possible referendum. He has drafted a motion and placed a copy in front of each Council member, “That the form of government be considered by referendum no later than November 2012 the question: ‘Effective January 2015 the County Form of Government be: A. The current Count-Administrate Form (3#) whereby the county Treasurer and County Auditor are elected. B. The proposed County-Manager Form (#4 as authorized by the State of South Carolina), the only significant difference being that the County Treasurer and County Auditor, at the discretion of County Council, are elected or appointed.’”

It was moved by Ms. Von Harten, seconded by Mr. Caporale, Council place a referendum on the November 2010 ballot.

Mr. Caporale thinks a referendum is a great way to take the pulse of the public. It might be the one time when we really know what our constituents are thinking if we get more than a 20% turnout at the polls that day. Otherwise, you are not sure whether you have measured the pulse. Mr. Caporale had asked Mr. Rodman about a referendum question on the Airports. Again, it is a great way to learn how people are thinking. It puts certain kinds of debate to rest. He would like to see the public speak on all these issues.

Mr. Baer is in favor of it, but does think in can be accomplished in time.

Mr. Stewart commented a referendum is great if it is an issue brought forward that is not publicized or out there for, in this case, the obvious reasons. The electorate would very much be in favor of it simply because of what is happening in the Treasurer’s Office, the circumstances, the events that are going on and all of the notoriety behind it. They would not be voting necessarily because of the issue, itself, but just the consequences of what is happening right now. It is Council responsibility to look at it in more detail. Changing the form of government for the sake of a problem that one individual brings before us (what is happening in the Treasurer’s Office), Mr. Stewart does not think that is the way we should be going. He would rather see the Legislature step up to the issue they have been talking about now for several years and that is putting some qualifications behind various elected officials. In other words there should be some level of qualifications that this person must have before they can run for and be elected to this office -- CPA, accounting degree – some qualifications that are realistic. He does not think Council will be getting the answer to the question it is asking, because it going to be based on emotions of the time, not deep thought that people would have.

Mr. Newton stated this referendum is not an advisory referendum. It is a statutorily prescribed way to change the form of government. This is not necessary to do anything other than if there is a belief the form of government ought to be changed to provide for the appointment of the Treasurer and Auditor rather than their election for the coordination of the fiscal operation of the County, as Mr. Rodman suggested. This is a matter that is appropriately, by state law, to be

considered by referendum. Not advisory or otherwise. In any event Mr. Ladson Howell, Staff Attorney, opined that he did not think it stood much chance to get a review by the Office of Civil Rights, Pre-Clearance in a two-week period. Mr. Newton sense is Council should not move forward putting this referendum on the ballot November 2010.

Mr. Newton suspended debate on the previous motion in order to extend the Council meeting beyond 8:00 p.m.

MOTION TO EXTEND

It was moved by Mr. McBride, seconded by Mr. Glaze, that Council extend 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.

Council continued debate of Ms. Von Harten's motion.

Ms. Von Harten noted if we have a referendum we do not have to act on it. It just gives us the ability to have an elected or appointed Auditor and Treasurer.

Mr. Newton replied it is not an advisory referendum. State law says if a county wants to change its form of government, put the question to the people.

Ms. Von Harten commented there have not been many newspaper articles about this topic specifically.

Mr. Newton stated if you have a high degree of certainty, slim to next to nothing chance it is going to receive Office of Civil Rights review in time to put the question on the November ballot, then Council is almost debating the change in form of government in a vacuum because we do not have time to appropriately educate as to truly what the differences are other than the emotional differences based on an assumption that it is going to fix the Auditor and Treasurer Office.

Mr. Rodman pointed out whether you voted in 2010 or 2012 it takes effect at the same time which is 2015. We do not want to look like we are bringing forward the question just to influence the election. It is more appropriate to bring forward the question later.

Mr. McBride will support the motion if it stays on the floor. He wants the public to know what his sentiment is about the situation.

Motion to amend by substitution.

It was moved by Ms. Von Harten, That the form of government be considered by referendum no later than November 2012 the question: 'Effective January 2015 the County Form of Government be: A. The current County-Administrative Form (3#) whereby the county Treasurer

and County Auditor are elected. B. The proposed County-Manager Form (#4 as authorized by the State of South Carolina), the only significant difference being that the County Treasurer and County Auditor, at the discretion of County Council, are elected or appointed. The motion died for lack of a second.

Mr. Stewart will vote against the motion. As Mr. Rodman said, whatever we do is not going to happen until 2015. Why vote tonight and rush into this? It just does not make sense tonight.

Ms. Von Harten replied it makes sense because if we are going to commit substantial legal time to researching this issue, we need to provide firm guidance. Otherwise, we are going to be in the same position four years from now when we have had numerous committee meetings. What we need to do is authorize Mr. Ladson Howell, staff attorney, to research the issue so that we can discuss it intelligently at the committee level as well as with the municipalities. Council needs to show some guidance.

Mr. Dawson agreed that this decision does not need to be made tonight. Council has more than ample time to take the issue to committee, vet it at length and then make an intelligent decision rather than rush and vote tonight to do something that may not be in Council's best interest.

Mr. Flewelling will vote against the motion. He is not ruling out voting in favor of it in the future. He does not have enough information having this issue sprung on Council at the last minute, even though we have generally talked about the concept, but not the specifics. He does not want to give advice to legal counsel without having thought about it a little bit more.

Mr. Newton said Council does not need to take a vote in order to ask the staff attorney to brief us on whether this is an appropriate change in the form of government. Voting in favor to commit to do this tonight does appear that it is targeted toward one particular individual rather than truly a change in the form of government, which Mr. Newton believes it probably appropriate to change in the form of government. A new Council will be seated January 2011 and this Council does not have the authority to bind that Council to put something on the ballot in November 2011, 2012, 2103 or 2014. He will vote against the motion, but is not pleased by the situation.

Mr. Baer suggested making a slight change in wording, just to show Council intent to move down this path without necessarily committing ourselves to a referendum.

Ms. Von Harten, as maker of the motion, and Mr. Caporale who had seconded the motion, agreed to withdraw the motion.

Without objection the Chairman referred this matter to the Executive Committee of Council for a full and complete discussion and dialogue within the next 180 days or sooner. Additionally, during the Deputy County Administrator Report, Mr. Hill mentioned smart decline. During the annual planning session, Council identified Small Decline Contingency Plan as a top priority in its management agenda. Mr. Newton asked Mr. Hill to inform him as to when he is in the position to begin that discussion with members of the Executive Committee within the next 30 to 45 days in concert with the Finance Committee.

Audit Motion

Mr. Rodman, as Finance Committee Chairman, stated in the near future Council ought to address is whether we need some outside audit participation to help put together an understanding for Council as to what is happening with the Treasurer's Office.

Accommodations Tax (2% state) Funding / Beaufort Regional Chamber of Commerce

Mr. Rodman, as Finance Committee Chairman, stated he apparently misspoke at the May 10, 2010 Council meeting. The Finance Committee had recommended \$35,000 for the Beaufort Regional Chamber of Commerce, by Mr. Rodman said \$25,000 at the Council meeting. Therefore, there is a need to appropriate \$10,000 of FY 2009-2010 accommodations tax (2% state) funds to the Beaufort Regional Chamber of Commerce to bring them up the full amount of \$35,000 as approved at Finance Committee on April 26, 2010.

Mr. Newton remarked after consultation with Mr. Ladson Howell, staff attorney, and Mr. McBride, Parliamentarian, has been advised the corrections of the minutes can be had without objection to the full \$35,000 that was specifically voted on by Finance Committee, based on the Mr. Rodman's reporting of the misstatement here, at today Council meeting, unless there is an objection from any member of Council. There was no objection from Council.

The Heritage Golf Tournament

Mr. Rodman, as Finance Committee Chairman, comment The Heritage Golf Tournament does not have a sponsor yet. Some of the government entities are now in the process of taking a look at the possibility of a loan or a contribution. It is appropriate for Council to look at that. Time is a little bit of the essence. Mr. Rodman will schedule a Finance Committee the week of August 2, 2010 in order to provide an opportunity for representatives of the Tournament to address the committee.

