

COUNTY COUNCIL OF BEAUFORT COUNTY

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CHAIRMAN

D. PAUL SOMMERVILLE
VICE CHAIRMAN

COUNCIL MEMBERS

STEVEN M. BAER
RICK CAPORALE
GERALD DAWSON
BRIAN E. FLEWELLING
HERBERT N. GLAZE
WILLIAM L. McBRIDE
STEWART H. RODMAN
GERALD W. STEWART
LAURA VON HARTEN

GARY KUBIC
COUNTY ADMINISTRATOR

BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL
COUNTY ATTORNEY

SUZANNE M. RAINEY
CLERK TO COUNCIL

AGENDA COUNTY COUNCIL OF BEAUFORT COUNTY

Monday, November 29, 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 – [November 8, 2010](#)
5. PUBLIC COMMENT
6. COUNTY ADMINISTRATOR'S REPORT ([report](#))
Mr. Gary Kubic, County Administrator
 - The County Channel / Broadcast Update
 - Three-Week Progress Report
 - Recognition of Jennifer Cespino /Asa C. Godowns EMS Professional of the Year Award
 - Okatie River Total Maximum Daily Load (TMDL)
Mr. Ladson Howell, Staff Attorney
Mr. Dan Ahern, Director, Stormwater Manager
7. DEPUTY COUNTY ADMINISTRATOR'S REPORT ([report](#))
Mr. Bryan Hill, Deputy County Administrator
 - Two-Week Progress Report
 - Construction Project Updates
Mr. Robert McFee, Division Director, Engineering and Infrastructure
One Cent Sales Tax Referendum Projects:
U.S. Highway 17 Widening
New Bridge over Beaufort River / U.S. 21 / S.C. 802
S.C. Highway 802 Roadway Construction Project

Over



S.C. Highway 46 and Simmonsville Road
U.S. Highway 278 Resurfacing
Capital Improvement Projects:
Disabilities and Special Needs Adult Day Program and Administration Center
Hilton Head Airport Aircraft Rescue Firefighting Facility

8. PRESENTATION / GENERAL PRINCIPLES OF REDISTRICTING ([backup](#))
Mr. Bobby Bowers, Director
South Carolina Budget and Control Board, Office of Research & Statistics

CONSENT AGENDA
Items 9 through 11

9. FISCAL YEAR 2010 - 2011 ALLOCATIONS TO OUTSIDE AGENCIES ([backup](#))
 - Finance and Community Services Committees discussion and recommendation to approve occurred November 15, 2010 / Vote 7:0
10. RADIO FREQUENCY IDENTIFICATION (RFID) FOR COUNTY LIBRARY SYSTEM ([backup](#))
 - Finance and Community Services Committees discussion and recommendation to approve occurred November 15, 2010 / Vote 7:0
 - Contract award: ITG, North Cross, Georgia
 - Contract amount: \$970,711 year one only
 - Funding source: Each libraries portion will be funded through corresponding impact fees except for the Beaufort Library Branch, which will be funded through CIP.
11. ADOPTION OF THE 2010 BEAUFORT COUNTY COMPREHENSIVE PLAN (A COMPILATION OF PREVIOUSLY APPROVED UPDATED ELEMENTS, THE DEMOGRAPHICS ELEMENT, A NEW INTRODUCTION AND HISTORY CHAPTER, AND ALL OF THE 1997 COMPREHENSIVE PLAN APPENDICES) ([backup](#))
 - Consideration of second reading November 29, 2010
 - Public hearing – Monday, January 10, 2011 beginning at 6:00 p.m., Council Chambers, Administration Building, Beaufort
 - First reading approval November 8, 2010 / Vote 10:0
 - Natural Resources discussion and recommendation to approve occurred November 1, 2010 / Vote 7:0

PUBLIC HEARINGS
Items 12 through 13

12. AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO EXTEND THE 2010 SUNSET DATE FOR GREENHEATH PLANNED UNIT DEVELOPMENT, INVOLVING 97.80 ACRES ON LADY'S ISLAND, FOR AN ADDITIONAL TEN YEARS WITH CONDITIONS ([backup](#))

- Consideration of third and final reading November 29, 2010
- Public hearing occurred November 9, 2009 (One of one)
- Second reading approval occurred October 26, 2009 / Vote 5:3
- First reading approval occurred August 25, 2008 / Vote 10:1

13. AN ORDINANCE TO APPROVE A DEVELOPMENT AGREEMENT BETWEEN BEAUFORT COUNTY AND GLEASON PLACE, L.P., A SOUTH CAROLINA LIMITED PARTNERSHIP, PURSUANT TO SECTION 6-31-30 OF THE *CODE OF LAWS OF SOUTH CAROLINA*, 1976, AS AMENDED ([backup](#))

- Consideration of third and final reading November 29, 2010
- Natural Resources discussion and recommendation to approve occurred November 1, 2010 / Vote 7:0
- Public hearing occurred November 9, 2009 (Two of two)
- Second reading approval occurred October 26, 2009 / Vote 3:4:1
- Public hearing November occurred 26, 2009 (One of two)
- First reading approval occurred October 12, 2009 / Voted 7:4
- Natural Resources Committee discussion and recommendation occurred October 5, 2009 / Vote 3:2
- Beaufort County Board of Education approval occurred September 15, 2009 / Vote 11:0
- Development Agreement Subcommittee of Natural Resources Committee discussion occurred September 2, 2009
- Natural Resources Committee discussion occurred July 16, 2009
- Development Agreement Subcommittee of Natural Resources Committee discussion occurred July 14, 2009
- Development Agreement Subcommittee of Natural Resources Committee discussion occurred June 23, 2009

14. [COMMITTEE REPORTS](#)

15. PUBLIC COMMENT

16. EXECUTIVE SESSION

- Discussion of employment of a person regulated by the County Council

17. 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

Oath of Office Monday, January 3, 2011 4:00 p.m. Council Chambers Administration Building

Official Proceedings
County Council of Beaufort County
November 8, 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, November 8, 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.

PLEDGE OF ALLEGIANCE

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

INVOCATION

Councilman William McBride gave the Invocation.

REVIEW OF PROCEEDINGS OF THE REGULAR MEETING HELD OCTOBER 25, 2010

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that Council approve the minutes of the regular meeting held October 25, 2010. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Glaze. The motion passed.

PUBLIC COMMENT

The Chairman recognized Mr. Dan Dennis, President of Dennis Corporation, who talked about a few very, very important things. Mr. Dennis is the county engineer for the Program Management contract. He has a very strong duty to make sure that these projects are built right. Simply stated, Dennis Corporation's role is to make sure the road and bridge projects under the one cent sales tax program are built to SCDOT and federal standards. That ensures the safety and welfare of the public, who will utilize these roads and bridges for the next 75 years, is maintained and also that those who travel the work zone everyday are protected. Several weeks ago Dennis Corporation was directed to reduce its staff of the SC 802 project from ten people to four. Some of those folks were replaced by two other engineering firms. One of those engineering firms is owned by the construction company that is constructing the SC 802 bridge.

Some people would call that the fox guarding the henhouse. We have a series of events since Dennis Corporation has pulled off the SC 802 project that is compromising safety of the public, your Intergovernmental Agreement with SCDOT and compromising the good work that Dennis Corporation has done around this State. Mr. Dennis brought Council's attention to two incidences that happened over the weekend. These can be found in a letter dated November 8, 2010 addressed to Chairman Newton. The first incident occurred on the evening of Friday, November 5, 2010 at approximately 11:30 p.m. when *Anger Management*, a tug boat out of Jacksonville, Florida, was pushing a salvage barge, made contact and was stuck in pillars (dolphins) next to the construction of the new bridge. As the tugboat was trying to maneuver the barge from the dolphins, it rammed into and caused damage to the Bent 11 footer of the new bridge. A representative from the tug boat stated that they lost control and had engine problems. Misener Marine, a subcontractor, was on site and contacted 911 and Port Royal Police. 911 and Port Royal Police called the Coast Guard and Beaufort County Emergency Management. At no time was County staff or Dennis Corporation personnel contacted because we were not on site. No documentation of the incident was taken. To Mr. Dennis's knowledge, there were no photos taken, eye witness reports or immediate damage assessment to the bridge and dolphins recorded. This is totally unacceptable. Mr. Dennis would recommend the County have Dennis Corporation immediately perform underwater inspections on this structure to determine the extent of the damage, if any, and report those findings to SCDOT. The second incident occurred, Sunday, November 7, 2010 at approximately 1:30 p.m. Sanders Brothers, who is constructing the roadway, was working in the middle of SC 802 (old Savannah Highway) to remove concrete barriers. The contractor had three pickup trucks, seven workers, one skid-steer excavator and one front-end loader all stationed in the middle of SC 802. All of this was going on in the middle of traffic. They had limited barrels, but were not compliant with their signage for a flagging operation. They almost hit a woman who was travelling in the travel way. Again, no one from Dennis Corporation, no one at all, no inspectors were on site. This is totally unacceptable. God forbid your Intergovernmental Agreement get in jeopardy over these incidences. Mr. Dennis will do everything in his power to help the county, but he cannot help the county with only four people inspecting a job of that magnitude.

The Chairman referred this matter to the Public Facilities Committee.

Ms. Edie Rodgers, former State Representative District 124, questioned if the County had ever accepted the Broad River Bridge (SC Highway 170). It is an absolute delight to drive to Bluffton and Hilton Head Island on that wonderful four-lane road. She does not know how we ever got through so many years without it. Ms. Rodgers thinks we owe it to the families of the two Sheriff's Deputies, for whom this bridge was to have been named, to accept the bridge and get on with naming it for them. Have we ever really accepted it?

Mr. Newton is of the opinion that is a SCDOT determination regarding the naming. Council adopted a resolution encouraging that happen. At the time that construction was finished, there was a global sort of recognition that we were struggling to find absolute celebration, given the challenges that were all mounting at the time regarding the engineering studies and otherwise. Council recommended to SCDOT, if memory serves, that it endorsed the recommendation

naming the bridge for the Deputies and that they were going to proceed in that fashion. Whether they have formally done that, Mr. Newton does not know.

Ms. Rodgers remembers in 1958 when Rodgers Bridge was dedicated, there was quite a ceremony. Frankly, in the middle of the bridge, traffic was closed and all the officials from Columbia were here. It was really quite an event. For some reason she kind of thought we were going to do the same sort of thing for the dedication this time for the new bridge. She does not know why Council has not heard from the families of the Deputies for whom it is to be named.

Mr. Newton replied it is a good inquiry. We are not in control of whether that happens, but we can certainly reach out and find out. It is SCDOT responsibility to plan a dedication ceremony.

RECOGNITION

AWARD PRESENTED BY REPRESENTATIVE SHANNON ERICKSON

State Representative Shannon Erickson, District 124, announced Paliete Sharpe, Whale Branch Middle School, and Dajai Osborne, Beaufort Middle School, are recipients of a voluntary essay contest sponsored by the Beaufort Republican Women. Middle school students were asked to write an essay on the topic, "What the Constitution Means to Me". Each student was awarded a \$100 savings bond and a medal.

PROCLAMATIONS

Veterans Day

The Chairman announced in observance of Veterans Day, Thursday, November 11, 2010, Beaufort County proudly joins the rest of the nation in saluting and giving special honor to those men and women who served in the armed forces, both active and inactive, for their contribution, dedication and commitment to the cause of our freedom. Mr. Ed Ray, Veterans Affairs Director, accepted the proclamation. This year's Parade Grand Marshall is Robert Waldrop, Veteran, U.S. Army Air Corps, World War II POW and Purple Heart recipient.

America Recycles Day

The Chairman proclaimed November 15, 2010 as America Recycles Day and encouraged citizens to become aware of recycling in Beaufort County. Mr. Jim Minor, Supervisor, Solid Waste and Recycling, accepted the proclamation. Mr. Minor was joined by Mrs. Carol Murphy, Recycling Coordinator; Mrs. Beth Lewis, Information Coordinator Data Analyst; Mrs. Veronica Miller, Keep Beaufort County Beautiful Coordinator; and Mr. Russ Hightower, Manager, Public Affairs, Waste Management, Inc.

Mrs. Carol Murphy, Recycling Coordinator, gave a PowerPoint presentation on why we need to recycle. Environmental reasons include reduction in pollution, conservation of resources, conservation of energy, reduction in consumption and waste and protection of the earth's ecological balance. Economic benefits in South Carolina include a \$6.5 billion impact on the

state's economy – 15,000 jobs, 300+ companies, \$1.5 billion in annual personal income and \$69 million in tax revenue. Recycling in Beaufort County includes the first stage of the County Office Recycling Program, funded by a Department of Energy grant. Six thousand pounds were collected in three months. Curbside programs underway in the City of Beaufort, Town of Bluffton, Town of Port Royal, Sun City, Habersham, Brays Island and Callawassie Island yield 25,000+ tons annually. New programs involve the School District Recycling Program and first reading approval of the Town of Hilton Head Island Curbside Program. Education is the key to any successful program. Mrs. Murphy introduced ReRun, the County advertising symbol.

COUNTY ADMINISTRATOR'S REPORT

The County Channel / Broadcast Update

Mr. Gary Kubic, County Administrator, announced The County Channel is now available on Channel 9 and Channel 252 for Hargray customers south of the Broad River. The County Channel taped the recent game between the Beaufort High School Eagles and the Summerville High School Green Wave. It was a great game, with Beaufort High winning 31 – 28. We have had a lot of positive feedback from the community and from the School District. One play was so amazing, however, it was put on the web, and picked up by ESPN as one of the top ten Plays of the Week on Sports Center -- this was a 34-yard one-handed catch pass to Dymonte Gwathney, a wide receiver for Beaufort High. Council viewed a video clip of the pass. This is a first of many high school games the county hopes to cover in partnership with Beaufort County Schools. He thanked Mr. Bryan Hill, Deputy County Administrator; Mr. Fred Washington, Board of Education Chairman; and Dr. Valerie Truesdale, Superintendent.

The County Channel will be videotaping the Veteran's Day event at the National Cemetery on November 11, 2001. The ceremony will be replayed at 7:00 p.m. that evening. The day will have a full schedule of The County Channel featured content, including Parks and Leisure Services football games, the full Beaufort High vs. Summerville High football game and a Coastal Kingdom Marathon, including the new Sharks and Rays episode. Council viewed a one-minute preview of the new episode.

Immediately following today's Council meeting, The County Channel staff will broadcast live the Mayoral Debate for the runoff election for Mayor of the Town of Hilton Head Island. This debate between candidates Tom Crews and Drew Laughlin will be at 7:00 p.m. tonight on Hilton Head Island. We encourage all of our audience, and those of you watching at home to tune in. We would like to thank the local municipal governments for working with us to televise debates and candidate forums for this past election. The runoff election for Mayor of Hilton Head Island will be Tuesday, November 16.

Two-Week Progress Report

Mr. Gary Kubic, County Administrator, submitted his Two-Week Progress Report, which summarized his activities from October 25, 2010 through November 5, 2010. Administration is assessing and evaluating areas within the general fund budget in anticipation for the budgetary

process next year. As a result of this effort, last week the Finance Department put in a journal entry and out of the vacant funded positions we have dropped our appropriations for those positions by \$2 million. What that means is of the appropriation total of \$104 million, Council approved on June 28, 2010, it is now \$102 million. When you add the reorganization in the Engineering Department, we effectively changed, going into next year, in the taxpayers' favor of \$2.5 million which is about 1.5 mills. That does not mean in the deletion of the appropriation we are not going to fill those vacancies, but what it does mean is that when a department head in the general fund needs to request a position, it is going to go through a very solid vetting process before it goes forward. We are trying to get that appropriation number down so that when Council begins its work, it can reallocate or redirect or accept what staff brings forward.

Mr. Baer said about a month ago in Finance Committee members were talking about seeing the results of those new allocations per department. Will Council be able to see how administration is spreading its allocations?

Mr. Kubic replied the primary focus at present is on labor because it is the largest number in our general fund. We all know that when we are growing everything is fine, but when we begin pulling back, it gets a little bit debatable, as it should, as to which goes first. We are working on a complete assessment. We were holding about 70 vacancies and we thought it would be a little wiser to retract the appropriation and allow a more complete process. Not only would you have to ask for a new position, but have it vetted. We hope this way that we get the message out to everybody that we are trying to hold the line. An appropriation it just a number on a piece of paper. It has to be supported by a receipt and actual cash collection. What we are trying to do is take it down because the rate and collections in Beaufort County, as it is in every other county, is slowing down.

Mr. Baer's main question was with the libraries. Were they taking a bigger share of the hit?

Mr. Kubic replied the bigger share of the hit comes from the larger departments that have more employees.

Recognition / Amanda Flake and Judith Timmer / Arborist Certifications

Mr. Gary Kubic, County Administrator, announced Mrs. Amanda Flake, Natural Resource Planner; and Ms. Judy Nash Timmer, Development Review Planner / Corridor Review Board Administrator, have earned certifications as professional arborists from the International Society of Arboriculture (ISA) and the local Chapter of the ISA. This involves extensive study, test taking and test passing. Mr. Kubic is very proud of Mrs. Flake's and Ms. Timmer's accomplishment; a job well done. Mr. Kubic would boast the Beaufort County Planning Department is the only planning department in the State of South Carolina that has two certified arborists on staff. Why is that important? Trees are important in Beaufort County. We are trying to send a message to our community that we have two people on our planning staff who are fully capable of performing, not only an evaluation on trees, but doing what is best for not only the resident, but also for the vegetation here in our county.

Delivery of Donated Items from Lowe's for County Animal Shelter

Mr. Gary Kubic, County Administrator, announced the Animal Shelter and partners have come a long way in helping the volunteer programs for adopting the animals. Mr. Kubic thanked Lowe's Helping Heroes Program for donating a truck load of items including a new refrigerator, shelving, paint for the main office, screened porch, fans and nine five-tier chrome shelving units. They are also sending volunteers to help with the installation of shelving and painting. Council viewed a one-minute video featuring Mr. William Winn, Division Director-Public Safety, thanking Lowe's for its generous donation to the Animal Shelter.

Presentation of 2011 Calendar

Mr. Gary Kubic, County Administrator, unveiled the 2011 Beaufort County Calendar. As you know the calendar is a tool for getting out information about the Beaufort County Rural and Critical Lands Preservation Program. The calendar features photos taken at 12 of the 60 sites acquired by the County for conservation and for use as public parks. During the County's annual photo contest last summer, photographers, who entered the contest rose to the challenge before them. They found the locations and braved the heat, bugs, reptiles and underbrush to bring back some of the finest beautiful shots every taken of our natural Beaufort County landscape. The winning photographers are here tonight.

Mr. Kubic introduced this year's photo contest winners. The cover photo – Peaceful Harbor at the Barringer Tract, was taken by Margery Boyle; January – Tranquility at Widgeon Point, by Sandy Dimke; February – Galleries at Fort Fremont, by John Marie-Cote; March – The Shoreline at the Barringer Tract, by Nancy Promislow; April – Widgeon Point Pearl, by Stacey Bradshaw; May – Quiet Time at Jones Landing, by Russ Dimke; June – Birds in Flight at Widgeon Point, by Scott Quarforth; July – Majestic Live Oak at Pinckney Colony, by Ed Allen; August – Pals and Stoney Preserve, by Ron Roth; September – Altamaha Preserve, by Barre Wright; October – Birds at Widgeon Point, by John Marie-Cote; November – Peaceful Waters at Station Creek, by Donna Varner; December – Summer Day's End at the Bluffton Oyster Company, by Marci Tressel.

The design of the calendar was created by a volunteer, Alan Sprules. Alan is a retired advertising executive and graphic artist who managed the creative process for several international accounts and worked for many years on Madison Avenue. His talent was generously contributed for this calendar. Mr. Kubic expressed his appreciation for Alan's excellent work.

It is also appropriate at this time to recognize the good work of staff members who went above and beyond their regular duties to help with the calendar contest. The nature and ecology blurbs and photo facts were written by Rob Merchant. Website maps for the contest were created by Teri Norris. GPS coordinates, driving directions and additional online maps were created by Jason Flake, Joe Noll and Daniel Morgan. Advertising and poster designs were created by Stephanie Cocco. Use of social media to market the calendar was handled by Alexis Garrobo. Coordinating judging efforts was handled by Ashley Moore.

Immigration Joint Initiative Planning Group

Mr. Fred Washington, Chairman of the Board of Education, explained the purpose of the Immigration Joint Initiative Planning Group is to conduct a Community Education Forum (Forum) to dispense facts regarding legal issues surrounding immigration in Beaufort County. The November 17 forum will focus on specific impact areas: education, health and human services, law enforcement and business communities. The Joint Planning Group was initiated by the Joint Council / Board of Education Committee in April 2010. Mr. Washington was assigned the task of coordinating the Community Education Forum. Individuals will present brief statements on immigration law in those five areas outlined. The information will be posted on a website at the closure of business November 17. The Joint Planning Group is comprised of representatives from the County, Beaufort City, Board of Education, Bluffton Town, Port Royal Town, Senator Tom Davis and verbal commitment from Hilton Head Island Town. There is a good opportunity to build the foundation for the municipalities to buy in to the County Lawful Employment Ordinance.

Mr. Washington is looking for Council to go on record in support of the Beaufort County Immigration Information Forum scheduled November 17, 2010 and agree to be a participant. Further, Council go on record and say that it does not condone illegal immigration into our community, but supports legal immigration avenues.

It was moved by Mr. Sommerville, seconded by Mr. Glaze, that Council adopt a resolution that it does not condone illegal immigration into our community, but supports legal immigration avenues. 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.

Mr. Baer asked if the Forum will present some statistics. Mr. Washington replied in the negative.

Mr. Baer stated the County has had a lot of business audits and he has never seen the results of any of them. Mr. Washington replied that is not the purpose of this Forum. We hope, however, from this point forward, avenues will develop to share that information.

Mr. Caporale understands one of the goals is to get the municipalities to buy in to the County Lawful Employment Ordinance. Mr. Washington knows it is an objective of Councilman Stewart's, but it is not a goal of the Forum. Hopefully, however, conversations with the municipalities will set the tone and willingness to partake in the process.

Mr. Rodman stated the County has been out there by itself to some extent regarding its Lawful Employment Ordinance. As you put the facts on the table, Mr. Rodman is hopeful Mr. Washington will not be bashful about saying who is in and who is out in terms of the ordinance.

Mr. Newton asked if the County Lawful Employment Ordinance will be highlighted. Does it have anything to do with this Forum? Mr. Washington noted one presentation will deal with the fact the County has a Lawful Employment Ordinance.

Mr. Baer noted the County has had the Lawful Employment Ordinance in place now for approximately three years. He has yet to see any official statistics as to the number of questionable cases, disposition of them, broad statistics (without names), etc. Council should see numbers. Mr. Washington replied that is not the purpose of the Forum.

Mr. Kubic remarked the Lawful Employment Ordinance Council passed is not a verification of undocumented employees. It is a certification as to whether a businessman properly certified I-9 compliance. There are 28 identification processes. One could be a submittal of a fraudulent driver's license that is sufficient under federal law to qualify as a certification by the business. In essence, what we try to do in the Lawful Employment Ordinance is to make sure at least the I-9 compliance is met by the businessman. If we have some concepts that we talk to business people about how they can improve and determine whether or not the documentation used is authentic, we do that. In some instances, we have provided information to the Sheriff's Office. But that information, once under investigative abilities of the Sheriff, Mr. Kubic has no information or statistics. We do not generate nor do we intend to indicate that our ordinance intended to verify or find illegal immigrants who are not documented within the business establishment.

Mr. Baer stated it would be useful to know how many audits were conducted and how many we were sent to the Sheriff's Office.

Mr. Kubic replied in the original pool of 4,000 to 5,000 we are approximately 300 short of completing the entire cycle. When the federal law changed, our focus became more on the financial audit and I-9 verification was a part of it. But the emphasis by the federal government recently, not to pursue through ICE cases, became less. Mr. Kubic does not believe we have passed as much information to the Sheriff's Office as in the beginning. Our ordinance has validity and merit, but we do not have the ability to contest a federal requirement. If the federal government's requirement is that the presentation can look like and be the size of driver's license with my birth date or my social security number on it, there is nothing we can do about it.

2010 Comprehensive Annual Financial Report

Mr. David Starkey, Chief Financial Officer, remarked last year it gave him great pleasure to present a Comprehensive Annual Financial Report (CAFR) on time to Council. This year it is with great pleasure to present the 2010 CAFR early. The CAFR was issued October 29, 2010. It was the earliest issuance since the FY 1990 CAFR and only the second time after the FY 1976 CAFR the County has issued this early. An early issuance gives stakeholders fresh data that allows for more educated-decision making, shows the public and rating agencies the county is well-organized and responsive. Federal and state agencies and the Government Finance Officers Association have due dates for County CAFRs to be issued. Mr. Starkey thanked Mr. Alan Eisenman, Financial Analyst, and Ms. Alisha Holland, Financial Analyst, for getting the CAFR out early.

Internal Findings

Mr. Tom McNeish, CPA, a shareholder with ElliottDavis, LLC, remarked the external audit consists of three components. First, ElliottDavis designed and implemented tests to determine the balances and footnotes are presented in a materially correct fashion and in accordance with Generally Accepted Accounting Principles (GAAP). The second component involves internal control over financial reports. The third and final component involves a high risk audit of any county that receives extensive federal funding / grants. This involves performing a separate audit in accordance with the Federal Single Audit Act. Based on the testing performed, in ElliottDavis opinion, for the County's major programs, the County is in compliance with the Federal Single Audit Act.

ElliottDavis is required to report whether or not any material weaknesses or significant deficiencies were noted based on the evaluation. Mr. McNeish reported six internal findings.

Item 1 - Disbursements from the Treasurer's Office - The Treasurer is the only one authorized to sign checks issued from the Treasurer's office. Since many checks are issued from this office, a signature stamp is maintained so each check does not have to be physically signed. As a result of our audit procedures related to disbursements from this office, we noted that four employees other than the Treasurer have access to this stamp; hence giving them the ability to issue checks without obtaining proper approval from the Treasurer. To further support the lack of an approval process, we noted that employee expense reimbursements were made without approval from the Treasurer. In addition to noting that too many employees had access to the Treasurer's signature stamp; we observed blank checks being left unattended on a supervisor's desk while the supervisor was not in the office. These conditions increase the risk of there being unauthorized expenditures made at the Treasurer's office. We recommend that the Treasurer's office change its disbursement policies and begin issuing checks through the accounts payable system used by the Finance department. Management Response: The Treasurer's office has not responded to this finding as of the date of this report.

Item 2: Agency Reimbursements - Agencies other than municipalities are not required to submit documentation to the Treasurer's office when requesting reimbursements. This condition increases the risk of agencies collecting monies that they are not entitled to. We recommend that all agencies other than municipalities be required to submit documentation supporting the amounts requested for reimbursement. Management Response: The Treasurer's office has not responded to this finding as of the date of this report.

Item 3: Missing Disbursement Populations at the Treasurer's Office - A complete population of disbursements issued at the Treasurer's office was not provided upon our request. When we requested a population of disbursements to make testing selections from, we were only provided one of three populations. The Treasurer's office issues disbursements from its main operating account, tax surplus account and also prints checks from QuickBooks. However, we were only provided the population for the disbursements made from the main operating account. After further inquiry, we obtained the other two populations. This condition increases the risk that the

Treasurer's office is withholding information necessary to complete the audit. We recommend that the Treasurer's office provide all audit requests as they are necessary for the audit to be completed. Management Response: The Treasurer's office has not responded to this finding as of the date of this report.

Item 4: Supporting Documentation and Authorization for Journal Entries - Supporting documentation for journal entries initiated in the Treasurer's office was not consistently maintained. As a result, there is not adequate documentation that these journal entries were properly authorized and reviewed for accuracy. This condition increases the risk that journal entries that are erroneous or for an unauthorized purpose could be recorded in the County's general ledger and not be detected. We recommend that the Treasurer's office implement a policy in which documentation is maintained to indicate that journal entries are approved and reviewed for accuracy by authorized personnel other than the individual who initiated and/or recorded the journal entry in the general ledger. Management Response: The Treasurer's office has not responded to this finding as of the date of this report.

Item 5 - Lack of Segregation of Duties at the Hilton Head Island Airport - During fiscal year 2010, we noted that there was a lack of segregation of duties related to receipting cash and preparing the bank deposits. This lack of segregation of duties subjects the County to increased risk of material misstatement within its financial statements as there is little or no oversight over the Hilton Head Island Airport Accountant's work. Responsibilities should be assigned within the Finance Department and the Hilton Head Island Airport to allow for sufficient oversight and review of an individual's work, particularly in key areas such as receipting cash and preparing bank deposits. Management Response: The County will correct this control deficiency in fiscal year 2011 by adding more employees to this process to better separate these duties. The County's Finance department will take full control of the accounting functions of both airports, which was a separate function of the airports during fiscal year 2010.

Item 6: Supporting Documentation for Special Assessment Ratio - Supporting documentation for real property assessment ratio changes from six percent to four percent was not consistently maintained at the Assessor's office. As a result, there is not adequate documentation that these changes were properly authorized and reviewed for accuracy. This condition increases the risk that properties are assessed at the incorrect ratio and property tax revenues are understated. We recommend that the Assessor's office implement a policy in which documentation is maintained to indicate that changes in assessment ratios are approved and reviewed for accuracy by authorized personnel. Management Response: There are four percent residential property records in the Assessor's office that have no supporting documentation. This is related to in-office procedures of the past and the lack of archiving records. Currently, the approval of a four percent residential assessment ratio must have a completed and signed application, including supporting documentation that evidences the applicant taxpayer's claim of legal residency. Documentation includes copies of vehicle registration(s), driver's license, a State of South Carolina identification card, the latest filed state of South Carolina income tax return and other proof as may be required by the County Assessor. All documentation is currently archived and these requirements are posted in the lobbies of the Assessor's office. Another exception may be

related to the software conversion project performed in 2008, wherein data was reconfigured incorrectly or misapplication by staff of the expiration date on valuation modifiers.