Mr. Baer commented Council has not seen the full economists' study of the Heritage only the Executive Summary which has no base data in it. There is a lot of other data that he requested. If Council is going to rush through what some may perceive as a bailout of The Heritage then we deserve the full amount of data – financial reports, contract with the PGA, escalating fees every year and accommodations tax as well as the hospitality tax revenues surround The Heritage so we can see how much business is really generated. Mr. Baer would like to see the data prior the Finance Committee meeting.

Mr. Rodman replied economic impact is approximately \$50 million across the entire community also including \$1 million to \$1.5 million in charitable contributions that go throughout the county.

Mr. Caporale said according to the executive summary \$81.9 million is the output and the economic impact minus the tournament is \$50 million.

Natural Resources Committee

Joint Metropolitan Planning Commission

Mr. Sommerville, as Natural Resources Committee, reported members delayed for 30 days the Joint Metropolitan Planning Commission recommendation. The reason for that is to allow input from the southern municipalities, Hilton Head, Bluffton and Hardeeville and/or the Southern Regional Implementation Committee if it meets.

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. Stewart, seconded by Mr. Flewelling, that Council go immediately into executive session for the purpose of receiving information regarding negotiations incident to proposed contractual arrangements and proposed purchase of property. 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

RECONVENE OF EXECUTIVE SESSION

It was moved by Mr. Stewart, seconded by Mr. Sommerville, that Beaufort County purchase the conservation easement on 45 +/- acres of land fronting both SC Highway 170 and Okatie River for the purchase price of \$2.5 from R. Wilson Sanders.

Ms. Von Harten noted there are historical and cultural resources on this parcel. She is pleased with this land purchase.

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 8:50 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

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BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL
STAFF ATTORNEY

**COUNTY ADMINISTRATOR'S REPORT
Monday, August 9, 2010
County Council Chambers, Administration Building**

INFORMATION ITEMS:

- The County Channel / Broadcast Update
- Two-week Progress Report (Enclosure)
- Recognition of Fred Furman, Disabilities and Special Needs Employee



Memorandum

DATE: August 6, 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 July 26, 2010 through August 6, 2010:

July 26, 2010

- Meeting with Deputy County Administrator Bryan Hill
- County Council meeting

July 27, 2010

- Tom Zinn meeting regarding proposed permits for US 278 widening

July 28, 2010

- Staff meeting re: Manatron Convenience Fees
- Best & Final Offer Meeting with Dave Thomas, Purchasing Director, and Mark Roseneau, Director of Facilities Management

July 29, 2010 (County Administrator Hilton Head Office Hours)

- Meeting with Charles Cousins, Town of Hilton Head Island, re: noise study
- Meeting with Paul Andres, Airports Director
- City of Beaufort / County meeting

July 30, 2010

- Conference call with Talbert & Bright and Town of Hilton Head Island staff re: noise study

August 2 – 6, 2010

- Personal leave



Memorandum

DATE: August 6, 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 July 26, 2010 thru August 6, 2010:

July 26, 2010 (Monday):

- Meet with Suzanne Gregory, Employee Services
- Meet with Gary Kubic, County Administrator re: Status Meeting
- County Council

July 27, 2010 (Tuesday)--Bluffton:

- Bluffton Hours
- Meet with Mark Roseneau and Laurence Beckler, Public Work and Scott Liggett, Town of HHI re: Parks Inspection Update

July 28, 2010 (Wednesday):

- Meet with Morris Campbell, Community Services and Suzanne Gregory, Employee Services re: PALS Reorganization
- Meet with Morris Campbell, Suzanne Gregory and Cris Roberson and Joe Penale re: PALS Reorganization
- Attend Manatron Meeting
- Attend DRT Meeting
- Meet with William Winn, Public Safety Director re: Equipment Order
- Attend Best & Final Offer Meeting with Gary Kubic, County Administrator, Dave Thomas, Purchasing and Mark Roseneau, Public Facilities

July 29, 2010 (Thursday):

- PLD

July 30, 2010 (Friday):

- PLD

August 2, 2010 (Monday):

- Meet with Suzanne Gregory, Employee Services re: Staffing
- Meet with Bud Boyne, Alcohol & Drug re: Budget
- Meet with William Winn, Public Safety Director re: Backup Systems

August 3, 2010 (Tuesday):

- Meet with Ted Anderson, MIS re: Tax Sale Preparation
- Attend SCAC Award Dinner on HHI

August 4, 2010 (Wednesday):

- Attend Joint Finance, Public Safety and Public Facilities Committee Meetings

August 5, 2010 (Thursday):

- Agenda Review

August 6, 2010 (Friday):

- PLD



**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 *J.R. McFee*

FROM: Robert Klink, County Engineer *RKlink*

SUBJ: **Bluffton Parkway Phase 5A Roadway Construction – Burnt Church Road to Buckingham Plantation Drive**

DATE: April 06, 2010

BACKGROUND. On February 18th, 2010, Beaufort County issued an invitation for bids to perform construction of the Bluffton Parkway from Burnt Church Road to Buckingham Plantation Road. The project consists of 3-mile, 4-lane divided roadway with 8-foot multi-use pathways. The scope of the contract consists of furnishing all materials, labor, and equipment for the complete construction of the new road at a total length of 3 miles. Bidders were allowed to submit bids based on three alternate methods of construction. Alternative 3 provided the best bid prices. The engineer's estimate for Alternative 3 was \$12,136,736.00. Listed below with their corresponding lowest bid are the 10 firms that submitted bids on March 25, 2010:

Bidder	Lowest Bid Submitted	Alternative
Cleland Site Prep, Inc., 2894 Argent Blvd, Ridgeland, SC	\$ 11,578,529.71	3
JR Wilson Construction Co, 4985 Savannah Hwy, Hampton, SC	11,684,109.79	3
Sanders Brothers Construction, 1990 Harley St, N. Charleston, SC	11,951,096.90	1
RB Baker Construction, 100 Morgan Industrial Blvd, Garden City, GA	12,817,223.68	3
APAC-Southeast, Inc., 47 Telfair Place, Savannah, GA	12,889,019.33	1
United Infrastructure Group, 101 Trade Zone Dr, West Columbia, SC	13,061,277.92	1
US Group, 100 Executive Center Dr, Columbia, SC	13,158,600.56	1
Gulf Stream Construction Co., 1930 Hanahan Rd, N. Charleston, SC	13,945,692.16	3
PBG of South Carolina, Inc., 2555 Plantation Dr, Hardeeville, SC	14,310,911.84	1
L-J, Inc, 220 Stoneridge Drive, Columbia, SC	15,064,980.13	1

Cleland Site Prep., Inc., was the certified low bidder and met the Beaufort County Small and Minority Business participation ordinance. An analysis of their bid prices revealed no apparent cause for rejecting their bid. This project will be funded from the 1% Sales Tax Road Improvement Program. Acct# 33401-54500.

RECOMMENDATION: The Public Facilities Committee approve and recommend to County Council approval of a contract award to Cleland Site Prep., Inc. in the amount of \$11,578,529.71 for the construction of the Bluffton Parkway Phase 5A from Burnt Church Road to Buckingham Plantation Road.