Mr. Rodman asked if it is usual or unusual to have that number of findings in one office like the Treasurer's Office. Mr. McNeish replied it is unusual.

CAFR Highlights

Mr. Starkey stated the general fund is the most important fund of the county. The fund balance decreased by \$2.7 million from \$20.9 million to \$18.2 million largely due to the economy. Other major contributors include: (i) State Aid to Beaufort County was cut by \$1.1 million, from approximately \$6.6 million to \$5.5 million. (ii) Slow payments of property tax. We had approximately \$1.3 million due to our general fund as of August 31, 2010, which is the 60-day accrual period. We will receive most of that through tax sale and bankruptcies. (iii) Over 1,000 properties shift from 6% non-owner occupied properties to 4% owner-occupied in FY 2010. From December 15, 2009 to April 30, 2010 our tax bills (what we have billed out net of tax increment financing) declined by \$2.9 million. Some of that had to do with reassessment, but the most had to do with the shift from 6% to 4%.

County Debt. The County debt fund balance increased by \$2.7 million from \$4.3 million to \$7.1 million. The main reason is due to Bond Anticipation Note Refinancing into FY 2010 General Obligation Bonds which led to a \$2.9 million bond premium.

New River Tax Increment Financing (TIF). The fund balance increased by \$4.8 million from \$16.8 million to \$21.6 million. The large increases in this TIF's fund balance will allow a projected early payoff in FY 2013 (due date FY 2014) and produce almost one more mill in general fund per year.

Hilton Head Island Airport. The fund balance increased by \$199,000 from \$15.0 million to \$15.2 million. Cash due to the general fund decreased by \$3,726.

Beaufort County (Lady's Island) Airport. The fund balance increased by \$7,880 from \$3.0 million to \$3.8 million. Cash due to the general fund increased by \$35,448.

There have been some questions about capital assets and how we depreciate them at the Airport. Mr. McNeish reported the Airports are going to receive Airport Improvement Grants (AIP) which is considered under GAAP, non-exchanged transactions. In other words, even though this is an enterprise fund, it is not, in this case, if a service was provided in exchange for revenue, the revenue is generated through compliance with those grants' requirements. That being the funding source for a lot of the capital improvements at the Airports, those, in accordance with GAAP, are going to be appreciated over an estimated useful life. That is the prescribed method of accounting for capital assets that are funded in that manner.

Mr. Baer noted Mr. Starkey's presentation did not include the \$250,000 in general fund contribution that we gave them last year.

Mr. Starkey replied it did not. However, based on that fact that it was a contribution from the general fund and the way that was budgeted, that is considered a contribution and not a due to. It is not a receivable from the general fund.

Mr. Baer said it is still out of the taxpayers' pocket.

Mr. Baer commented it looks like in the first quarter of 2011, their due to general fund increased substantially again. Mr. Starkey replied in the affirmative. Typically, if you look at the trends over the years, over the first couple of quarters it tends to go down and in the summer months it tends to go up. We will see how this year fairs against the last ones.

Mr. Baer remarked by his calculations they have removed a net total \$2,416,208 from the general fund.

Mr. Rodman commented with regard to the New River TIF projected early payoff in FY 2013 (due date FY 2014), the County will pick up an additional \$1 million and the School District approximately \$3 million on the operating side. Relative to the Airports, typically net worth is assets less liabilities. In this particular case is that still a fair representation of the net worth of the Airports?

Mr. McNeish replied most of that net worth is going to be the net of those depreciated assets. Infrastructure is going to make up most of that net worth. It is on the balance sheet. It is the asset itself less the liabilities to whatever extent they fund those assets.

2002 General Obligation Bond Refinancing

Mr. Starkey reported in May 2002 the County borrowed \$25.1 million for various projects. The balance due as of June 30, 2010 was \$11,505,000 with interest rates ranging from 3.0% to 4.875%. Every year a bond comes due it has a different interest rate. The call date is February 1, 2012. A call date is the first date the County can actually pay these bonds off early. Some of the major projects for funds borrowed related to communications equipment, Burton Wells Regional Park improvements, renovations to County Administration Complex buildings and Voter Registration Building improvements. Council approved the partial refunding through three readings and a public hearing which concluded on September 13, 2010. As of Thursday, November 4, 2010 the County borrowed \$8,125,000 to be used to pay off \$8,125,000 of the \$11,500,000 outstanding on those bonds which has a call date of February 1, 2012.

How that will occur is this. The FY 2011 – FY 2013 payments will be made as they normally are with no change to the 2002 bonds. After the call date, FY 2014 through FY 2022 payments will be paid from the new bonds we just borrowed (2012 refinancing bonds). In the meantime the monies we just borrowed which will temporarily bump up our debt service balance, but we cannot touch those monies. Those monies will be in an escrow fund for this particular bond payoff. Interest rates on the new bonds range from 2.0% to 4.0%. In addition we received \$595,961 in a premium making that effective rate of borrowing at 2.3%, which is roughly 1.5%

lower than what we were paying prior to this refinancing. What this means to the county is a total savings of net present value of \$858,655 over the next 12 years. This is a 10.633% savings to the County. This is significant.

Why such a large savings? There are three main reasons. First, interest rates are much lower now than in 2002. Second and very important, is our bond ratings. We have an Aa1 bond rating with Moody's. Their second highest rating. AAA is their highest. Beaufort County is tied for second with Richland County for the best Moody's rating. Only Charleston and Greenville Counties are higher with an AAA rating. Mr. Starkey noted that he and Mr. Bryan Hill, Deputy County Administrator, had attended a conference several months ago in which a representative of Moody's spoke there. Some of the things they look at in their ratings -- they understand counties right now are hurting, they understand most likely you are not going to see increases in the general fund, but you are going to see some decreases. A one-year blip is not going to affect your bond rating. However, what they are looking for is what plans do you have in place in years two, three, four and five to ensure you are not eating into your fund balance every year and get into a crisis. Messrs. Kubic, Hill and Starkey have been in many conversations with Moody's and Standard & Poor's since January and that is what they use to figure out what our ratings and that we definitely have plans in place -- such as cutting the non-funded positions out of our budget, which, in turn, when to refinancing bonds, saves the County a lot of money. The County Standard & Poor's rating is AA+, which is their second highest rating. The County had six bidders in this process. Anything usually over three or four bidders is considered a very good turnout. We had an excellent turnout which allowed us then to have a great return on this particular endeavor.

Mr. Baer commented in the four years he has served on Council he has seen extraordinary improvement in data, statistics and financial results. The ability for mere Council members to go into the numbers and ask questions intelligently is a tremendous breakthrough. Messrs. Kubic, Hill and Starkey, "Job very well done".

Property Tax Agreed-Upon Procedures

Mr. Starkey reported the County requested ElliottDavis prepare Agreed-Upon Procedures, which is not an audit, but a process having an external party figuring out what we are doing right, what needs correcting, what processes need improving all of which can eventually start affecting the CAFR if not addressed. The County requested ElliottDavis to perform a procedures over the entire tax bill creation process, accounting process, collection process and distribution process, *i.e.*, what it takes to make a tax bill for both real, personal and automobile property, how the collection process is handled and accounted for and the distribution process. That not only included the Treasurer's Office, but also the Auditor's Office, Assessor's Office, Stormwater Management Department and Finance Department.

Mr. Ryan Miller, ElliottDavis, presented the County Property Tax Agreed-Upon Procedures Report.

ElliottDavis obtained a listing of the County's property tax collections from Manatron for the following periods: December 1, 2009 - December 15, 2009; December 16, 2009 - December 31, 2009; January 1, 2010 - January 15, 2010; January 16, 2010 - January 31, 2010; February 1, 2010 - February 28, 2010; March 1, 2010 - March 15, 2010; March 16, 2010 - March 31, 2010 and April 1, 2010 - April 30, 2010. From each listing, we selected a random sample of 30 property transactions for real property, 20 transactions for personal property and 10 transactions for automobiles. Within the real property category, we selected 10 transactions each for primary residences, non-primary residences and mobile homes. Within the personal property category, we selected 10 transactions each for furniture and fixtures and watercraft. In the aggregate, we selected a sample of 480 property tax collections. For each ten-item sample, we applied the procedures described below:

Agreed Upon Procedure #1: For each transaction, we compared the information (parcel number, district number, property type, class code, mills, appraised value, capped value, taxable value, and tax amount) listed on the tax bill to Manatron.

Findings: The mill apportionment listed on the tax bill was not in agreement with the mill apportionment listed on Manatron as follows: (i) Real property - No findings were noted as a result of this procedure. (ii) Personal property- Furniture and fixtures - two transactions. No findings were noted as a result of this procedure on watercraft. Automobiles - Three transactions.

Management Response: Assessor's office: The mill apportionment per the tax bill did not agree with the mill apportionment per Manatron due to appeals. There are no recommendations for changes as the timing of closure of appeals to production of tax bills cannot be improved. Auditor's office - The Auditor's office did not provide a management response related to these findings as of the date of this report.

Agreed Upon Procedure #2: For each transaction, we performed the following related to the taxpayer's ownership of the property: (i) Real property - For mobile homes, we obtained a copy of the "Bill of Sale," "Title," and "Licensing Application" and compared it to the tax bill. For 4% and 6% real properties, we compared the taxpayer's name, address, parcel number and description of the property listed on the tax bill to a copy of the "Deed." (ii) Personal property - For furniture and fixtures, we compared the taxpayer's name, address and description of the property listed on the tax bill to a "Personal Property Return." For watercraft, we compared the taxpayer's name, address and description of the property listed on the tax bill to the "Schedule of Registered Watercraft" provided by the Department of Natural Resources. (iii) Automobiles - For automobiles, we compared the taxpayer's name, address, vehicle identification number and description of the property listed on the tax bill to the "Affidavit of Sale" provided by the South Carolina Department of Motor Vehicles (SCDMV).

Findings: (i) Real Property - Copies of "Deeds," "Bills of Sale," "Title Applications," and "Licensing Applications" were not maintained on file at the County Assessor's office as follows: Mobile homes - Fifty-five properties were missing copies of the taxpayer's "Bill of Sale," fifty-four properties were missing copies of the "Title

Application,” and thirty properties were missing copies of the “Licensing Application.” 4% properties - Three properties were missing a copy of the “Deed.” 6% properties - Five properties were missing of copy of the “Deed.” (ii) Personal property - Thirty-one “Personal Property Returns” (Forms PR-26 or PT-100) were not maintained on file for furniture and fixtures. Three watercraft properties were not registered with the SCDMV as they were not listed on the “Schedule of Registered Watercraft” received from the SCDMV. (iii) Automobiles - “Affidavits of Sale” were not maintained on file for eighty automobiles.

Management Response: (i) Assessor’s office - The Repository for Beaufort County “Deeds” is with the Register of Deeds. The Assessor’s office maintains copies of deeds on an “as needed” basis. For a number of years, the Assessor’s office was able to access the SCDMV database for title verification and mobile home serial numbers. The Assessor’s office has a pending application to the SCDMV to renew the access to its database. However, older mobile home records will often have little or no information available. Typically, a “Bill of Sale” is not provided, except for dealer sale invoices. Mobile home permits are issued by the Building Codes department for four reasons: moving a mobile home to another location within the County, change of ownership, new mobile home added to the County, and moving a mobile home out of the County. A major problem exists related to compliance with getting permits. Mobile homes are often sold and titled through the SCDMV; however the new owner fails to register the mobile home with the County. Under current administration, every effort is made to ensure necessary documentation is provided and the Assessor’s office will often notify owners the necessity of registering the mobile home with the Building Codes department. Mobile home documentation received by the Assessor’s office represents what is submitted via applications for mobile home permits to the Building Codes department. (ii) Auditor’s office - The Auditor's office did not provide a management response related to these findings as of the date of this report.

Agreed Upon Procedure #3: For each property, we performed the following related to the value of property tax assessment: For all real properties, we compared the appraised value listed on the County Assessor’s property valuation system to the market value listed on the “Assessment Notice.” For furniture and fixtures, we compared the appraised value listed on the tax bill to the taxpayer’s signed personal property return. For watercraft, we compared the appraised value listed on the tax bill to the blue book value listed in the “ABOS Marine Blue Book.” For automobiles, we compared the appraised value listed on the tax bill to the “Assessment Guide” provided by the SCDMV.

Findings: (i) Real property - No findings were noted as a result of this procedure. (ii) Personal property - Furniture and fixtures - Thirty-one transactions had differences in the appraised value listed on the tax bill and the one listed on the personal property return due to missing personal property returns. Without the personal property return, this procedure could not be satisfied. Watercraft - 45 transactions had differences in the appraised value listed on the tax bill and the one listed in the “ABOS Marine Blue

Book.” (iii) Automobiles - The appraised value per the tax bill did not agree with the appraised value per the “Assessment Guide” on eight selections.

Management Response: Auditor’s office - The Auditor's office did not provide a management response related to these findings as of the date of this report.

Agreed Upon Procedure #4: For real properties that increased in value from the previous tax year, we recalculated the capped value by multiplying the market value as of the end of the previous tax year by 1.15. Then, we compared the recalculation of the capped value to the capped value as reflected on the “Assessment Notice.”

Findings: The capped value listed on the “Assessment Notice” did not agree to the recalculated capped value of the properties as follows: 4% properties - Differences between the capped value per the “Assessment Notice” and the calculation of the capped value occurred on twenty-five of the seventy-three properties that had increases in market value. 6% properties - Differences between the capped value per the “Assessment Notice” and the calculation of the capped value occurred on twelve of the seventy-three properties that had increases in market value. No findings were noted as a result of this procedure on mobile homes.

Management Response: (i) Assessor’s office - The capping procedures were implemented by our software provider in accordance with procedures established by the South Carolina Department of Revenue (SCDOR). Rather than cap total value or cap land and building separately, the SCDOR directive was to calculate the capped value for each valuation line. This created “cap loss” and “cap gain” results that were then applied to other valuation lines. The end result after all calculations would equal a 15% increase from the base year value (2008). This was not always the case. In addition, rounding to the nearest 10 in value for each line value could affect the differences noted in the agreed-upon procedures. A detailed look at the cadastre would be necessary in order to explain these specifics. In addition, due to recent software conversion issues, certain valuation components such as detached garages did not calculate properly. These issues were reported to the software vendor. The Assessor’s office staff developed “work-around” procedures to correct known capping errors. 2010 legislation changed the capping calculation from valuation line capping to capping the total value.

Agreed Upon Procedure #5: For real properties that received the Homestead Exemption, we examined the “Application for Homestead Exemption” signed by the taxpayer and approved by the County Auditor and a copy of the taxpayer’s driver’s license.

Findings: An “Application for Homestead Exemption” was not kept on file at the County Auditor’s office as follows: 4% properties - An application was not provided for six of the twenty-five properties that received the Homestead Exemption. No findings were noted as a result of this procedure on mobile homes and 6% properties.

Management Response: Auditor's office -The Auditor's office did not provide a management response related to these findings as of the date of this report.

Agreed Upon Procedure #6: For real properties that received the Homestead Exemption, we compared a copy of the taxpayer's driver's license to the "Application for Homestead Exemption" to determine if a driver's license copy was maintained for each application.

Findings: A copy of the taxpayer's driver's license was not kept on file at the County Auditor's Office as follows: Mobile homes - A driver's license was not provided for all three properties that received the Homestead Exemption. 4% properties - A driver's license was not provided for 15 of the 25-properties that received the Homestead Exemption.

Management Response: Auditor's office - The Auditor's office did not provide a management response related to these findings as of the date of this report.

Agreed Upon Procedure #7: For real properties that received the Homestead Exemption, we compared the "Application for Homestead Exemption" to the exemption amount as reflected on the tax bill to determine if the exemption received was the lesser of \$50,000 or the gross appraised value.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #8: For each real property selection, we compared the market value, capped value and assessed value listed on the "Assessment Notice" to the tax bill.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #9: For each of the following property types selected, we recalculated the assessed value from information reflected on Manatron and compared it to the assessment ratio reflected on the tax bill.

Findings: We noted differences between the recalculated assessed value and the assessed value reflected on the tax bill as follows: (i) Real property - Mobile homes - There was one property with an assessment ratio of 4% in which the calculation of the assessed value did not agree to the assessed value listed on the tax bill. 4% properties - There were fourteen properties in which the calculation of the assessed value did not agree to the assessed value listed on the tax bill. 6% properties - There were four properties in which the calculation of the assessed value did not agree to the assessed value listed on the tax bill. (ii) Personal property - Furniture and fixtures - There were four properties in which the calculation of the assessed value did not agree to the assessed value listed on the tax bill. No findings were noted as a result of this procedure on watercraft. (iii) Automobiles - No findings were noted as a result of this procedure.

Management Response: (i) Assessor's office -Some differences in assessed values per Manatron and the tax bill were due to rounding. In addition, "Special Assessment Ratio Applications" are accepted until taxes are due without penalty. Thus, a tax bill that is mailed in November with an assessment ratio of 6% is subject to change if the taxpayer timely filed the "Special Assessment Ratio Application" and was approved to receive the 4% ratio. (ii) Auditor's office - The Auditor's office did not provide a management response related to these findings as of the date of this report.

Agreed Upon Procedure #10: For all real properties classified as a legal residence, we attempted to observe the "Special Assessment Ratio Application" completed by the taxpayer and approved by the County Assessor.

Findings: A "Special Assessment Ratio Application" was not kept on file at the County Assessor's office as follows: Mobile homes - A "Special Assessment Ratio Application" was not provided for five of the thirty-two properties classified as a legal residence. 4% Real properties - A "Special Assessment Ratio Application" was not provided for six properties.

Management Response: Assessor's office - The parcels related to the findings above have been owned by the same individuals for at least twenty years. There is no explanation why the "Special Assessment Ratio Application" for these individuals is not kept on file. Currently, all "Special Assessment Ratio Applications" are archived and retrievable.

Agreed Upon Procedure #11: For all real properties classified as a legal residence, we compared the taxpayer's "Special Assessment Ratio Application" to a copy of his or her driver's license and vehicle registration.

Findings: A copy of the taxpayer's driver's license and vehicle registration was not kept on file as follows: Mobile homes - A driver's license and vehicle registration was not provided for seventeen of the 32 properties classified as a legal residence. 4% Real properties - There were forty-three missing copies of both driver's licenses and vehicle registrations.

Management Response: Assessor's office - There is no explanation why these records could not be located. It appears this is related to Assessor's office operations and procedures of the past. Current Assessor's office procedures archive this information. It should be noted that under current state law, driver's license information is confidential in nature and as such must be handled accordingly.

Agreed Upon Procedure #12: For each property selected, we compared the mills applied on the tax bill to the approved millage rate schedule for the applicable district as provided by the County Auditor's office.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #13: For each property selected, we footed the total taxes listed on the tax bill for accuracy.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #14: For each property selected, we recalculated the gross tax due by multiplying the assessed value by the total mills and dividing by one thousand. We compared the recalculation to the gross tax due as reflected on the tax bill.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #15: For each real property selected, we recalculated the stormwater fee (as applicable) by multiplying the applicable base rate by the number of equivalent single family units as provided by the County Assessor's office. We then compared the recalculation to the stormwater fee as reflected on the tax bill.

Findings: The stormwater fee listed on the tax bill did not agree with the recalculated stormwater fee as follows: Mobile homes - When applying the base rates and impervious square footage to recalculate the stormwater fee, there were eleven properties in which the stormwater fees assessed on the tax bill did not agree with the recalculation. 4% properties - When applying the base rates and impervious square footage to recalculate the stormwater fee, there were six properties in which the stormwater fees assessed on the tax bill did not agree with the recalculation. 6% properties - When applying the base rates and impervious square footage to recalculate the stormwater fee, there were twenty-two properties in which the stormwater fees assessed on the tax bill did not agree with the recalculation.

Management Response: (i) Stormwater Utility - For the mobile home findings, schedule submissions are checked against a list to make sure all schedules are submitted. Previous errors have been corrected as the County incorporated the new round of the Town of Hilton Head's stormwater rate increase. For the 4% and 6% property findings, the County's Stormwater Utility Department has worked with the County's Management Information Systems Department to develop another program that will determine a listing of class code changes that do not make it on the list of assessment changes. This has been implemented in this year's cycle and has added another 866 parcels for review. This will continue to be added to reviews of future assessment notices.

Agreed Upon Procedure #16: For each property selected, we compared the balance due listed on the tax bill to supporting payment documentation (check, online transaction report, or credit/debit card receipt).

Findings: The balance due per the tax bill did not agree with the form of payment as follows: Real property - Mobile homes - ten transactions, 4% properties - thirteen transactions, 6% properties - ten transactions. (ii) Personal property - Furniture and

fixtures - seven transactions. (iii) Watercraft - six transactions. (iv) Automobiles One transaction.

Management Response: Treasurer's office - The majority of the transactions listed above involved a situation where a taxpayer paid property taxes for multiple accounts with one form of payment. The tax bill that was provided was only for one account when the form of payment was for all accounts. There were also situations related to 4% and 6% real properties in which the balance due per the tax bill could not be traced to the form of payment. These transactions included those payments received from financial institutions for the property taxes paid into an escrow account. The financial institutions issue a lump-sum payment to the Treasurer's office that includes multiple tax bills for several taxpayers. The situations described above explained why the balance due per the tax bill could not be traced to the amount of payment. In order for this attribute to be satisfied, all applicable tax bills would need to be provided. In the future, if documentation is requested for one account and that account is included in a batch payment, all documentation supporting that batch payment will be provided.

Agreed Upon Procedure #17: For all properties in which the related tax bill was paid by the taxpayer via check, we observed a copy of the check to determine if the back of it was stamped "For Deposit Only."

Findings: Checks held at the County Treasurer's office were not stamped "For Deposit Only" as follows: (i) Real property- Mobile homes - forty checks, 4% properties - 58 checks, 6% properties - sixty checks. (ii) Personal property- Furniture and fixtures - sixty-three checks. Watercraft - forty-nine checks. (iii) Automobiles - Forty-one checks

Management Response: Treasurer's office - Currently, a procedure has been implemented that states all cashiers must manually stamp checks "For Deposit Only" upon receipt and before they are scanned into its online deposit system, which is an electronic deposit system set up with its financial institution. When a batch of checks is received at once, the Treasurer's office has set up an agreement with its financial institution that allows the financial institution to automatically stamp these checks "For Deposit Only" when they are scanned into the online deposit system.

Agreed Upon Procedure #18: For each property selected in which the property taxes were paid in all forms of payment other than cash, we traced the amount of payment to a "Payment Receipt."

Findings: The amount of payment could not be traced to a "Payment Receipt" as follows: (i) Real property- Mobile homes - eight of fifty-five non-cash transactions, 4% properties - nine of seventy-two non-cash transactions, 6% properties - thirteen of seventy-six non-cash transactions (ii) Personal property- Furniture and fixtures - six of seventy-three non-cash transactions, Watercraft - seven of seventy-two non-cash transactions (iii) Automobiles - Three of sixty-three non-cash transactions.

Management Response: Treasurer's office - The transactions listed above involved a situation where a taxpayer paid property taxes for multiple accounts with one form of payment. A separate "Payment Receipt" is provided for each account. The "Payment Receipt" that was provided was only for one account when the form of payment was for all accounts. The situation described above explained why the amount of payment could not be traced to the amount of the "Payment Receipt." In order for this attribute to be satisfied, all applicable "Payment Receipts" would need to be provided. In the future, if documentation is requested for one account and that account is included in a batch payment, all documentation supporting that batch payment will be provided.

Agreed Upon Procedure #19: For each property selected, we traced the tax amount listed on the "Payment Receipt" to its inclusion in the applicable day's "Sessions Reconciliation Report."

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #20: For each property selected, we traced the total amount collected as listed on the "Sessions Reconciliation Report" to the journal entry posted to the general ledger.

Findings: The amount shown as collected per the "Sessions Reconciliation Report" could not be traced to the journal entry as follows: (i) Real property - Mobile homes - eighteen transactions, 4% properties - sixteen transactions, 6% properties - thirteen transactions (ii) Personal property - Furniture and fixtures - twenty-six transactions (iii) Watercraft - eighteen transactions. (iv) Automobiles - Twenty transactions.

Management Response: Treasurer's office - In the case of cash and check deposits, there could be overpayments which would result in refunds. Also, if the cashier erroneously notes a payment by type in the system, the individual amounts on the "Session Reconciliation" for checks, cash or credit cards would not agree with the amount per the journal entry, but the total collected for the day would balance.

Agreed Upon Procedure #21: For each property selected, we traced the journal entry posted to the general ledger to the deposit listed on the applicable bank statement.

Findings: The amount of the journal entry could not be traced to the deposit amount listed on the bank statement as follows: (i) Real property - Mobile homes - four transactions, 4% properties - six transactions and 6% properties - four transactions. (ii) Personal property - Furniture and fixtures - seven transactions, Watercraft - two transactions. (iii) Automobiles - Seven transactions

Management Response: Treasurer's office - There are several reasons the journal entry amounts did not agree to the deposit amount as reflected on the bank statement. In the case of online payments, the bank combines the real property and automobile transactions for any given day by credit card type. It also combines the fees charged for online payments for real property and automobile transactions by credit card type. At

least once a week, the bank combines more than one day's payments together by credit card type. The same type of issue can happen on any day in which one of the cashiers has more than one credit card deposit. The bank combines that cashier's credit card deposits together by credit card type if they occur on the same day. The combining of credit card types can also occur on the last day of the month until the first day of the next month. In the case of mortgage payments and "ACH" deposits, the amount deposited will not agree to the amount per the "Sessions Reconciliation" because of items that have to be posted separately by another party or if there are refunds or exceptions that have to be researched before posting. If this happens, these collections are posted in another session.

Agreed Upon Procedure #22: For each real property selected located within a Tax Increment Financing (TIF) district, we traced the property's inclusion on the "TIF Reconciliation" prepared by the Chief Financial Officer (CFO) and agreed the total due to or due from the TIF district to the journal entry posted to the general ledger.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #23: For each real property that was included on the "TIF Reconciliation," we traced the amount of the journal entry for the applicable "TIF Reconciliation" to an authorized "Request for Payment" and a copy of a cancelled check.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #24: For each real property that was included on the "TIF Reconciliation," we traced the copy of the cancelled check to the applicable bank statement.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #25: For each real property selected, we traced the property's inclusion on the corresponding municipality's "Stormwater Fee Reconciliation" (as applicable) prepared by the CFO and agreed the total for that municipality (less a 5% County management fee) to the journal entry posted to the general ledger.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #26: For each real property that was included on the "Stormwater Fee Reconciliation," we traced the amount of the journal entry for the applicable "Stormwater Fee Reconciliation" to an authorized "Request for Payment" and a copy of a cancelled check.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #27: For each real property that was included on the "Stormwater Fee Reconciliation," we traced the copy of the cancelled check to the applicable bank statement.

Findings: No findings were noted as a result of this procedure.

Agreed Upon Procedure #28: We compared the date of collection for all sample items per the “Sessions Reconciliation Report” to the date the collection was posted to the general ledger to see if collections were posted within five business days.

Findings: This procedure could not be performed on transactions where the journal entry was not provided. These transactions were included within the distribution periods as follows: December 15, 2009 - five transactions, December 31, 2010 - one transaction and March 31, 2010 - two transactions. We noted more than five days passed between property tax collections and postings to the general ledger as follows:

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Distribution Period	Journal Entry Number	Collection Date per Manatron	Collection Date per the General Ledger	Lag Time in Days	
December 15, 2009	2010-6-1098	12/8/2009	1/25/2010	48	
	2010-6-1112	12/14/2009	1/26/2010	43	
	2010-6-1160	12/10/2009	2/3/2010	55	
	2010-6-1163	12/9/2009	2/3/2010	56	
	2010-6-1165	12/3/2009	2/3/2010	62	
	2010-6-1190	12/11/2009	2/16/2010	67	
	2010-6-0962	12/11/2009	1/22/2010	42	
	2010-6-0964	12/15/2009	1/22/2010	38	
	2010-6-0971	12/7/2009	1/22/2010	46	
	2010-6-1111	12/12/2009	1/26/2010	45	
	2010-3-1112	12/14/2009	1/26/2010	43	
	December 31, 2009	2010-6-1115	12/19/2009	1/26/2010	38
		2010-6-1119	12/23/2009	1/26/2010	34
2010-6-1123		12/29/2009	1/27/2010	29	
2010-6-1124		12/30/2009	1/27/2010	28	
2010-6-1126		12/31/2009	1/27/2010	27	
2010-6-1125		12/31/2009	1/27/2010	27	
2010-6-1117		12/21/2009	1/26/2010	36	
2010-6-1114		12/17/2009	1/26/2010	40	
2010-6-1178		12/31/2009	2/10/2010	41	
2010-6-1112		12/14/2009	1/26/2010	43	
2010-6-1174		12/31/2009	2/8/2010	39	
2010-6-1164		12/31/2009	2/3/2010	34	
2010-6-1118		12/22/2009	1/26/2010	35	
2010-6-1188		12/28/2009	2/16/2010	50	
2010-6-1128		12/31/2009	1/27/2010	27	
January 15, 2010	2010-7-0540	1/5/2010	2/8/2010	34	
	2010-7-1257	1/6/2010	3/1/2010	54	
	2010-7-0542	1/8/2010	2/8/2010	31	
	2010-7-1242	1/12/2010	2/28/2010	47	
	2010-7-0932	1/14/2010	2/18/2010	35	
	2010-7-0964	1/15/2010	2/19/2010	35	
	2010-7-0959	1/15/2010	2/19/2010	35	
	2010-7-0966	1/16/2010	2/19/2010	34	
	2010-7-0958	1/14/2010	2/19/2010	36	