- Attachments: 1) Certified Bid Tabulation
 2) Project Map
 3) SMB Documents



Beaufort County

Certified Bid Tabulation
Beaufort County
Bluffton Parkway, Phase 5A, Segment 1
IFB No. 2913/100363
Thursday, March 25, 2010 @ 3:00 PM



BID SUMMARY

Company Name	Alternative 1	Alternative 2	Alternative 3
APAC - Southeast Inc	\$ 12,889,019.33	\$ -	\$ -
Cleland Site Prep Inc	\$ 11,625,415.28	\$ -	\$ 11,578,529.71
Gulf Stream Construction Co. Inc	\$ -	\$ -	\$ 13,645,692.16
JR Wilson Construction Co. Inc	\$ -	\$ -	\$ 11,854,109.79
L.J. Inc	\$ 15,054,600.13	\$ -	\$ -
PBG of South Carolina Inc	\$ 14,310,611.84	\$ 15,851,722.19	\$ 14,834,595.34
RB Baker Construction, Inc	\$ -	\$ -	\$ 12,817,223.68
Sanders Brothers Construction Co. Inc	\$ 11,951,096.80	\$ -	\$ -
US Group Inc	\$ 12,128,600.88	\$ -	\$ -
United Infrastructure Group Inc.	\$ 13,261,277.92	\$ -	\$ -

ALTERNATIVE 3 - LOW TO HIGH BIDDER SUMMARY

Company Name	Bid	
Cleland Site Prep, Inc	\$ 11,578,529.71	1
JR Wilson Construction Co. Inc	\$ 11,854,109.79	2
RB Baker Construction, Inc.	\$ 12,817,223.68	3
Gulf Stream Construction Co. Inc.	\$ 13,645,692.16	4
PBG of South Carolina, Inc	\$ 14,834,595.34	5

ENGINEER'S ESTIMATE

Alternative 1	Alternative 2	Alternative 3
\$ 2,508,782.95	\$ 13,034,785.76	\$ 2,138,139.03

Prepared By:

[Signature]
Ambor Hunsing
Dennis Corporation

Checked By:

[Signature]
Dennis Corporation

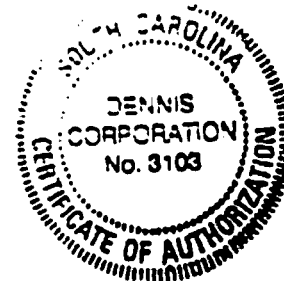
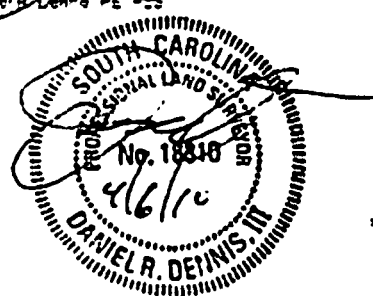
The attached bid tabulations are an accurate summary of the bids received on the subject project. Any discrepancies in unit prices or extended totals have been identified. Certified bid tabs assume small/minority goal is met, contingent on approval by the Capital Projects Implementation office. This is solely the opinion of Dennis Corporation, which is non-binding.

Certified By:

[Signature]
Daniel B. Dennis PE, SCS

Registration Number

SC 18310



ORDINANCE NO. _____

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010C, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$9,000,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Findings and Determinations. The County Council (the "County Council"), of Beaufort County, South Carolina (the "County"), hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended, and the results of a referendum held in accordance therewith, the Council-Administrator form of government was adopted and the County Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that each county shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law. Such debt must be incurred for a public purpose and a corporate purpose in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such county.

(c) Pursuant to Title 4, Chapter 15 of the Code (the same being and hereinafter referred to as the "County Bond Act"), the governing bodies of the several counties of the State may each issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding its applicable constitutional limit.

(d) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27 of the Code of Laws of South Carolina 1976, as amended, provides that if an election be prescribed by the provisions of the County Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) The assessed value of all the taxable property in the County as of June 30, 2009, is \$1,794,765,540. Eight percent of the assessed value is \$143,581,243. As of the date hereof, the outstanding general obligation debt of the County subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$91,492,866 which includes the Bonds to be Refunded (hereinafter defined). Thus, the County may incur not exceeding \$52,088,377 of additional general obligation debt within its applicable debt limitation.

(f) Pursuant to constitutional and statutory authorizations and Ordinance No. 2002-1 duly enacted by the County Council on January 14, 2002 (the "2002 Ordinance"), the County issued its \$25,100,000 General Obligation Bonds, Series 2002, dated March 1, 2002 (the "Series 2002 Bonds").

(g) The 2002 Bonds are subject to the 8% constitutional debt limit. The difference between the outstanding principal amount of the maturities to be refunded of the 2002 Bonds and the amount needed to refund the certain maturities of the 2002 Bonds will also count against the County's 8% constitutional debt limit.

(h) Sections 11-21-10 to 11-21-80 of the Code of Laws of South Carolina 1976, as amended, empower any "public agency" to utilize the provisions of Article 5, Chapter 15, Title 11 (the "Refunding Act") of the Code of Laws of South Carolina 1976, as amended, to effect the refunding of any outstanding general obligation bonds.

(i) The Series 2002 Bonds are currently outstanding in the amount of \$11,505,000. The Series 2002 Bonds maturing on or after February 1, 2013, are subject to redemption at the option of the County on or after February 1, 2012, in whole or in par at any time, at a redemption price of par together with the interest accrued thereon to the date fixed for redemption.

(j) Based on current market conditions and projected savings, the County Council finds that it is in the best interest of the County to effect a refunding of certain maturities of the Series 2002 Bonds (the "Bonds to be Refunded") because a savings can be effected through the refunding of such Series 2002 Bonds. The County Council recognizes, however, that current market conditions may change and that, as of the date of enactment of this Ordinance, a determination cannot be made as to the amount of such savings, if any, realized through the refunding of the Bonds to be Refunded and that certain authority relating to such refunding is delegated to the County Administrator and/or his lawfully-authorized designee through this Ordinance. Because the Refunding Act requires that refunding bonds be sold at public sale, there can be no assurance that market conditions at the time of such sale will be similar to the prevailing rates on the date of the enactment of this Ordinance. If the rates of interest on the refunding bonds authorized by this Ordinance do not result in satisfactory debt service savings, the County Council, through the authority delegated to the Interim County Administrator and/or his lawfully-authorized designee, will be empowered to reject bids for the purchase of the refunding bonds.

(k) It is now in the best interest of the County for County Council to provide for the issuance and sale of not exceeding \$9,000,000 principal amount general obligation refunding bonds of the County to provide funds for (i) refunding the Bonds to be Refunded; (ii) costs of issuance of the Bonds (hereinafter defined); and (iii) such other lawful purposes as the County Council shall determine.

SECTION 2. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$9,000,000 aggregate principal amount of general obligation refunding bonds of the County to be designated "\$9,000,000 (or such lesser amount issued) General Obligation Refunding Bonds (appropriate series designation), of Beaufort County, South Carolina" (the "Bonds"), for the purpose set forth in Section 1(k) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees.

The refunding of the Bonds to be Refunded shall be effected with a portion of the proceeds of the Bonds which proceeds shall be used for the payment of the principal of such Bonds to be Refunded as and when such Bonds to be Refunded mature and are called for redemption in accordance with the provisions of the 2002 Ordinance and interest on such Bonds to be Refunded as and when the same becomes due. If necessary, notice of the aforesaid refunding for which a portion of the proceeds of the Bonds will be used shall be given in a financial paper published in the City of New York, State of New York.

Upon the delivery of the Bonds, the principal proceeds thereof, less issuance expenses, shall be deposited with an escrow agent to be named (the "Escrow Agent") and held by it under a written refunding trust agreement between the Escrow Agent and the County (the "Refunding Trust Agreement") in an irrevocable trust account. It shall be the duty of such Escrow Agent to keep such proceeds invested and reinvested to the extent that it shall be practical in obligations of the United States or any agency thereof and to apply the principal and interest of the trust so established in the manner prescribed in such Refunding Trust Agreement.

The County Administrator and/or his lawfully-authorized designee are hereby authorized and directed for and on behalf of the County to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Ordinance, including the execution and delivery of the Refunding Trust Agreement. The Refunding Trust Agreement shall be dated the date of delivery of the Bonds to the initial purchasers thereof.

Upon the award of the Bonds, the County shall designate the Bonds to be Refunded for redemption on a date determined by the Interim County Administrator and/or his lawfully-authorized designee in accordance with the 2002 Ordinance.

The Bonds shall be issued as fully registered bonds registrable as to principal and interest; shall be dated their date of delivery to the initial purchaser(s) thereof; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; shall be subject to redemption if such provision is in the best interest of the County; shall be numbered from R-1 upward; shall bear interest from their date payable at such times as hereinafter designated by the County Administrator and/or his lawfully-authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the County Administrator and/or his lawfully-authorized designee.

Within twenty-four (24) hours after the receipt of bids, the County Administrator is hereby authorized to designate the registrar and paying agent (the "Registrar/Paying Agent") for the Bonds. The Registrar/Paying Agent shall be a bank, trust company, depository or transfer agent located either within or without the State of South Carolina.

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The County Council hereby delegates to the County Administrator or his lawfully-authorized designee the authority to determine: (a) the maturity dates of the Bonds and the respective principal amounts maturing on such dates; (b) the interest payment dates of the Bonds; (c) redemption provisions, if any, for the Bonds; (d) the date and time of sale of the Bonds; (e) the authority to receive bids on behalf of the County Council; (f) the Registrar/Paying Agent for the Bonds, and (g) the authority to award the sale of the Bonds to the lowest bidder therefor in accordance with the terms of the Notice of Sale for the Bonds.

After the sale of the Bonds, the County Administrator and/or his lawfully-authorized designee shall submit a written report to County Council setting forth the details of the Bonds as set forth in this paragraph.

SECTION 4. Registration, Transfer and Exchange of Bonds. The County shall cause books (herein referred to as the “registry books”) to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Bond shall be transferable only upon the registry books of the County, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond the Registrar/Paying Agent on behalf of the County shall issue in the name of the transferee a new fully registered Bond or Bonds, of the same aggregate principal amount, interest rate, and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The County and the Registrar/Paying Agent may deem or treat the person in whose name any fully registered Bond shall be registered upon the registry books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Bonds is exercised, the County shall execute and the Registrar/Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Neither the County nor the Registrar/Paying Agent shall be obliged to make any such transfer of Bonds during the fifteen (15) days preceding an interest payment date on such Bonds.

SECTION 5. Record Date. The County hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bond or in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the giving of notice of redemption of bonds.

SECTION 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the County shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the County and the Registrar evidence or proof satisfactory to the County and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity in an amount as may be required by the laws of the State of South Carolina or such greater amount as may be required by the County and the Registrar. Any duplicate Bond issued under the provisions of this Section in

exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

SECTION 7. Execution of Bonds. The Bonds shall be executed in the name of the County with the manual or facsimile signature of the Chairman of the County Council attested by the manual or facsimile signature of the Clerk to the County Council under a facsimile of the seal of the County impressed, imprinted or reproduced thereon; provided, however, the facsimile signatures appearing on the Bonds may be those of the officers who are in office on the date of enactment of this Ordinance. The execution of the Bonds in such fashion shall be valid and effectual, notwithstanding any subsequent change in such offices. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

SECTION 8. Form of Bonds. The Bonds and the certificate of authentication shall be in substantially the form set forth in Exhibit A attached hereto and incorporated herein by reference.

SECTION 9. Security for Bonds. The full faith, credit, and taxing power of the County are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as they respectively mature, and for the creation of such sinking fund as may be necessary therefor. There shall be levied annually by the County Auditor and collected by the County Treasurer, in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

The County Council shall give the County Auditor and County Treasurer written notice of the delivery of and payment for the Bonds and they are hereby directed to levy and collect annually, on all taxable property in the County, a tax, without limit, sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

SECTION 10. Notice of Public Hearing. The County Council hereby ratifies and approves the publication of a notice of public hearing regarding the Bonds and this Ordinance, such notice in substantially the form attached hereto as Exhibit B, having been published in *The Island Packet* and *The Beaufort Gazette*, newspapers of general circulation in the County, not less than 15 days prior to the date of such public hearing.

SECTION 11. Initiative and Referendum. The County Council hereby delegates to the County Administrator and/or his lawfully-authorized designee the authority to determine whether the Notice prescribed under the provisions of Section 5 of Title 11, Chapter 27 of the Code relating to the initiative and referendum provisions contained in Title 4, Chapter 9, Article 13 of the Code shall be given with respect to this Ordinance. If said Notice is given, the County Administrator and/or his lawfully-authorized designee are authorized to cause such Notice to be published in a newspaper of general circulation in the County, in substantially the form attached hereto as Exhibit C.

SECTION 12. Exemption from State Taxes. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws of South Carolina 1976, as amended, from all State, county, municipal, County and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 13. Tax Covenants. The County hereby covenants and agrees with the holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Bonds. The County further covenants and agrees with the holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be "arbitrage bonds," as defined in Section 148 of the Code, and to that end the County hereby shall:

- (a) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder so long as the Bonds are outstanding;
- (b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and
- (c) make such reports of such information at the time and places required by the Code.

SECTION 14. Book-Entry System. The Bonds initially issued (the "Initial Bonds") will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York ("DTC"), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of Bonds of the same maturity or any integral multiple of \$5,000.

The Initial Bonds shall be issued in fully-registered form, one Bond for each of the maturities of the Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Bonds becomes due, the Paying Agent, on behalf of the County, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial Bonds or any portion thereof shall be sent to DTC in accordance with the provisions of the Ordinance.

If (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the County has advised DTC of its determination that DTC is incapable of discharging its duties, the County shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the County the Initial Bonds together with an assignment duly executed by DTC, the County shall execute and deliver to the successor securities depository Bonds of the same principal amount, interest rate, and maturity registered in the name of such successor.

If the County is unable to retain a qualified successor to DTC or the County has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the beneficial owners of the Bonds might be adversely affected if the book-entry system of transfer is continued (the County undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify beneficial owners of the Bonds by mailing an appropriate notice to DTC, upon receipt by the County the Initial Bonds together with an assignment duly executed by DTC, the County shall execute, authenticate and deliver to the DTC participants Bonds in fully-registered form, in substantially the form set forth in Section 8 of this Ordinance in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the Bonds will be issued as one single fully-registered bond and not issued through the book-entry system.

SECTION 15. Sale of Bonds, Form of Notice of Sale. The Bonds shall be offered for public sale on the date and at the time designated by the County Administrator and/or his lawfully-authorized designee. A Notice of Sale in substantially the form set forth as Exhibit D attached hereto and incorporated herein by reference shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper of general circulation in the State of South Carolina and/or in a financial publication published in the City of New York not less than seven (7) days prior to the date set for such sale.

SECTION 16. Preliminary and Final Official Statement. The County Council hereby authorizes and directs the County Administrator and/or his lawfully-authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The County Council authorizes the County Administrator to designate the Preliminary Official Statement as "final" for purposes of Rule 15c2-12 of the Securities Exchange Commission. The County Administrator and/or his lawfully-authorized designee are further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchaser of the Bonds.

SECTION 17. Filings with Central Repository. In compliance with Section 11-1-85, South Carolina Code of Laws 1976, as amended, the County covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of the annual financial report of the County within thirty (30) days from the County's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which adversely affects more than five (5%) percent of the revenues of the County or the County's tax base.

SECTION 18. Continuing Disclosure. In compliance with the Securities and Exchange Commission Rule 15c2-12 (the "Rule") the County covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Disclosure Dissemination Agent Agreement in substantially the form appearing as Exhibit E attached to this Ordinance. In the event of a failure of the County to comply with any of the provisions of the Disclosure Dissemination Agent Agreement, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by this Ordinance.

SECTION 19. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds necessary to refund the Bonds to be Refunded shall be deposited with the Escrow Agent pursuant to the terms of the Refunding Trust Agreement. The remaining proceeds, if any, shall be deposited with the

County Treasurer in a special fund to the credit of the County and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds.

SECTION 20. Defeasance. The obligations of the County under this Ordinance and the pledges, covenants and agreements of the County herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

(a) such Bond or Bonds shall have been purchased by the County and surrendered to the County for cancellation or otherwise surrendered to the County or the Paying Agent and is canceled or subject to cancellation by the County or the Paying Agent; or

(b) payment of the principal of and interest on such Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with a corporate trustee in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the corporate trustee. At such time as the Bonds shall no longer be deemed to be outstanding hereunder, such Bonds shall cease to draw interest from the due date thereof and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

“Government Obligations” shall mean any of the following:

- (a) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
- (b) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”); and
- (c) general obligation bonds of the State, its institutions, agencies, school districts and political subdivisions.

SECTION 21. Miscellaneous. The County Council hereby authorizes the County Administrator, Chair of the County Council, the Clerk to the County Council and County Attorney to execute such documents and instruments as necessary to effect the issuance of the Bonds. The County Council hereby retains McNair Law Firm, P.A., as bond counsel and Ross, Sinclair & Associates, LLC, as financial advisor in connection with the issuance of the Bonds. The County Administrator is further authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

All rules, regulations, resolutions, and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its enactment.