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	2010-7-1275	1/14/2010	3/11/2010	56
	2010-7-0960	1/15/2010	2/19/2010	35
	2010-7-0598	1/11/2010	2/10/2010	30
	2010-7-1274	1/29/2010	3/11/2010	41
	2010-7-1252	1/12/2010	2/28/2010	47
	2010-7-0541	1/7/2010	2/8/2010	32
	2010-7-0969	1/20/2010	2/19/2010	30
	2010-7-1220	1/26/2010	2/26/2010	31
	2010-7-1273	1/12/2010	3/11/2010	58
January 31, 2010	2010-7-0966	1/16/2010	2/19/2010	34
	2010-7-1174	1/19/2010	2/24/2010	36
	2010-7-0969	1/20/2010	2/19/2010	30
	2010-7-1220	1/26/2010	2/26/2010	31
	2010-7-1222	1/28/2010	2/26/2010	29
	2010-8-0952	2/11/2010	3/15/2010	32
	2010-8-0432	2/1/2010	3/1/2010	28
	2010-7-1271	1/29/2010	3/5/2010	35
	2010-7-1181	1/22/2010	2/24/2010	33
	2010-7-0955	1/25/2010	2/19/2010	25
	2010-8-0652	2/10/2010	3/8/2010	26
	2010-7-0968	1/18/2010	2/19/2010	32
	2010-7-1178	1/21/2010	2/24/2010	34
	2010-7-1198	1/27/2010	2/24/2010	28
February 28, 2010	2010-8-0432	2/1/2010	3/1/2010	28
	2010-8-0952	2/11/2010	3/15/2010	32
	2010-8-0953	2/12/2010	3/15/2010	31
	2010-8-1060	2/16/2010	3/17/2010	29
	2010-8-1062	2/17/2010	3/17/2010	28
	2010-8-1064	2/18/2010	3/17/2010	27
			Collection	
			Date per the	
Distribution	Journal Entry	Collection	General	Lag Time in
Period	Number	Date per	Ledger	Days
	2010-8-1307	2/23/2010	3/24/2010	29
	2010-8-1310	2/25/2010	3/25/2010	28
	2010-9-0685	3/1/2010	4/5/2010	35
	2010-8-0454	2/3/2010	3/1/2010	26
	2010-8-1063	2/18/2010	3/17/2010	27
	2010-8-1340	2/18/2010	4/5/2010	46
	2010-8-0456	2/5/2010	3/1/2010	24
	2010-8-0628	2/8/2010	3/5/2010	25
	2010-8-0973	2/1/2010	3/15/2010	42

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	2010-8-0652	2/10/2010	3/8/2010	26
	2010-8-1314	2/26/2010	3/29/2010	31
	2010-8-0452	2/1/2010	3/1/2010	28
	2010-8-0453	2/2/2010	3/1/2010	27
	2010-8-1059	2/15/2010	3/17/2010	30
	2010-8-0647	2/9/2010	3/8/2010	27
	2010-8-1308	2/24/2010	3/24/2010	28
	2010-8-1341	2/4/2010	4/5/2010	60
March 15, 2010	2010-9-0685	3/1/2010	4/5/2010	35
	2010-9-0687	3/2/2010	4/5/2010	34
	2010-9-0688	3/3/2010	4/5/2010	33
	2010-9-0757	3/9/2010	4/6/2010	28
	2010-9-1058	3/12/2010	4/13/2010	32
	2010-9-1410	3/15/2010	4/20/2010	36
	2010-9-0756	3/8/2010	4/6/2010	29
	2010-9-0686	3/1/2010	4/5/2010	35
	2010-9-0691	3/5/2010	4/5/2010	31
	2010-9-0894	3/11/2010	4/8/2010	28
	2010-9-0759	3/8/2010	4/6/2010	29
	2010-9-0878	3/4/2010	4/8/2010	35
	2010-9-1421	3/5/2010	4/20/2010	46
	2010-9-0687	3/2/2010	4/5/2010	34
March 31, 2010	2010-9-1097	3/17/2010	4/13/2010	27
	2010-9-1225	3/26/2010	4/15/2010	20
	2010-9-1230	3/29/2010	4/15/2010	17
	2010-9-1237	3/30/2010	4/15/2010	16
	2010-9-1354	3/31/2010	4/19/2010	19
	2010-9-1100	3/19/2010	4/13/2010	25
	2010-9-1060	3/16/2010	4/13/2010	28
			Collection	
			Date per the	
Distribution	Journal Entry	Collection	General	Lag Time in
Period	Number	Date per	Ledger	Days
	2010-9-1098	3/18/2010	4/13/2010	26
	2010-9-1467	3/31/2010	4/21/2010	21
	2010-9-1206	3/25/2010	4/15/2010	21
	2010-9-1202	3/23/2010	4/15/2010	23
	2010-9-1644	3/19/2010	5/7/2010	49
	2010-9-1104	3/22/2010	4/13/2010	22
	2010-9-1646	3/22/2010	5/10/2010	49
April 30, 2010	2010-10-1405	4/28/2010	5/19/2010	21
	2010-10-1099	4/14/2010	5/13/2010	29

2010-10-1312	4/26/2010	5/18/2010	22
2010-10-1029	4/13/2010	5/12/2010	29
2010-10-1444	4/30/2010	5/20/2010	20
2010-10-1406	4/29/2010	5/19/2010	20
2010-10-1223	4/19/2010	5/17/2010	28
2010-10-1282	4/21/2010	5/18/2010	27
2010-9-0221	4/2/2010	4/22/2010	20
2010-10-1314	4/27/2010	5/18/2010	21
2010-10-1206	4/22/2010	5/18/2010	26
2010-10-1156	4/16/2010	5/14/2010	28
2010-10-1225	4/20/2010	5/17/2010	27
2010-10-0969	4/7/2010	5/11/2010	34
2010-10-1025	4/9/2010	5/12/2010	33
2010-10-1027	4/12/2010	5/12/2010	30
2010-10-0220	4/1/2010	4/22/2010	21
2010-10-1667	4/29/2010	6/2/2010	34
2010-10-1304	4/23/2010	5/18/2010	25

Management Response: Treasurer’s office - The “Sessions Reconciliations” are performed manually. It also takes a couple of days for the tellers at the Town of Bluffton and Town of Hilton Head Island offices to submit their “Sessions Reconciliations.” The Tax Operation Manager within the County Treasurer’s office compiles all “Sessions Reconciliations” before they are submitted to the Fiscal Technician within the County Treasurer’s office. At this time, each “Session Reconciliation” is reviewed by the Fiscal Technician. Then, deposit receipts received from the bank are attached to the “Sessions Reconciliation.” The Fiscal Technician prepares a spreadsheet that identifies all collections by type and by teller. Finally, a journal entry is prepared. Some of these timing issues related to back-dating payments, in which the Treasurer’s office uses the postmark date for payments that are submitted via mail so the taxpayer’s payment will not be incorrectly classified as delinquent.

In the future, all back-dated payments will be posted as of the last Sunday in the month the payment is due in order to identify this issue for audit purposes. The Treasurer’s office is also planning to meet with Management Information Systems (MIS) and the Chief Financial Officer to determine if Manatron can post to the general ledger instead of performing this function manually.

Agreed Upon Procedure #29: For each distribution period selected, we compared the batch collections as reflected on Manatron that included our sampled property transactions to the general ledger.

Findings: We noted differences for the five property types selected in eight periods as reflected below.

<u>Distribution Period</u>	<u>Property Type</u>	<u>Collections Per Manatron</u>	<u>Collections Per General Ledger</u>	<u>Difference (\$)</u>	<u>Difference (%)</u>
December 15, 2009	Personal	\$ 29,086,324	\$ 28,373,978	\$ 712,346	2.51%
	Mobile Homes	17,373,246	16,912,474	460,772	2.72%
	4% Real Property	11,801,912	11,510,081	291,831	2.54%
	6% Real Property	22,258,264	21,731,514	526,750	2.42%
	Automobiles	<u>351,830</u>	<u>338,603</u>	<u>13,227</u>	<u>3.91%</u>
			<u>80,871,576</u>	<u>78,866,650</u>	<u>2,004,926</u>
December 31, 2009	Personal	73,094,049	79,242,659	(6,148,610)	7.76%
	Mobile Homes	45,964,661	44,003,750	1,960,911	4.46%
	4% Real Property	25,683,371	31,469,819	(5,786,448)	18.39%
	6% Real Property	72,222,592	70,161,731	2,060,861	2.94%
	Automobiles	<u>362,104</u>	<u>305,747</u>	<u>56,357</u>	<u>18.43%</u>
			<u>217,326,777</u>	<u>225,183,706</u>	<u>(7,856,929)</u>
January 15, 2010	Personal	79,186,421	77,144,067	2,042,354	2.65%
	Mobile Homes	58,248,411	56,834,186	1,414,225	2.49%
	4% Real Property	42,600,977	41,300,799	1,300,178	3.15%
	6% Real Property	59,833,015	58,395,705	1,437,310	2.46%
	Automobiles	<u>190,615</u>	<u>164,931</u>	<u>25,684</u>	<u>15.57%</u>
			<u>240,059,439</u>	<u>233,839,688</u>	<u>6,219,751</u>

Collections Distribution Period	Property Type	Collections Per Manatron	Per General Ledger	Difference (\$)	Difference (%)
January 31, 2010	Personal	2,096,808	1,381,480	715,328	51.78%
	Mobile Homes	1,032,976	969,256	63,720	6.57%
	4% Real Property	726,194	573,015	153,179	26.73%
	6% Real Property	1,921,369	1,417,245	504,124	35.57%
	Automobiles	<u>427,828</u>	<u>378,532</u>	<u>49,296</u>	<u>13.02%</u>
			<u>6,205,175</u>	<u>4,719,528</u>	<u>1,485,647</u>
February 28, 2010	Personal	3,517,021	3,503,567	13,454	0.38%
	Mobile Homes	2,482,058	2,319,175	162,883	7.02%
	4% Real Property	2,563,780	2,619,126	(55,346)	2.11%
	6% Real Property	3,313,307	3,315,735	(2,428)	0.07%
	Automobiles	<u>455,603</u>	<u>440,340</u>	<u>15,263</u>	<u>3.47%</u>
			<u>12,331,769</u>	<u>12,197,943</u>	<u>133,826</u>
March 15, 2010	Personal	1,315,221	1,525,697	(210,476)	13.80%
	Mobile Homes	1,596,012	1,576,782	19,230	1.22%
	4% Real Property	1,067,344	1,085,452	(18,108)	1.67%
	6% Real Property	1,523,966	1,523,821	145	0.01%
	Automobiles	<u>419,044</u>	<u>393,793</u>	<u>25,251</u>	<u>6.41%</u>
			<u>5,921,587</u>	<u>6,105,545</u>	<u>(183,958)</u>
March 31, 2010	Personal	2,087,759	1,711,549	376,210	21.98%
	Mobile Homes	1,829,931	1,536,599	293,332	19.09%
	4% Real Property	1,739,827	1,616,118	123,709	7.65%
	6% Real Property	2,126,202	1,747,089	379,113	21.70%
	Automobiles	<u>441,184</u>	<u>430,593</u>	<u>10,591</u>	<u>2.46%</u>
			<u>8,224,903</u>	<u>7,041,948</u>	<u>1,182,955</u>
April 30, 2010	Personal	1,641,711	767,487	874,224	113.91%
	Mobile Homes	1,023,014	752,675	270,339	35.92%
	4% Real Property	638,902	588,565	50,337	8.55%
	6% Real Property	1,321,164	917,983	403,181	43.92%
	Automobiles	<u>382,006</u>	<u>343,332</u>	<u>38,674</u>	<u>11.26%</u>
			<u>5,006,797</u>	<u>3,370,042</u>	<u>1,636,755</u>
Totals	Personal	192,025,314	193,650,484	(1,625,170)	0.84%
	Mobile Homes	129,550,309	124,904,897	4,645,412	3.72%
	4% Real Property	86,822,307	90,762,975	(3,940,668)	4.34%
	6% Real Property	164,519,879	159,210,823	5,309,056	3.33%
	Automobiles	<u>3,030,214</u>	<u>2,795,871</u>	<u>234,343</u>	<u>8.38%</u>
			<u>\$ 575,948,023</u>	<u>\$ 571,325,050</u>	<u>\$ 4,622,973</u>

Management Response: Treasurer’s office - The collections per Manatron and the collections per the general ledger will most likely never be totally the same. The reason for this is because of back-dating tax payments whenever the payment comes in after a particular due date. There could be multiple reasons for this.

There have been several months whenever there have been problems in sending out the automobile tax bills in a timely manner due to Manatron issues. The State of South

Carolina (the State) designates the amount of days the County has to allow a taxpayer to pay his or her automobile taxes and if the tax bills go out late, the time period for accepting payment extends to what the State allows. This means if the Treasurer's office did not back-date to the month of the tag, the taxpayer would get penalized at the SCDMV when getting his or her sticker and registration, even though he or she would not be at fault.

In the case of personal, real, and mobile homes in the time periods selected, we have a voluminous amount of mail, online and walk-in payments. The walk-in customers have first priority in their taxes being posted. The online payments are done electronically within around twenty-four hours of being paid. However, some of the mail payments have to be back-dated because State law indicates the Treasurer's office has to go by the postmark date of the payments until they become delinquent. For example, if the Treasurer's office receives a payment via mail in January that is postmarked on or before December 31, it has to back-date the payment into December per State law.

After reviewing the analysis above, the Treasurer's office feels this is simply a timing issue that is unavoidable.

Agreed Upon Procedure #30: For each distribution period selected, we identified the taxing entity the property belonged to and obtained the fund balance from the general ledger. We compared the taxing entity's fund balance to the amount of the tax distribution as reflected on the applicable bank statement.

Findings: Tax distributions made to the taxing entities did not agree with the taxing entities' fund balance prior to the tax distribution. See the table below for a summary of these differences that applied to the sample.