Enacted this ____ day of September, 2010.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair, County Council

(SEAL)

ATTEST:

Clerk, County Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT
GENERAL OBLIGATION REFUNDING BOND, SERIES 2010_

No. R-

<u>INTEREST</u>	<u>MATURITY</u>	<u>ORIGINAL</u>	
<u>RATE</u>	<u>DATE</u>	<u>ISSUE DATE</u>	<u>CUSIP</u>

REGISTERED HOLDER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that Beaufort County, South Carolina (the "County"), is justly indebted and, for value received, hereby promises to pay to the registered holder specified above, or registered assigns, the principal amount specified above on the maturity date specified above, upon presentation and surrender of this Bond at the principal office of _____ in _____ (the "Paying Agent"), and to pay interest on such principal amount from the date hereof at the rate per annum specified above until this Bond matures. Interest on this Bond is payable _____ 1, 20____, and semiannually on _____ 1 and _____ 1 of each year thereafter, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the County maintained by the registrar, presently _____ in _____ (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal of and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance (hereafter defined), nor become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been duly executed by the Registrar.

For the payment hereof, both principal and interest, as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the County are irrevocably pledged and there shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, denomination, date of maturity, redemption provisions, and rate of interest, aggregating _____ Dollars (\$ _____), issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and Ordinance No. _____ duly enacted by the County Council on _____, 2010.

[Redemption Provisions]

This Bond is transferable as provided in the Ordinance, only upon the books of the County kept for that purpose at the principal office of the Registrar by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully registered Bond or Bonds of the same aggregate principal amount, interest rate redemption provisions, if any, and maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The County, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, County and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the County, does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina; and that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on this Bond as the same shall respectively mature and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, BEAUFORT COUNTY, SOUTH CAROLINA, has caused this Bond to be signed with the manual or facsimile signature of the Chairman of the County Council, attested by the manual or facsimile signature of the Clerk to the County Council and the seal of the County impressed, imprinted, or reproduced hereon.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair of County Council

(SEAL)

ATTEST:

Clerk of County Council

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This bond is one of the Bonds described in the within mentioned Ordinance of Beaufort County, South Carolina.

_____ as Registrar

By: _____ Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - As tenants in common

UNIF GIFT MIN. ACT

TEN ENT - As tenants by the entireties

_____ Custodian _____
(Cust.) (Minor)

JT TEN - As joint tenants with right of survivorship and not as tenants in common

under Uniform Gifts to Minors

_____ (State)

Additional abbreviations may also be used though not in list above.

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

_____ (Name and address of Transferee)
the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed:

(Authorizing Officer)

Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

NOTICE: The signature to this agreement this agreement must correspond with the name of the registered holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

A copy of the final approving opinion to be rendered shall be attached to each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the County with a manual or facsimile signature of the Clerk to the County Council. The certificate shall be in substantially the following form:

[FORM OF CERTIFICATE]

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete final approving opinion (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South Carolina, approving the issue of Bonds of which the within Bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the Bonds and a copy of which is on file with the County Council of Beaufort County, South Carolina.

BEAUFORT COUNTY, SOUTH CAROLINA

By: _____
Clerk of County Council

FORM OF NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held by the County Council of Beaufort County, South Carolina (the "County"), County Administration Building, 100 Ribaut Road, Beaufort, South Carolina, at 6:00 p.m. on _____, 2010.

The purpose of the public hearing is to consider an Ordinance providing for the issuance and sale of General Obligation Refunding Bonds of Beaufort County, South Carolina, in the principal amount of not exceeding \$9,000,000 (the "Bonds"). The proceeds of the bonds will be used together with other available funds of the County for the following purposes: (i) refunding certain maturities of the County's 2002 Bonds; (ii) paying legal and financial advisor fees and other costs of issuance of the Bonds; and (iii) such other lawful purposes as the County Council shall determine.

The full faith, credit, and taxing power of the County will be pledged for the payment of the principal of and interest on the Bonds and a tax, without limit, will be levied on and collected annually, in the same manner other County taxes are levied and collected, on all taxable property of the County sufficient to pay to principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

At the public hearing all taxpayers and residents of the County and any other interested persons who appear will be given an opportunity to express their views for or against the Ordinance and the issuance of the Bonds.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE

NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given that on _____, 2010, the Beaufort County Council adopted an ordinance entitled: "ORDINANCE NO. _____" (the "Ordinance").

The proceeds of the bonds will be used together with other available funds of the County for the following purposes: (i) refunding certain maturities of the County's 2002 Bonds; (ii) paying legal and financial advisor fees and other costs of issuance of the bonds; and (iii) such other lawful purposes as the County Council shall determine.

Pursuant to Section 11-27-40(8) of the South Carolina Code of Laws, 1976, as amended, unless a notice, signed by not less than five (5) qualified electors of the County, of the intention to seek a referendum is filed both in the office of the Clerk of Court of the County and with the Clerk of the County Council, the initiative and referendum provisions of South Carolina law, Sections 4-9-1210 to 4-9-1230, South Carolina Code of Laws 1976, as amended, shall not be applicable to the Ordinance. The notice of intention to seek a referendum must be filed within twenty (20) days following the publication of this notice of the adoption of the aforesaid Ordinance in a newspaper of general circulation in Beaufort County.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE OF SALE

OFFICIAL NOTICE OF SALE

\$ _____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010_,
OF BEAUFORT COUNTY, SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that sealed bids, facsimile bids and electronic bids will be received on behalf of Beaufort County, South Carolina (the "County"), _____, Beaufort, South Carolina, until 11:00 a.m, South Carolina time, on _____, _____, 2010, at which time said proposals will be publicly opened for the purchase of \$ _____ General Obligation Refunding Bonds, Series 2010_, of the County (the "Bonds").

Sealed Bids: Each hand delivered proposal shall be enclosed in a sealed envelope marked "Proposal for \$ _____ General Obligation Refunding Bonds, Series 2010_, Beaufort County, South Carolina" and should be directed to the County Administrator at the address in the first paragraph hereof.

Facsimile Bids: The County will accept the facsimile transmission of a manually signed Official Bid Form at the risk of the Bidder. The County shall not be responsible for the confidentiality of bids submitted by facsimile transmission. Any delay in receipt of a facsimile bid, and any incompleteness or illegible portions of such bid are the responsibility of the bidder. Bids by facsimile should be transmitted to the attention of the County Administrator, fax number (843) _____.

Electronic Bids: Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 1359 Broadway, 2nd Floor, New York, New York 10018, Customer Support, telephone (212) 849-5021.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL, BY FACSIMILE TRANSMISSION OR BY ELECTRONIC BID, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE COUNTY AT THE PLACE, DATE AND TIME APPOINTED, AND THE COUNTY SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.

Book-Entry-Only Bonds: The Bonds will be issued in fully-registered form. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC.

The Bonds will be issued in fully-registered form registered as to principal and interest; will be dated _____, 2010; will be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing in each year; and will mature serially in successive annual installments on _____ in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
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*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. The County reserves the right, in its sole discretion, either to decrease or increase the principal amount of the Bonds maturing in any year (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 10% of the Bonds. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the County in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

The Bonds will bear interest from the date thereof payable semiannually on _____ and _____ of each year, commencing _____, until they mature.

[Redemption Provisions]

Registrar/Paying Agent: Within twenty-four (24) hours after the receipt of bids, the County will designate the registrar and paying agent (the "Registrar/Paying Agent") for the Bonds. The Registrar/Paying Agent shall be a bank, trust company, depository or transfer agent located either within or without the State of South Carolina.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% and the interest rate specified for any maturity shall not be lower than the interest rate specified for any previous maturity. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, a bid at a price less than par or a bid which includes a premium in excess of 10% of the par amount of the Bonds will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.

Award of Bid. The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the County. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The County reserves the right to reject any and

all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

Security: The full faith, credit, and taxing power of the County are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as they respectively mature, and for the creation of such sinking fund as may be necessary therefor. There shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, an ad valorem tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Good Faith Deposit: No good faith deposit is required.

Bid Form: Proposals should be enclosed in a separate sealed envelope marked "Proposal for \$ _____ General Obligation Refunding Bonds, Series 2010_ of Beaufort County, South Carolina" and should be directed to the County Administrator at the address in the first paragraph hereof. It is requested but not required that you submit your bid on the Proposal for Purchase of Bonds supplied with the Official Statement.