Distribution Period	Taxing Entity	First Distribution			Second Distribution		
		Fund Balance Prior to Distribution	Amount of Distribution	Fund Balance After Distribution	Fund Balance Prior to Distribution	Amount of Distribution	Fund Balance After Distribution
12/15/2009	Town of Port Royal	\$ 221,999	\$ 221,999	\$ -	\$ -	\$ 24,507	\$ -
	City of Beaufort	618,113	617,640	473	-	-	-
	Town of Hilton Head Island	2,284,162	2,283,581	581	-	-	-
	Town of Bluffton	410,594	409,022	1,572	26,079	24,507	-
		\$ 3,534,868	\$ 3,532,242	\$ 2,626	\$ 26,079	\$ 49,014	\$ -
12/31/2009	Town of Port Royal	\$ 981,679	\$ 782,587	\$ 199,092	\$ -	\$ -	\$ -
	City of Beaufort	2,350,982	153,845	2,197,137	2,197,137	1,798,623	-
	Town of Hilton Head Island	10,662,536	7,619,048	3,043,488	3,043,488	450,701	2,562,087
	Town of Bluffton	2,010,220	2,003,832	6,388	-	-	-
		\$ 16,005,417	\$ 10,559,312	\$ 5,446,105	\$ 5,240,625	\$ 2,249,324	\$ 2,562,087
1/15/2010	Town of Port Royal	\$ 164,647	\$ 160,601	\$ 4,046	\$ 766,605	\$ 164,647	\$ -
	City of Beaufort	398,513	370,391	28,122	-	-	-
	Town of Hilton Head Island	2,592,787	2,425,919	166,868	7,817,223	2,592,247	5,614,276
	Town of Bluffton	1,913,413	52,924	1,860,489	-	-	-
	Town of Yemassee	10,919	10,726	193	-	-	-
		\$ 5,080,279	\$ 3,020,561	\$ 2,059,718	\$ 8,583,828	\$ 2,756,894	\$ 5,614,276
1/31/2010	Town of Port Royal	\$ 36,254	\$ 36,254	\$ -	\$ -	\$ -	\$ -
	City of Beaufort	2,720,966	398,157	2,322,809	1,235,639	1,178,708	-
	Town of Hilton Head Island	3,272,725	3,013,829	258,896	201,917	201,564	-
	Town of Bluffton	112,583	112,569	14	1,861,194	1,748,610	-
		\$ 6,142,528	\$ 3,560,809	\$ 2,581,719	\$ 3,298,750	\$ 3,128,882	\$ -
2/28/2010	Town of Port Royal	\$ 40,126	\$ 40,126	\$ -	\$ -	\$ -	\$ -
	City of Beaufort	39,078	39,078	-	-	-	-
	Town of Hilton Head Island	342,028	341,675	353	-	-	-
	Town of Bluffton	119,531	119,517	14	-	-	-
		\$ 540,763	\$ 540,396	\$ 367	\$ -	\$ -	\$ -
3/15/2010	Town of Port Royal	\$ 36,082	\$ 36,082	\$ -	\$ -	\$ -	\$ -
	City of Beaufort	111,004	111,004	-	-	-	-
	Town of Hilton Head Island	185,868	185,515	353	-	-	-
	Town of Bluffton	56,407	56,393	14	-	-	-
		\$ 389,361	\$ 388,994	\$ 367	\$ -	\$ -	\$ -
3/31/2010	Town of Port Royal	\$ 18,302	\$ 18,302	\$ -	\$ -	\$ -	\$ -
	City of Beaufort	39,709	39,709	-	-	-	-
	Town of Hilton Head Island	100,513	100,200	313	-	-	-
	Town of Bluffton	138,342	138,328	14	-	-	-
		\$ 296,866	\$ 296,539	\$ 327	\$ -	\$ -	\$ -
4/30/2010	Town of Port Royal	\$ 3,357	\$ 3,357	\$ -	\$ 26,467	\$ 26,467	\$ -
	City of Beaufort	14,328	14,328	-	-	-	-
	Town of Hilton Head Island	167,871	132,724	35,147	-	-	-
	Town of Bluffton	7,532	7,532	-	51,053	51,053	-
		\$ 193,088	\$ 157,941	\$ 35,147	\$ 77,520	\$ 77,520	\$ -
	\$ 32,183,170	\$ 22,056,794	\$ 10,126,376	\$ 17,226,802	\$ 8,261,634	\$ 8,261,634	

Management Response: Treasurer's office - There was one occasion during fiscal year 2010, where one municipality's tax revenue amount was posted to the wrong general ledger fund and a correction was made after it was discovered. Also, there are occasions where sometimes other revenues could be posted during a month after the distribution for that month is performed. Also, for any month's tax revenue, the tax revenue is not wired to the municipality until the next month. As such, the tax revenue is not posted until the next month.

Mr. Kubic commented when we had discrepancies that popped up in the Treasurer's Office, this analysis was not part of the regular audit. This analysis was discussed by our staff and we determined that it was necessary to take a look at all of the departments that are associated with generation of the tax bill, how they are accounted and how the distributions go. If you heard a lot of lag times that have occurred, those lag times hurt every function down the line in reporting. We wanted to get this information into the record tonight. We are also going to ask Council to allow us to begin to explain to Finance Committee how the \$22 million in cash is accounted for. It is a self examination. There are highs and lows in every department. But what is important here, every unit of government, not all of which are under Council authority, cannot produce excellence unless each department pushes to be excellent. We have examples of that.

The Chairman assigned this matter to Finance Committee for further discussion. He asked Mr. Kubic to provide the information to the elected officials and give them an opportunity to digest it, understand it, understand where the deficiencies are and perhaps respond to it as it is presented through Finance Committee and collectively, hopefully, we can find appropriate corrective measures.

DEPUTY COUNTY ADMINISTRATOR'S REPORT

The Chairman announced this item has been carried over to the November 29, 2010 Council meeting.

EDDINGS POINT BOAT LANDING FLOATING DOCK ADDITION

This item comes before Council under the Consent Agenda. It was discussed and approved at the October 26, 2010 Public Facilities Committee.

It was moved by Mr. Rodman, seconded by Mr. Glaze, that Council award a construction contact to R.L Morrison & Sons, Inc., in the amount of \$167,903.00 for the Eddings Point boat landing dock addition. Funds for this project are from the FY 07 CIP Contingency Account #11437-56000 with a current balance of \$379,047.00. The FY 07 Contingency Fund would then be reimbursed from the SCDNR grant. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

LADY’S ISLAND COMMUNITY PARK PHASE 1 DESIGN-BUILD PROJECT

This item comes before Council under the Consent Agenda. It was discussed and approved at the October 26, 2010 Public Facilities Committee.

It was moved by Mr. Rodman, seconded by Mr. Glaze, that Council award a contract to JOCO Construction to design and build the Lady’s Island Community Park for the amount of \$514,800. Funding is \$125,109 from CIP Account 11431-54455 Lady’s Island Community Park with an available balance of 125,109 and \$389,691 from PALS Impact Fees-Lady’s Island with an available balance of \$642,002. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

HILTON HEAD ISLAND AIRPORT AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) STATION CONSTRUCTION CHANGE ORDER

This item comes before Council under the Consent Agenda. It was discussed and approved at the October 26, 2010 Public Facilities Committee.

It was moved by Mr. Rodman, seconded by Mr. Glaze, that Council approve a construction change order in the amount of \$118,223 to Creative Structures for the new Aircraft Rescue and Fire Fighting (ARFF) Station at the Hilton Head Island Airport. The FAA agreed to cover 95% of the cost of this change order under their existing grant offer for this project. Since the State does not routinely modify their grant offers, the remaining 5%, which amounts to \$5,911 will come from the Airports Account #13580-59040, which has a current balance of \$17,834. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

SCDOT GUIDESHARE PROJECTS

This item comes before Council under the Consent Agenda. It was discussed and approved at the October 26, 2010 Public Facilities Committee.

It was moved by Mr. Rodman, seconded by Mr. Glaze, that Council approve the project priority list to be submitted to LCOG for inclusion in the Long-Range Transportation Plan (LRTP) and funded with State of South Carolina Guideshare funds. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

ADOPTION OF THE 2010 BEAUFORT COUNTY COMPREHENSIVE PLAN (A COMPILATION OF PREVIOUSLY APPROVED UPDATED ELEMENTS, THE DEMOGRAPHICS ELEMENT, A NEW INTRODUCTION AND HISTORY CHAPTER, AND ALL OF THE 1997 COMPREHENSIVE PLAN APPENDICES)

This item comes before Council under the Consent Agenda. It was discussed and approved at the November 1, 2010 Natural Resources Committee.

It was moved by Mr. Rodman, seconded by Mr. Glaze, that Council approve on first reading an ordinance adopting the 2010 Beaufort County Comprehensive Plan (a compilation of previously approved updated Elements, the Demographics Element, a new introduction and History Chapter, and all of the 1997 Comprehensive Plan Appendices). The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO EXTEND THE 2010 SUNSET DATE FOR GREENHEATH PLANNED UNIT DEVELOPMENT, INVOLVING 97.80 ACRES ON LADY'S ISLAND, FOR AN ADDITIONAL TEN YEARS WITH CONDITIONS

The Chairman announced a public hearing on this issue would be held on Monday, November 29, 2010 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

AN ORDINANCE TO APPROVE A DEVELOPMENT AGREEMENT BETWEEN BEAUFORT COUNTY AND GLEASON PLACE, L.P., A SOUTH CAROLINA LIMITED PARTNERSHIP, PURSUANT TO SECTION 6-31-30 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED

The Chairman announced a public hearing on this issue would be held on Monday, November 29, 2010 beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

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

COMMITTEE REPORTS

Community Services Committee

Disabilities and Special Needs Board

Marion McCall

The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. Ms. Marion McCall garnered the six votes required to serve as a member of the Disabilities and Special Needs Board.

Natural Resources Committee

Televising Development Review Team (DRT) Meetings

Mr. Sommerville, as Natural Resources Committee Chairman, reported members had a lengthy discussion about making Beaufort County a little more user-friendly. Out of those discussions came a request to Staff to report back to Committee on a couple of specific things: whether or not it is appropriate to continue to televise DRT meetings and the second was whether or not we should add a pre-DRT meeting to the agenda for any applicant / any matters to come before DRT.

Public Facilities Committee

Airports Board

Mr. Glaze, as Public Facilities Committee Chairman, nominated Mr. Richard Wirth, representing qualifications, to serve as a member of the Airports Board.

PUBLIC COMMENT

There were no requests to speak during public comment.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Stewart, seconded by Ms. Von Harten, that Council go immediately into executive session for the purpose of receiving legal advice relating to pending and potential claims. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. ABSENT – Mr. Caporale. The motion passed.

EXECUTIVE SESSION

ADJOURNMENT

Council adjourned at 7:20 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

ATTEST: _____
Suzanne M. Rainey, Clerk to Council

Ratified:

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

GARY KUBIC
COUNTY ADMINISTRATOR

CHERYL HARRIS
EXECUTIVE ASSISTANT

ADMINISTRATION BUILDING
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2026
FAX: (843) 255-9403
www.bcgov.net

BRYAN J. HILL
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL
STAFF ATTORNEY

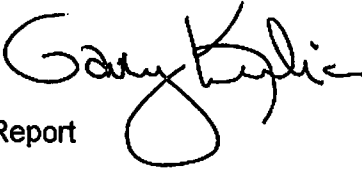
**COUNTY ADMINISTRATOR'S REPORT
Monday, November 29, 2010
County Council Chambers, Administration Building**

INFORMATION ITEMS:

- The County Channel / Broadcast Update
- Three-week Progress Report (Enclosure)
- Recognition of Jennifer Cespino / Asa C. Godowns EMS Professional of the Year Award
- Okatie River Total Maximum Daily Load (TMDL)
Mr. Ladson Howell, Staff Attorney
Mr. Dan Ahern, Stormwater Manager



Memorandum

DATE: November 26, 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 November 8, 2010 through November 26, 2010:

November 8, 2010

- Meeting with Chairman Weston Newton and Skeet Von Harten
- County Council meeting

November 9, 2010

- Meeting re: Redevelopment of Tanger Outlet Centers

November 10, 2010

- Meeting with Bryan Hill, Deputy County Administrator, Ladson Howell, Staff Attorney, and Rob McFee, Division Director of Engineering and Infrastructure re: Dennis Corporation
- Staff meeting re: Status of St. Helena Island Branch Library project
- Meeting with Deputy County Administrator Bryan Hill and Chief Financial Officer David Starkey re: CIP / Debt
- Conference call with SCDOT representatives, Chairman Weston Newton and staff re: Dennis Corporation

November 11, 2010

- Veterans Day holiday

November 12, 2010

- Disabilities and Special Needs Board Retreat, Bluffton
- Meeting with Kim Statler, Executive Director of Lowcountry Economic Network re: Beaufort Commerce Park
- Meeting with Deputy County Administrator Bryan Hill

November 15, 2010

- Joint Finance and Community Services Committee meeting
- Meeting with Deputy County Administrator Bryan Hill

November 16, 2010

- Regional Airport meeting at Beaufort-Jasper Water and Sewer Authority

November 17, 2010

- Immigration Forum – Council Chambers
- County / City of Beaufort bimonthly meeting at Weston Newton's Bluffton Office

November 18, 2010 (Bluffton Office Hours)

- Meeting with Alan Ward, of Ward Associates re: Stormwater Management

November 19, 2010

- Meeting with Bryan Hill and Lad Howell
- Biweekly meeting with Rob McFee, Division Director of Engineering and Infrastructure

November 22, 2010

- Meeting with Deputy County Administrator Bryan Hill
- Meeting with David Godley, resident of St. Helena Island, and Tony Criscitiello, Division Director of Planning and Development, re: Ordinance / Signs
- Staff meeting re: Brick Baptist Church / Historical Grants

November 23, 2010

- Agenda review with Chairman, Vice Chairman and Administrative Staff
- Public Facilities Committee meeting

November 24, 2010

- Meeting with Representative Richard Chalk and Employee Services Director Suzanne Gregory re: Health Benefits

November 25 – 26, 2010

- Thanksgiving Holidays



Memorandum

DATE: November 26, 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 November 8, 2010 thru November 26, 2010:

November 8, 2010 (Monday):

- Attend Animal Shelter Cat Screen Porch Ribbon Cutting Ceremony
- County Council

November 9, 2010 (Tuesday):

- Sharepoint Concepts Meeting with Dan Morgan, Mike Taylor, Scott Hanson and James Fry with MIS
- Bluffton Hours - P.M.

November 10, 2010 (Wednesday):

- Meet with Gary Kubic, County Administrator, Ladson Howell, Staff Attorney, Robert McFee, Engineering and Infrastructure Director re: Dennis Corporation
- St. Helena Library Branch Status Meeting
- Meet with Morris Campbell, Community Services Director re: Various Library Issues
- Meet with Gary Kubic, County Administrator and David Starkey, CFO re: CIP/Debt
- Conference call with Weston Newton, Chairman, Gary Kubic, County Administrator, Ladson Howell, Staff Attorney, David Starkey, CFO, and Robert McFee, Engineering and Infrastructure Director with SCDOT representatives re: Dennis Corporation

November 11, 2010 (Thursday)--CLOSED:

- Veteran's Day

November 12, 2010 (Friday):

- Meeting with Rob McFee, Engineering and Infrastructure Director
- Meet with Gary Kubic, County Administrator

November 15, 2010 (Monday):

- DA Meeting
- Meet with David Starkey, CFO
- Joint Finance and Community Services Meeting
- Meet with Gary Kubic, County Administrator

November 16, 2010 (Tuesday):

- Meet with Roland Gardner re: St. Helena Library
- Meet with Robert McFee, Engineering and Infrastructure Director re: Contractors
- Prepare for meeting with Liollo Architecture re: St. Helena Library

November 17, 2010 (Wednesday):

- Meet with Jay White of Liollo Architecture in Charleston
- Meet with Anthony Criscitiello, Planning Director

November 18, 2010 (Thursday)--Bluffton:

- Bluffton Hours

November 19, 2010 (Friday):

- Meet with Gary Kubic, County Administrator and Ladson Howell, Staff Attorney
- Meet with MIS Personnel re: Mac Issues
- Bluffton Hours - P.M.

November 22, 2010 (Monday):

- Meet with Gary Kubic, County Administrator
- Meet with Jim Minor re: Convenience Center Hours
- Meet with David Starkey, CFO
- Process Purchase Requests
- Meet with David Starkey, CFO and Robert McFee, Engineering and Infrastructure Director re: 1¢ Sales Project Funding

November 23, 2010 (Tuesday):

- Meet with Maggie Hickman, Engineering re: Dennis Corporation Invoices
- Agenda Review
- Meet with Gary Kubic, County Administrator

November 24, 2010 (Wednesday)--Bluffton:

- Bluffton Hours

November 25, 2010 (Thursday)--CLOSED:

- Thanksgiving

November 26, 2010 (Friday)--CLOSED:

- Thanksgiving

**Bobby M. Bowers
Office of Research and Statistics
South Carolina Budget and Control Board**

As the Director of the Office of Research and Statistics, serves as the chief administrative officer of an agency of state government of some 80 persons in the following areas of research and statistical analysis: Demographic, Economic, Health Statistics, Reapportionment, Precinct Demographics, Geographic, Geodetic, Cartographic.

Born in Newberry County
Married to the former Cheryl Folk of Newberry
Six sons: Greg, David, Jim, Brian, Brett, Mark
Resides in Lexington, South Carolina

1962 graduate of Newberry College receiving a Bachelor of Arts Degree in mathematics. Both undergraduate and graduate work in the field of Economics and Statistics at the University of South Carolina.

Prior to present position, served as the Chief of Demographic Statistics of the Office and was responsible for research in the population estimates and projection section, reapportionment analysis and statistical analysis for voting rights litigation; two years as a Time and Cost Analyst at the Employment Security Commission; two years Advanced Math and Physics teacher and assistant coach at Lexington High School; and one year as an insurance representative.

Member of Lexington United Methodist Church, Sunday School Teacher.

Member of Lander University Board of Trustees, presently Chairman of Finance Committee.

Past President of the Lexington Jaycees.

Member and past President of the Lexington Lions Club.

Past president of the Lexington Elementary PTA. Past vice-president of District IV (Lexington County) PTA.

Honorary life member-South Carolina Congress of Parents and Teachers.

Former member of Lexington School District No. 1 Board of Trustees for eight years; served as Chairman of the Board for seven years.

Past president of the South Carolina School Boards Association.

Past member of the Federal Relations Network of the South Carolina School Boards Association representing Congressional District 2.

Former member of the Population Association of America, and former member of the Southern Regional Demographic Group.

Served as guest lecturer at USC and the faculty seminars at Clemson University and Winthrop University. Has spoken to various civic and church groups.

REAPPORTIONMENT EXPERIENCE:

Presently Director of the Office of Research and Statistics of the South Carolina Budget and Control Board. In this capacity, primary responsibility for almost all the redistricting activities in South Carolina over the past 30 years. These activities cover the total gauntlet of reapportionment for United States Congressional Districts, State Senate and House of Representatives, Counties, Municipalities, School Districts and Special Purpose Districts. Also has served as a private consultant on redistricting in numerous counties, cities, school districts and the State of Alabama. Served as a private consultant in cities and counties, in North Carolina, Georgia, Florida, Texas, and Alabama.

Appointed the Federal Technical Advisor to the three-judge panel in 1992 and again in 1996 serving with the Honorable Clyde Hamilton, the Honorable G. Ross Anderson, the Honorable Falcon B. Hawkins, and again in 1996 serving with the Honorable Robert Chapman, the Honorable Matthew Perry and the Honorable Joseph F. Anderson, Jr. hearing the South Carolina Congress, Senate and House redistricting cases. Appointed the Federal Technical Advisor to the three-judge panel in 2002 serving with the Honorable William B. Traxler, the Honorable Joseph F. Anderson, and the Honorable Matthew Perry. In 2004-05 appointed the Federal Technical Advisor to the Honorable Patrick Michael Duffy in the Charleston County litigation. In 2003 appointed the Technical Advisor to the Supreme Court of the State of New Hampshire in their House and Senate redistricting case. Also worked with the Honorable Margaret Seymour in the Florence School District 1 litigation when she was a Federal Magistrate. Testified and qualified as an expert in Federal cases in North Carolina, Florida, Georgia, Texas and Alabama. In 2006 appointed as the special mediator by the Honorable Margaret Seymour in the NAACP vs. School District Three in Lexington County.

OTHER TRAINING EXPERIENCE:

1. Attended 4-5 Applied Statistic Training Institute (ASTI) programs in Demography, Statistical Estimation and Management at Research Triangle Institute, North Carolina in the early to mid-seventies
2. Attended several management seminars at USC. Dates unknown.
3. April, 1987 attended IBM Executive Manager Seminar.
4. Graduate of South Carolina Executive Institute (1996).
5. Recently completed the advanced Lay Speaking training in South Carolina to become a certified Lay Speaker in the Methodist Church.

	2009	2010	Recommend
	<u>\$726,000</u>	<u>\$726,000</u>	<u>\$726,000</u>
DHEC	\$70,240	\$67,313	\$65,000
CECMHC	\$130,000	\$128,000	\$121,000
Clemson	\$5,000	\$5,000	\$5,000
BS&Wconsrv.	\$22,000	\$21,000	\$19,000
LRTA	\$247,000	\$247,000	\$246,000
CAPA	\$32,000	\$32,000	\$30,000
CODA	\$15,000	\$15,000	\$15,000
HOPE Haven	\$15,000	\$15,000	\$15,000
BJ EOC	\$5,000	\$5,000	\$5,000
Sr. Svcs	\$55,000	\$55,000	\$55,000
LVL	\$10,000	\$10,000	\$10,000
Total Expense			<u>\$586,000</u>
Net Balance			\$140,000

Beaufort County Human Services Alliance
Grant Summary for 2010

	Amount Requested	Amount Approved	Purpose	Together for Beaufort Strategic Goal
Alliance Grant Fund				
Bft. Co. Early Childhood Coalition	\$ 15,000	\$ 8,000	Traveling Preschool Bus	Education
Neighborhood Outreach Connection	\$ 15,000	\$ 8,000	Expanding neighborhood outreach	Poverty
Coalition for Aging in Place	\$ 15,000	\$ 8,000	Village "Developers" to open 4 new villages	Poverty
Adequacy of Prenatal Care Coalition	\$ 15,000	\$ 10,000	3 Interventions - PASOs, Mobile Unit & Stork's Nest	Poverty
Partnership for Adult Literacy	\$ 10,000	\$ 6,000	Evening English literacy programming	Education
Hope Haven/CODA Partnership	\$ 15,000	\$ 15,000	Family Advocacy program for abused children	Education
Lowcountry Area VITA Coalition	\$ 15,000	\$ 15,000	Volunteer Income Tax Assistance	Economy
Subtotal:	\$ 100,000	\$ 70,000		

	Amount Requested	Amount Approved	Purpose	Together for Beaufort Strategic Goal
Together For Beaufort Grant Fund				
Eat Smart, Move More Lowcountry	\$ 5,000	\$ 4,000	Healthy Lifestyles for Children	Health
Reducing Adolescent Pregnancy Coalition	\$ 5,000	\$ 5,000	Poetry & Pancakes and teen pregnancy prev. programs	Poverty
Subtotal:	\$ 10,000	\$ 9,000		

	Amount Approved	Purpose	Together for Beaufort Strategic Goal
Alliance Grant-Writer's Pool Fund			
Prenatal Care Coalition	\$ 250	March of Dimes grant for PASOs program (received)	Poverty
Reducing Adolescent Pregnancy Coalition	\$ 250	"Real Talk" teen pregnancy prev. program (pending)	Poverty
Lowcountry Area VITA Coalition	\$ 1,000	IRS Grant (pending)	Economy
Subtotal:	\$ 1,500		

	Amount Approved	Purpose	Together for Beaufort Strategic Goal
Alliance Matching Fund			
Lowcountry Area VITA Coalition	\$ 40,000	Used to leverage \$1.9Million	Economy
Subtotal:	\$ 40,000		

Summary	
Alliance Grants	\$ 70,000
Together For Beaufort Grants	\$ 9,000
Grant Writers	\$ 1,500
Matching Grants	\$ 40,000
Storage unit rental for emergency beds & training	\$ 5,330
TOTAL:	\$ 125,830
Allocation	\$ 125,687
Balance	\$ (143)



Beaufort County Alliance for Human Services

("The whole is greater than the sum of its parts")

November 17, 2010

To the Joint Finance and Community Services Committee Members:

Thank you for approving our recommendations for the 2011 allocation of funding to our Community Service partners.

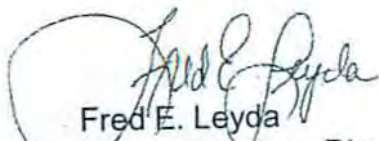
Per your request, I have prepared and attached a spreadsheet outlining how the funds were allocated and used for coalitions' grant and/or leverage grants for the last fiscal year. Each coalition provides updates on a monthly basis on the progress being made in addressing the strategic objective for which a grant was allocated.

Please note that our goal is to implement the directive we received the past two years from Council, that is, to move toward a block-grant funding model with the decision-making process in the hands of the County Human Service Alliance. Therefore, for the past two years we informed those agencies of Council's directive to work with the Alliance to make more funds available for Alliance coalition grants. The concept is to encourage partnerships/coalitions to address the goals and objectives as outlined in our community indicators project, Together For Beaufort County. We concur that this is a better approach to maximize the use of our limited resources.

We understand and appreciate the concerns expressed about the recommendations of funding reduction for those agencies that have been annual allocation recipients for the past 10 to 15 years. It is a very difficult time for a vast majority of Alliance-member agencies. However, we feel that working together, as coalitions and in partnerships, utilizing available resources; we can continue to address some of the quality of life indicators that are essential for a healthy community.

I hope this information will answer the concerns and questions you raised at the meeting on Monday. If you have additional questions or need further clarification, please let me know. Thank you.

Respectfully,



Fred E. Leyda
Human Services Director

C: Gary Kubic, County Administrator
Bryan Hill, Deputy County Administrator
Morris Campbell, Executive Director of Community Services
Sue Rainey, Clerk to Council

Leadership Council

Anthony Barrett, Manager
Town of Bluffton
Dr. Frank Bowen, Executive Director
Volunteers in Medicine
Edna Crews, Regional Director
Coastal Community Foundation
Gaynelle Dantzer, Public Affairs Officer
U.S. Naval Hospital
Scott Dadson, Manager
City of Beaufort
Roland Gardner, CEO
B/J/H Comprehensive Health Svcs.
Trish Heichel, Community
Volunteer
Rev. Manuel Holland
Faith Community
Gary Kubic, Administrator
Beaufort County
Dr. Thomas Leitzel, President
Technical College/Lowcountry
Geraldine Lester,
SC DHEC Public Health Region 8
William Miles, President/CEO
Hilton Head Island/Bluffton
Chamber of Commerce
Mark O'Neil, CEO
Hilton Head Hospital
Steve Riley, Manager
Town of Hilton Head Island
Rev. Randy Roberts
Faith Community
Ron Smith, Interim Director
Beaufort County DSS
Denise Spencer, President/CEO
Community Foundation of the
Lowcountry
Rick Toomey, President/CEO
Beaufort Memorial Hospital
Dr. Valerie Truesdale, Superintendent
Beaufort County Schools
Carlotta Ungaro, President/CEO
Beaufort Regional Chamber
Of Commerce
Dr. Jane Upshaw, Chancellor
USC-Beaufort
Clarece Walker, President/CPO
United Way of the Lowcountry
Van Willis, Manager
Town of Port Royal
Dr. Howard Radest
Rabbi Ted Levy, *deceased*
Founding Members

Fred Leyda
Alliance for Human Services
P.O. Drawer 1228
Beaufort, SC 29901

(843) 521-3153
Fax: (843) 521-3154
Email: fleyda@uscb.edu

Together for Beaufort Coalitions

Goal One – Economic

Lowcountry Area VITA Coalition (Theresa Jackson, chair)

Meets as needed

- United Way, B.C.Human Service Alliance, USCBeaufort, SC Employment Security Commission, BCSD, Access Network, UniHealth Post-Acute Care, South Carolina Bank & Trust, Liberty Savings, First Citizens Bank, BJH Comp Health, Beaufort County Library, Baptist Church of Beaufort, Goodwill, Grace Coastal Church

County Housing Consortium (Gene Rugala, chair)

(no meetings scheduled; county planning charged with responsibilities)

Goal Two - Education

Beaufort County Early Childhood Coalition (Leroy Gilliard, chair)

4th Wednesday, 10 a.m. USCB North

- Beaufort First Steps, B.C. Human Services Alliance, SC DHEC, United Way, DSS, BCSD FACES, BJ Economic Opportunity Commission

Beaufort County School District, PACT/SAT scores (Valerie Truesdale, chair)

As needed

Beaufort County School District, MAP goals (Valerie Truesdale, chair)

As needed

Partnership for Adult Literacy (Nancy Williams, chair)

- BCSD Adult Ed, BCSD FACES (Kay Newsome), USCB Continuing Ed (Marilyn Arseneau), Literacy Volunteers of the Lowcountry, BC Human Services Alliance, BC Library (Francesca Denton) public

As needed

Goal Three – Poverty

Coalition for Aging in Place (Sharon Morris, chair)

1st Monday, 2 p.m., Grace Coastal Church, Okatie

- USCBeaufort, BC Human Services Alliance, Hilton Head Hospital, BMH, SC DHEC District (Geri Lester), LCOG, Under One Room (Richard Drake) BC Alcohol and Drug Abuse, Memory Matters

Reducing Adolescent Pregnancy (April Fletcher-Clark and Yajaira Benet-Smith, co-chair)

2nd Tuesday, 3:30 – 5 p.m, CAPA offices, Port Royal

- Coastal Empire Mental Health, SC DHEC, BC Alcohol and Drug Abuse, CAPA, Hope Haven, BMH, DSS, Beaufort Women's Center, Boys and Girls Club, BCSD, CODA, Pregnancy Center, BC Human Services Alliance

Adequacy of Prenatal Care (Patti Valentini, chair)

4th Thursday but it varies

- Beaufort Jasper Hampton Comprehensive Health Services; Beaufort County Alliance for Human Services; Beaufort County Alcohol and Drug Abuse Prevention Services; Beaufort County Health Departments, SC DHEC Region 8; Beaufort Memorial Hospital; Hilton Head Hospital; PASOs Program for Latina Women (Yahaira Benet-Smith); Pregnancy Center and Clinic of the Lowcountry (Ginny Chiaro); Storks Nest; University of South Carolina-Beaufort

Children in Poverty

group meeting times vary

- Community Services Organization (Steve Curless and Narendra Sharma, co-chairs) (15 churches, DSS, EOC, Salvation Army, HELP of Beaufort, Alliance, Lowcountry Food Bank, Salvation Army, CODA, CAPA, Family Promise, Lowcountry Legal Aid, DHEC, BJH Comp Health, Good Neighbor Medical Center); SOB Faith Group (Rev. John Ring, Grace Coastal Church); SOB Poverty Organization (Dr. Sharma) Beaufort County Library, BJ Economic Opportunity Commission, Family Promise, Deep Well, BCSD, Bluffton Self Help, Neighborhood Outreach Connection, VITA, BJH Comp Health, DSS

Goal Four – Health, Natural Resources and Environment

Access Health Beaufort County (Cindy Coburn-Smith, chair)

4th Wednesday but it varies

- Beaufort County Alcohol and Drug Abuse Department; Beaufort Jasper Hampton Comprehensive Health Services, Inc.; Beaufort Memorial Hospital; Beaufort Health Department, SC DHEC Region 8; Beaufort Women's Center ; Coastal Empire Community Mental Health; Friends of Caroline Hospice; Good Neighbor Medical Clinic; Hilton Head Hospital; Pregnancy Center and Clinic of the Lowcountry; Volunteers in Medicine Clinic (Note-Additional members are expected to be added for application process to SC Hospital Association)

Eat Smart Move More Lowcountry (Johnny Davis, chair)

3rd Wednesday, afternoons, BJH Comp Health

- B.C. Human Services Alliance, B.C. Alcohol and Drug Abuse Prevention; B.C. Parks and Recreation; Jasper County Parks and Recreation, S.C. DHEC, BCSD, JCSD, BJH Com Health, BMH, Coastal Carolina Medical Center, Hilton Head

Hospital, USC Beaufort; Volunteers in Medicine, YMCA of Beaufort County, Purdue University (retired); Select Health of SC; Semper Fit Health Promotion of MCCS; Therapeutic Solutions, United Way of the Lowcountry (fiscal agent)

Mental Health Access (Mike Walsh, chair)

4th Tuesday of the month, 9 a.m., BJH Comp Health

- Coastal Empire Community Mental Health, Beaufort Memorial Hospital, National Association for Mentally Ill, Hope Haven, B.C. Human Services Alliance, S.C. DHEC, Lifeskills Counseling, private practitioners.