Official Statement: Upon the award of the Bonds, the County will prepare an official statement (the "Official Statement") in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Bonds, the County will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the County all necessary pricing information and any Underwriter identification necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Continuing Disclosure: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the County will undertake, pursuant to an ordinance and a continuing disclosure certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinion: The County Council shall furnish upon delivery of the Bonds the final approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate of the County that no litigation is pending affecting the Bonds.

Certificate as to Issue Price: The successful bidder must provide a certificate to the County by the date of delivery of the Bonds, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. A sample copy of such a certificate may be obtained from Bond Counsel.

Delivery: The Bonds will be delivered on or about _____, 2010, in New York, New York, at the expense of the County. The balance of the purchase price then due, including the amount of accrued interest, must be paid in federal funds or other immediately available funds.

BEAUFORT COUNTY, SOUTH CAROLINA

s/ _____
Chair of County Council

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**DISCLOSURE DISSEMINATION AGENT AGREEMENT**

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2010, is executed and delivered by Beaufort County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the Repository.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Bonds” means the obligations of the Issuer as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repository under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means the Chief Financial Officer, the senior member of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

“Notice Event” means an event listed in Sections 4(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds as listed on Appendix A.

“Repository” means the MSRB through its Electronic Municipal Market Access (“EMMA”) system at www.emma.msrb.org.

“Trustee” means the institution identified as Registrar/Paying Agent in the document under which the Bonds were issued.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the Repository not later than 210 days after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2010. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice

Event as described in Section 4(a)(12) has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, together with a copy for the Trustee, for filing with each National Repository and the State Depository (if any).

(e) The Disclosure Dissemination Agent shall:

- (i) upon receipt, promptly file each Annual Report received under Section 2(a) with the Repository;
- (ii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the Repository;
- (iii) upon receipt, promptly file the text of each disclosure to be made with the Repository together with a completed copy of the MSRB Material Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:
 - 1. “Principal and interest payment delinquencies,” pursuant to Sections 4(c) and 4(a)(1);
 - 2. “Non-Payment related defaults,” pursuant to Sections 4(c) and 4(a)(2);
 - 3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(3);
 - 4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 4(c) and 4(a)(4);
 - 5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 4(c) and 4(a)(5);
 - 6. “Adverse tax opinions or events affecting the tax-exempt status of the security,” pursuant to Sections 4(c) and 4(a)(6);
 - 7. “Modifications to rights of securities holders,” pursuant to Sections 4(c) and 4(a)(7);
 - 8. “Bond calls,” pursuant to Sections 4(c) and 4(a)(8);

9. "Defeasances," pursuant to Sections 4(c) and 4(a)(9);
 10. "Release, substitution, or sale of property securing repayment of the securities," pursuant to Sections 4(c) and 4(a)(10);
 11. "Ratings changes," pursuant to Sections 4(c) and 4(a)(11);
 12. "Failure to provide annual financial information as required," pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement;
 13. "Other material event notice (specify)," pursuant to Section 7 of this Agreement, together with the summary description provided by the Disclosure Representative.
- (iv) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the Repository, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement under the headings: "THE BONDS - Security," "DEBT STRUCTURE - Outstanding Indebtedness," "CERTAIN FISCAL MATTERS - Assessed Value of Taxable Property in the County," "- Estimated True Value of All Taxable Property in the County," "- Tax Rates," "- Tax Collections for Last Five Years," and "- Ten Largest Taxpayers."

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Repository. If the document incorporated by reference is a final official statement, it must be available from the Repository. The Issuer will clearly identify each such document so incorporated by reference.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. **Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;**
5. **Substitution of credit or liquidity providers, or their failure to perform;**
6. **Adverse tax opinions or events affecting the tax-exempt status of the Bonds;**
7. **Modifications to rights of Bond holders;**
8. **Bond calls;**
9. **Defeasances;**
10. **Release, substitution, or sale of property securing repayment of the Bonds;**
11. **Rating changes on the Bonds;**
12. **Failure to provide annual financial information as required; and**
13. **Other material event notice (specify) _____.**

The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the Repository.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the

Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the Repository, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a “Voluntary Report”).

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC’s services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days’ prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders’ rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties’ obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

THE ISSUER AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Issuer.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10

days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of New York (other than with respect to conflicts of laws), except the capacity of the Issuer to enter into this Disclosure Agreement and its enforceability against the Issuer shall be governed by and construed in accordance with the laws of the State of South Carolina.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

BEAUFORT COUNTY, SOUTH CAROLINA,
as Issuer

By: _____
Name: Gary Kubic
Title: County Administrator

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Beaufort County, South Carolina
Obligated Person(s)	David Starkey Chief Financial Officer
Name of Bond Issue:	General Obligation Refunding Bonds, Series 2010_, \$ _____
Date of Issuance:	_____, 2010
Date of Official Statement	_____, 2010

CUSIP Number:

EXHIBIT B
NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer Beaufort County, South Carolina
Obligated Person(s) David Starkey, Chief Financial Officer
Name of Bond Issue: General Obligation Refunding Bonds, Series 2010_, \$ _____
Date of Issuance: _____, 2010
Date of Official Statement _____, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement, dated as of _____, 2010, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

cc: Issuer
 Obligated Person

EXHIBIT C
MATERIAL EVENT NOTICE COVER SHEET

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repository, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: _____

Issuer's Six-Digit CUSIP Number: _____

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

Number of pages of attached material event notice: ____

Description of Material Events Notice (Check One):

1. Principal and interest payment delinquencies
2. Non-Payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to rights of securities holders
8. Bond calls
9. Defeasances
10. Release, substitution, or sale of property securing repayment of the securities
11. Rating changes
12. Failure to provide annual financial information as required
13. Other material event notice (specify)
14. _____

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: Digital Assurance Certification, L.L.C.

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

2010 / ____

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO ADOPT AN ADDITION TO THE BEAUFORT COUNTY COMPREHENSIVE PLAN OF 2007.

BE IT ORDAINED that County Council of Beaufort County, South Carolina, hereby adds to the Beaufort County Comprehensive Plan of 2007, enacted by Ordinance 2007 / 40, Appendix F, Section 7, entitled Daufuskie Island Community Preservation Plan.

Adopted this ____ day of _____, 2010.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson Howell, Staff Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

First Reading: July 26, 2010

Second Reading:

Public Hearing:

Third and Final Reading:

Amending 2007 / 40

Committee Reports August 9, 2010

A. COMMITTEES REPORTING

1. Finance

- ① Minutes provided August 23 from the [August 4 meeting](#). Action is required.
 - See main agenda item #9.
 - The Heritage Golf Tournament

2. Public Facilities

- ① Minutes provided August 23 from the August 4 meeting. Action is required.
 - See main agenda item #8.

3. Public Safety

- ① Minutes provided August 23 from the August 4 meeting. Action is required.
- ② Bluffton Fire District

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
08.09.10	David Meeder	Countywide	Appoint	6 of 11

- ③ Lowcountry Regional Transportation Authority

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
08.09.10	Mark McCain	Countywide	Appoint	6 of 11

B. COMMITTEE MEETINGS

1. Community Services

William McBride, Chairman

Gerald Dawson, Vice Chairman

- ➔ Next Meeting – Monday, August 16 at 4:00 p.m., Building 2, BIV
- ➔ Next Meeting Joint Initiative – Tuesday, August 17 at 4:00 p.m.

2. Finance

Stu Rodman, Chairman

William McBride, Vice Chairman

- ➔ Next Meeting – Monday, August 16 at 2:00 p.m., Building 2, BIV

3. Natural Resources

Paul Sommerville, Chairman

Jerry Stewart, Vice Chairman

- ➔ Next Meeting – Tuesday, August 10 at 2:00 p.m.

4. Public Facilities

Herbert Glaze, Chairman

Steven Baer, Vice Chairman

- ➔ Next Meeting – Tuesday, August 24 at 4:00 p.m. ← **Note time change.**

5. Public Safety

Jerry Stewart, Chairman

Brian Flewelling, Vice Chairman

➔ Next Meeting – Tuesday, September 7 at 4:00 p.m.

6. Transportation Advisory Group

Weston Newton, Chairman

Stu Rodman, Vice Chairman

➔ Next Meeting – Late summer or early fall.

**JOINT MEETING
FINANCE, PUBLIC FACILITIES AND PUBLIC SAFETY COMMITTEES**

August 4, 2010

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

The Joint Committees met on Wednesday, August 4, 2010 at 10:30 a.m., in the Executive Conference Room, Administration Building.

This is a recap of the minutes containing only action items. The full text will follow with the exception of the discussion of the Heritage Golf Tournament, which is included in this document.

ATTENDANCE

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

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

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

County Staff: Morris Campbell, Division Director – Community Services; Bryan Hill, Deputy County Administrator; Suzanne Larson, Public Information Officer; Rob McFee, Division Director — Engineering & Infrastructure; David Starkey, Chief Financial Officer; Mitzi Wagner, Director of Disabilities and Special Needs.

Legislative Delegation: S.C. Senator Tom Davis, R-Beaufort

Media: Joe Croley, *Hilton Head Island Association of Realtors*; Josh McCann, *Island Packet/Beaufort Gazette*; Richard Brooks, *Bluffton Today*

Public: Avery Cleland, Cleland Site Prep, Inc.; Logan Crowther, Cleland Site Prep; Simon Fraser, Chairman Heritage Classic Foundation; Bob Moquin, Regional Chamber/Convention Visitor Bureau; Mark Orlando, Assistant Town Manager Town of Bluffton; Christopher Bill Ruth, service manager Cleland Site Prep; Mel Rhodes, Town of Bluffton Director of Planning; Bob Tucker, Cleland Site Prep; Steve Wilmot, Tournament Director Heritage Classic Foundation; Carlotta Ungaro, Beaufort Regional Chamber of Commerce.

Mr. Rodman chaired the Finance Committee portion of the meeting, Mr. Stewart chaired the Public Safety segment and Mr. Glaze chaired the Public Facilities part.

Pledge of Allegiance: Mr. Rodman led those present in the Pledge of Allegiance to the Flag.

ACTION ITEMS

1. Discussion – The Heritage Golf Tournament

Discussion: Mr. Rodman briefly told committee members the Heritage Golf Tournament does not yet have a sponsor, and last night the Town of Hilton Head voted to contribute \$1 million toward making sure we do not have the adverse effect of losing the tournament. Mr. Rodman then outlined items he wished to discuss: 1. The economic impact study done by Clemson University, 2. An update from the Heritage Foundation on the status of finding a sponsor, 3. A decision on where the Finance Committee goes from today's meeting. Mr. Rodman noted time is, somewhat, of the essence and we may want to take action as early as next Monday, August 9, 2010, at Council. In the intervening period between this meeting and the next Council meeting, we ask staff to think about what the best proposal would be and possibly have another Finance Committee meeting ahead of the Council meeting next week.

Clemson University Economic Impact Study

Mr. Fraser gave the committee a history of the Clemson study. He said the Heritage Foundation first had the study conducted in 1999, then again in 2005. Almost two years ago, we began planning to do it again for 2010. In 2010, we expanded the scope to include some marketing information. This year, it was done as a collaborative effort between Clemson and the University of South Carolina – Beaufort. The surveys generated great data. They found the economic impact to Beaufort County and the state is close to \$82 million. It is important to point out, that economic impact only covered the out-of-town ticket purchasers; it does not include players (132), caddies (132), players' agents, players' families, sponsors, PGA Tour representatives, etc. This year's study was the first time the tax revenue component was included and that was a little more than \$4 million, Mr. Fraser said.

Mr. Baer stated he appreciated the efforts over the years, as well as money generated by the tournament and he wants to find a way to support the tournament. However, with the data in hand, in addition to other data found, as guardians of the taxpayers' money there are things that need to be better understood. He said we are all running a lean and mean ship in this economy and business as you have done it in the past is not the way we ought to continue. He stated public tax funds come from some other place since we do not have a printing press next door. His concerns included: 1. appearance of losing money on the pro-am (\$500,000); 2. needed clarification of television deals and sponsorship; 3. a need to see some *pro forma* financials looking into the future so the tournament does not become dependent upon taxpayer money; 4. Unknown salaries appear in the "990;" 5. Explanations of where the money goes and necessity of trimming costs.

Mr. Fraser addressed Mr. Baer's first concern by saying the data was wrong. He explained the television deals and sponsorship. The Heritage Foundation is the host sponsor of the tournament. The Heritage has a contract with the PGA Tour, as part of that contract we are obligated to pay a portion of the tournament purse subsidy (approximately \$2.4 million). The remainder of the purse subsidy comes from the television contract. Of the \$5.7 million prize money, our portion is roughly 64 percent. Additionally, we have a title sponsor who buys all required television buy (for us that is \$3.5 to \$3.6 million). Without a title sponsor, we are responsible for buying that in order to get the PGA Tour contract. Mr. Fraser addressed Mr. Baer's concern about documenting salaries by explaining the listed salaries are all that is required to be reported, those salaries above a certain level. Mr. Wilmot added there are 10 full-time employees and part-time employees at certain portions of the year. Mr. Fraser addressed Mr. Baer's last concern by saying they are asking for support for 2011 alone. Frankly, for the tournament to continue we must find a title sponsor. We are talking about a potential shortfall for 2011 because even if we find a title sponsor late in the game they are not likely to pay the full amount for 2011.

Committee members briefly discussed an option for having multiple sponsors to split the cost. Mr. Fraser said that could work, but was unlikely because most sponsors want the full television time. Mr. Wilmot said with the tour there is not a date or an event for next year. We are not on the schedule and they have not announced the schedule for many reasons, one being because of us. We want and need a title sponsor, he added. Mr. Fraser said in order to get our contract for next year, we have to show fiduciary responsibility and be able to have the money upfront. This is where we hope your support comes in. Members also talked about raising ticket prices to generate more revenue. Mr. Rodman asked Mr. Baer to compile a list of long-term items to examine for the Heritage Tournament.

Ms. Von Harten said she sees this as a tremendous opportunity to market the Lowcountry. She suggested branding the tournament as the "Lowcountry Heritage." There is a lot of room for convergence with regional marketing; with this port we need to have a big global footprint. This tournament can help us create that big global footprint, but we need to do the branding as part of the package.

Mr. Glaze asked if the amount requested would be a loan or a grant. Mr. Fraser said he sees it as a grant. Mr. Rodman said he sees the staff going away and structuring a proposal for us, come back at Finance Committee meeting next week and forward it on to Council as early as next Monday.

Mr. Flewelling said for further clarification it seems they are asking us to guarantee \$1 million, and they will then endeavor to go find a title sponsor. If they find a title sponsor, the \$1 million we are guaranteeing will not be necessary. Mr. Wilmot confirmed this is true if the title sponsor comes in as a full sponsor, but there is a possibility we get someone who just buys television and in that case we need the money.

Mr. Stewart said as he understands, this is a one-time request, not looking into the future. What you are asking for is to have a commitment that you can come up with the \$5.9 million so the PGA understands you have a firm commitment. If you got a sponsor, or sold the television time as a block, then you could then pro rate and take less than \$1 million from each of the entities you requested the funding support from. He said the committee can let the staff worry about and negotiate. If you get a full sponsor in before the tournament, we can take these monies off the table. I would also throw in the possibility of a loan paid back over four to six years (the same period for PGA contracts). Mr. Stewart concluded he thinks it is important to support the Heritage; it is important not only for us but for the region and state.

Heritage Tournament sponsor status

Mr. Rodman asked Mr. Fraser to tell the Committee what the status is of locating a sponsor for the tournament, as well as what the level of urgency is for nailing something down with the PGA. Mr. Fraser said they are waiting on a contract and that contract is waiting for the Heritage to show financial responsibility. In that sense, it is very urgent. All of the people and corporations planning to attend the tournament are on hold until there is a date. Secondly, before Verizon announced pulling their sponsorship we looked the world over for title sponsors. Unfortunately, this is probably the worst economic environment to find sponsors for tournaments. If companies are laying off people, they are reluctant to sponsor high-profile events, Mr. Fraser explained. However, he said this seems to be in the midst of change. Heritage held preliminary conversations with several companies expressing some interest and have met with one company, which since pulled out. We are more hopeful than we were six months ago. Some of the other tournaments also looking for title sponsors seem to be securing those.

Mr. Wilmot wanted to clarify it is not only the Heritage “out there beating the streets looking for sponsors.” He explained the PGA Tour has a global reach and their business development department is working on our behalf.

Mr. Rodman asked if anyone around the table had pause Beaufort County should consider giving up to \$1 million. Mr. Baer raised his hand and said, without more information he does. Mr. Rodman then asked him to compile a list with information he wants.

Committee members discussed briefly the alternatives of having multiple title sponsors.

Mr. McBride said his concern aligns with Mr. Baer’s concern. Considering all the things we did not do in our budget that we needed to do, there were not enough votes to get a fraction of a mil increase for County operations this year and being a realist, the Heritage needs a \$1 million grant from County Council. “Being a realist, I don’t know where the money is coming from,” Mr. McBride said. “Surely, if we talk to administrative staff we cut our budget to the bone this year. You guys may know where some fat is. I don’t. I don’t know where the money is coming from.” He added, at this point unless someone can convince him there is extra money floating in the budget, hereto unknown when the budget passed, he cannot support it.

Mr. Sommerville asked when non-title sponsors roll in and if they are on track. Mr. Fraser said they are down a little bit, but it is tracking well for the coming year. Mr. Sommerville also asked about scholarships, charities, etc. and whether those are necessary expenses. Mr. Fraser said the tournament has charities doing concessions and part of the deal is the charity receives the net profit.

Ms. Von Harten said she sees this money coming from the County reserves, which is there for rainy days and the days have been rainy. However, she said she sees sunnier days ahead. This is a one-time thing. The tournament will change the manner it does things and have more time to prepare for following seasons. She said she sees this as a grant and buying air time. She also said she wants to take money from the reserve to buy some land in the Beaufort Commerce Park to ensure our long-term economic development. Mr. Rodman said that is a separate conversation.

Mr. Glaze asked when it was known Verizon was pulling out as the title sponsor. Mr. Fraser said last summer and had until last September to negotiate exclusively with Verizon. It has been about 14 months. Mr. Glaze asked if the Heritage worked diligently to find a sponsor within that time and Mr. Fraser confirmed and said he thinks they will find a sponsor for the long-run.

Mr. Rodman said he agrees with Mr. McBride and the general fund is perhaps not the place to go for funds, but should let staff decide. He said if they look at the local accommodations tax and hospitality tax, we have about \$4 million to \$5 million on hand, in reserve and infrastructure. The grant is a bit more difficult for us to digest in a short time, not that we cannot do it, but you get into determining what a fair split is with everyone else. We are in a position we need to act sooner, so I see the mechanism might be to extend a loan, which we could put together relatively quickly out of those two funds (accommodations and hospitality taxes) without touching the general fund. Then, we can take some time as this evolves.

Mr. Stewart said he was thinking along the same lines and he would have a hard time if we took the funds out of the general or capital funds. He noted we have not given out the accommodations or hospitality monies out totally each year, reserved specifically for some major ticket item needing funds. He said he thinks this may qualify. Otherwise, this funding would come at the expense of some other project such as the St. Helena Library. Mr. Stewart said he would only support it if, there is some caveat if the Heritage gets a sponsor to pay back the loan. He stated this is not economic development and would take away from all the other things we really have to do; we need to have some commitment to come back to us in the out years.

Mr. Rodman asked Mr. McBride if they worked out of the monies reserved over time if it would be more palatable. Mr. McBride said it would be a much better option. Mr. Rodman said in the next few days staff will put together a recommendation and bring it before the Finance Committee prior to next Monday's Council meeting.

Mr. Hill came to the podium to ask Committee members for a motion to guide and give structure to staff, as well as asking Mr. Baer to provide a list of his concerns. He said before staff

can make a recommendation they need to collaborate with Mr. Fraser and Mr. Wilmot to understand those concerns. Mr. Rodman outlined a motion. Mr. Baer asked if he meant loan or grant. Mr. Rodman said he meant loan. Mr. Baer also asked the recommendation provide where the money comes from, and what we give up as a result of providing that money.

Ms. Von Harten asked if a loan would be adequate commitment. Mr. Fraser said maybe. Mr. Flewelling said he sees this as a loan/grant combination, if they do not come up with a sponsor it turns into a grant because they have no ability to repay it. Ms. Von Harten said she is concerned PGA will think the County is “wishy-washy” if we say loan in the motion. Mr. Rodman said not if we put up the cash. Mr. Stewart said if this does become a grant we have to, as Council, remember there are things we have talked about such as Fort Fremont and Camp St. Mary’s that will be hurt. Anyway you cut it, there could be some hardship, he added.

It was moved by Ms. Von Harten, seconded by Mr. Flewelling, to return to the Finance Committee with a staff recommendation regarding up to \$1 million in some type of loan to fund the Heritage Golf Tournament, and to have staff recommend the structure and under what terms the funds will be allocated, and from where the money comes. The vote was: FOR – Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. OPPOSED – Mr. Baer. The motion passed.

Status: Staff will return to the Finance Committee with a recommendation regarding up to \$1 million in some type of loan to fund the Heritage Golf Tournament, and to have staff recommend the structure and under what terms the funds will be allocated, and from where the money comes. Also, Mr. Baer will compile a list of concerns relative to the golf tournament.

2. Contract Award – Cleland Construction for the construction of Bluffton Parkway, Phase 5A roadway portion only

It was moved by Mr. Flewelling, seconded by Mr. Baer, that Public Facilities Committee approves and recommends to County Council approval of a contract award to Cleland Site Prep, Inc. in the amount of \$11,578,529.71 for the construction of the Bluffton Parkway Phase 5A from Burnt Church Road to Buckingham Plantation Road. The vote was: FOR – Mr. Baer, Mr. Flewelling, Mr. Glaze, Mr. McBride and Mr. Sommerville. OPPOSED – Mr. Stewart. ABSENT – Mr. Dawson. The motion passed.

3. Proposal to Purchase a Replacement Disabilities and Special Needs Community Training Home

It was moved by Mr. Flewelling, that Committee go into executive session to discuss items relative to the purchase of the Disabilities and Special Needs community training home. He withdrew his motion.

Following discussion about proper notification for executive sessions, the Committee decided to place the item on the August 9, 2010 Council meeting agenda as an executive session to provide ample notification.

4. Text Amendments to Business License Ordinance

It was moved by Mr. Flewelling, seconded by Mr. Sommerville, to amend the ordinance to amend Chapter 18 of Article III (Business and Professional License) of the County Code of the County Council of Beaufort County, Beaufort, South Carolina, to add a requirement to give notice of business license fees. The vote was: FOR: Mr. Baer, Mr. Flewelling, and Mr. Sommerville. OPPOSED – Mr. McBride, Mr. Stewart and Ms. Von Harten. ABSTAINED – Mr. Rodman. The motion failed for lack of majority.

It was moved by Mr. Stewart, seconded by Mr. Baer, the Committee forward to Council for third and final reading an ordinance to amend Chapter 18 of Article III (Business and Professional License) of the County Code of the County Council of Beaufort County, Beaufort, South Carolina; and to table the discussion on amending the language relative to “fee versus tax” of said ordinance until the Finance Committee receives an opinion from the County Attorney on “fee versus tax” as related to the business license ordinance. The vote was: FOR - Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

5. Refinancing of 2002 General Obligation Bonds

It was moved by Mr. Flewelling, seconded by Mr. Baer, that Committee forward to Council for first reading approval an ordinance refinancing of 2002 General Obligation Bonds. The vote was: FOR – Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

6. Consideration of Reappointments and Appointments

Bluffton Fire District

Mr. Stewart, as Public Safety Committee Chairman, nominated Mr. David Meeder’s to serve on the Bluffton Fire District Board.

Lowcountry Regional Transportation Authority

It was moved by Ms. Von Harten, seconded by Mr. Sommerville, nominated Mr. Mark McCain to serve on the Lowcountry Regional Transportation Authority. The vote was: FOR – Mr. Flewelling, Mr. Glaze, Mr. Rodman, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale and Mr. Dawson. The motion passed.