Water Quality Coalition (Denise Parsick, chair)

As needed

- BC Soil and Water Conservation District, DHEC Reg. 8, SC Coastal Conservation League, Clemson Extension, town of Hilton Head, U.S. Dept. of Agriculture, town of Bluffton, Beaufort-Jasper Water and Sewer Authority, River Smart, Friends of the River, BC Planning Dept., Lowcountry Institute, BC Solid Waste and Recycling, BC Stormwater Utility

Coalitions Not Yet Formed:

Commercial Tax Base, Child Care Costs.

June 25, 2010



**COUNTY COUNCIL OF BEAUFORT COUNTY
PURCHASING DEPARTMENT**

Building 2, 102 Industrial Village Road
Post Office Drawer 1228, Beaufort, SC 29901-1228
Phone: (843) 255-2353 Fax: (843) 255-9437

TO: Councilman Stewart H. Rodman, Chairman, Finance Committee

VIA: Gary Kubic, County Administrator *GK*
Bryan Hill, Deputy County Administrator *BH*
David Starkey, Chief Financial Officer *DS*
Morris Campbell, Director of Community Services *MC*
Wlodek Zaryczny, Director of Libraries *WZ*

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

SUBJ: RFP # 1525/090647 RFID Library System Proposal for the Beaufort County Library Departments

EVALUATION COMMITTEE NOTES: The evaluation committee consisted of Wlodek Zaryczny, Director of Libraries, Mark Roseneau, Director of Facilities, Gina Molter, Lobecko Library Branch Manager, and Stuart Forrest, Library MIS. The evaluation committee interviewed the top two firms and selected ITG as the number one ranked firm.

FINAL EVALUATION RANKING:

		Initial Cost
1	ITG, North Cross, GA	\$538,046
2	Techlogic, White Bear Lake, MN	\$466,581
3	Bibliotheca, Huntsville, AL	\$567,132
4	3M, St. Paul, MN	\$No Total
5	Libramation, Inc., Edmonton, AB, Canada	\$No Total
6	MK Sorting Systems, Bloomfield, CT	\$667,000

FINAL COST WITH THE ADDITION OF ST. HELENA BRANCH:

The total initial first year investment with ITG is \$970,711. The other costs not paid to ITG will cover renovation and furniture. The renovation cost for the Beaufort, Bluffton, and Hilton Head Libraries is \$14,800. The furniture is only needed for the Beaufort Library at a cost of \$6,615. The total first year cost for the RFID system is \$992,126. The five year investment is \$1,308,426 (\$970,711+\$14,800 for renovations+\$6,615 for furniture+maintenance cost for four years of \$316,300=\$1,308,426).

FUNDING: This project includes specialized capital equipment and professional services (maintenance contracts). Each library's portion will be funded through the corresponding impact fees except for the Beaufort Library Branch, which will be funded through the general fund. See the attached presentation slides for more detail on costs and funding.

RECOMMENDATION: The Finance Committee approve and recommend to County Council the initial contract award of \$970,711 to ITG for the RFID equipment and services with four (4) additional one (1) year related service contracts for \$79,075 per year. The four additional one year contracts for related services are subject to County Council approval.

Attachments: Financial Analysis and Funding Sources, Slides 10-14

cc: Gina Molter, Richard Hinehine, Elizabeth Smith

**ROI Calculations- Beaufort County
Beaufort Branch- Circulation Staff**

Currently (Without RFID)	Salary		With RFID	Salary
Circulation Supervisor- FT	32,500		Circulation Supervisor- FT	32,500
Library Assistant I- FT	24,000		Library Assistant I- FT	24,000
Library Assistant I- FT	24,000		Library Assistant I- FT	24,000
Library Assistant I- FT	24,000		Library Assistant I- PT	14,875
Library Assistant I- FT	24,000		Library Assistant I- PT	14,875
Library Assistant I- FT	24,000		Page- PT	10,000
Library Assistant I- PT	14,875		Page- PT	10,000
Library Assistant I- PT	14,875		Page- PT	10,000
Library Assistant I- PT	14,875			
Page- PT	10,000			
Page- PT	10,000			

TOTAL Salaries 217,125
Benefits 86,735
TOTAL 303,860

TOTAL Salaries 140,250
Benefits 49,021
189,271

RFID SAVINGS PER YEAR 114,590

ITG QUOTE 201,717 First Year
18,080 Second Year
18,080 Third Year
18,080 Fourth Year
18,080 Five Year
TOTAL 274,036

FIRST YEAR SETUP COSTS

13,015 Furniture and Renovations

RETURN ON INVESTMENT- YR 1 (100,142)
RETURN ON INVESTMENT- YR 2 96,510
RETURN ON INVESTMENT- YR 3 96,510
RETURN ON INVESTMENT- YR 4 96,510
RETURN ON INVESTMENT- YR 5 96,510
ROI- TOTAL 285,896

YEARS TO PAYBACK 2.4

YEARLY GENERAL FUND SAVINGS 96,510 PER YEAR (YEARS 2-5)

ROI Calculations- Beaufort County
Bluffton Branch- Circulation Staff

Currently (Without RFID)	Salary		With RFID	Salary
Circulation Supervisor- FT	32,500		Circulation Supervisor- FT	32,500
Library Assistant I- FT	24,000		Library Assistant I- FT	24,000
Library Assistant I- FT	24,000		Library Assistant I- FT	24,000
Library Assistant I- FT	24,000		Library Assistant I- PT	14,875
Library Assistant I- FT	24,000		Library Assistant I- PT	14,875
Library Assistant I- FT	24,000		Library Assistant I- PT	14,875
Library Assistant I- PT	14,875		Page- PT	10,000
Library Assistant I- PT	14,875		Page- PT	10,000
Library Assistant I- PT	14,875		Page- PT	10,000
Library Assistant I- PT	14,875			
Library Assistant I- PT	14,875			
Page- PT	10,000			
Page- PT	10,000			
Page- PT	10,000			
Page- PT	10,000			

TOTAL Salaries 266,875
Benefits 95,611
TOTAL 362,486

TOTAL Salaries 155,125
Benefits 51,674
TOTAL 206,799

RFID SAVINGS PER YEAR 155,686

ITG QUOTE 197,322 First Year
18,663 Second Year
18,663 Third Year
18,663 Fourth Year
18,663 Fifth Year

TOTAL 271,976

FIRST YEAR SETUP COSTS

2,700 Furniture and Renovations

RETURN ON INVESTMENT- YR 1 (44,336)
RETURN ON INVESTMENT- YR 2 137,023
RETURN ON INVESTMENT- YR 3 137,023
RETURN ON INVESTMENT- YR 4 137,023
RETURN ON INVESTMENT- YR 5 137,023
ROI- TOTAL 503,755

YEARS TO PAYBACK 1.7

YEARLY GENERAL FUND SAVINGS 137,023 PER YEAR (YEARS 2-5)

ROI Calculations- Beaufort County
Hilton Head Branch- Circulation Staff

Currently (Without RFID)	Salary		With RFID	Salary
Circulation Supervisor- FT	32,500		Circulation Supervisor- FT	32,500
Library Assistant I- FT	24,000		Library Assistant I- FT	24,000
Library Assistant I- FT	24,000		Library Assistant I- FT	24,000
Library Assistant I- FT	24,000		Library Assistant I- PT	14,875
Library Assistant I- FT	24,000		Library Assistant I- PT	14,875
Library Assistant I- PT	14,875		Page- PT	10,000
Library Assistant I- PT	14,875		Page- PT	10,000
Library Assistant I- PT	14,875		Page- PT	10,000
Page- PT	10,000			
Page- PT	10,000			
Page- PT	10,000			
Page- PT	10,000			

TOTAL Salaries 213,125
Benefits 78,022
TOTAL 291,147

TOTAL Salaries 140,250
Benefits 49,021
TOTAL 189,271

RFID SAVINGS PER YEAR 101,876

ITG QUOTE 194,960 First Year
18,336 Second Year
18,336 Third Year
18,336 Fourth Year
18,336 Five Year

TOTAL 268,304

FIRST YEAR SETUP COSTS

5,700 Furniture and Renovations

RETURN ON INVESTMENT- YR 1 (98,785)
RETURN ON INVESTMENT- YR 2 83,540
RETURN ON INVESTMENT- YR 3 83,540
RETURN ON INVESTMENT- YR 4 83,540
RETURN ON INVESTMENT- YR 5 83,540
ROI- TOTAL 235,375

YEARS TO PAYBACK 2.6

YEARLY GENERAL FUND SAVINGS 83,540 PER YEAR (YEARS 2-5)

ROI Calculations- Beaufort County
Lobeco Branch- Circulation Staff

Currently (Without RFID)	Salary		With RFID	Salary
Circulation Supervisor- FT	32,500		Library Assistant I- PT	14,875
Library Assistant I- PT	14,875		Library Assistant I- PT	14,875

TOTAL Salaries 47,375
Benefits 16,452
TOTAL 63,827

TOTAL Salaries 29,750
Benefits 5,307
TOTAL 35,057

RFID SAVINGS PER YEAR 28,769

ITG QUOTE 54,847 First Year
4,713 Second Year
4,713 Third Year
4,713 Fourth Year
4,713 Five Year
TOTAL 73,700

FIRST YEAR SETUP COSTS

- Furniture and Renovations

RETURN ON INVESTMENT- YR 1 (26,078)
RETURN ON INVESTMENT- YR 2 24,056
RETURN ON INVESTMENT- YR 3 24,056
RETURN ON INVESTMENT- YR 4 24,056
RETURN ON INVESTMENT- YR 5 24,056
ROI- TOTAL 70,146

YEARS TO PAYBACK 2.6

YEARLY GENERAL FUND SAVINGS 24,056 PER YEAR (YEARS 2-5)

**ROI Calculations- Beaufort County
St. Helena Branch- Circulation Staff**

Currently (Without RFID)	Salary		With RFID	Salary
Circulation Supervisor- FT	32,500		Circulation Supervisor- FT	32,500
Library Assistant I- FT	24,000		Library Assistant I- FT	24,000
Library Assistant I- FT	24,000		Library Assistant I- FT	24,000
Library Assistant I- FT	24,000		Library Assistant I- PT	14,875
Library Assistant I- FT	24,000		Library Assistant I- PT	14,875
Library Assistant I- FT	24,000		Page- PT	10,000
Library Assistant I- PT	14,875		Page- PT	10,000
Library Assistant I- PT	14,875		Page- PT	10,000
Library Assistant I- PT	14,875			
Page- PT	10,000			
Page- PT	10,000			

TOTAL Salaries 217,125
Benefits 86,735
TOTAL 303,860

TOTAL Salaries 140,250
Benefits 49,021
TOTAL 189,271

RFID SAVINGS PER YEAR 114,590

ITG QUOTE 321,864 First Year
19,282 Second Year
19,282 Third Year
19,282 Fourth Year
19,282 Five Year
TOTAL 398,994

FIRST YEAR SETUP COSTS

- Furniture and Renovations

RETURN ON INVESTMENT- YR 1 (207,275)
RETURN ON INVESTMENT- YR 2 95,307
RETURN ON INVESTMENT- YR 3 95,307
RETURN ON INVESTMENT- YR 4 95,307
RETURN ON INVESTMENT- YR 5 95,307
ROI- TOTAL 173,954

YEARS TO PAYBACK 3.5

YEARLY GENERAL FUND SAVINGS 95,307 PER YEAR (YEARS 2-5)

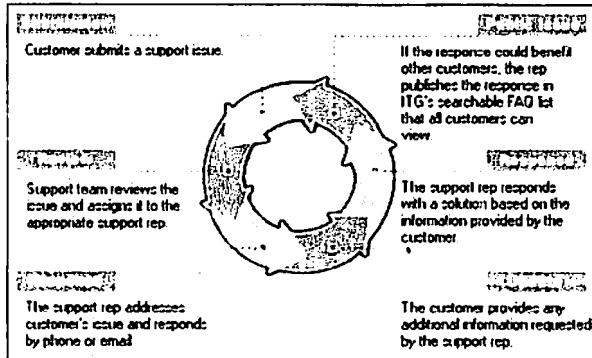
A Guarantees and Warranties

A.1 Maintenance and Support

ITG provides support for its products through both a web-based interface and by telephone. Web-based and telephone support is available 24/7 365. Where necessary and applicable, onsite service is provided during non-holiday weekdays between 8:00 AM and 6:00 PM local time by either an ITG employee technician or by an NCR technician or by the Wachter Corporation, a hardware support firm, working as an ITG subcontractor. Phone and web-based support is provided directly through ITG's Customer Service group. ITG's systems are designed so that almost all potential problems can be diagnosed remotely. In addition, most products have plug-and-play components that are easily removed and replaced by library staff using replacement parts shipped to arrive within 24 hours.

Should a software issue be identified, ITG will address it using a remote connection to the application. Should a hardware issue be identified and the component(s) can be fixed or replaced with limited effort and technical expertise by library staff, the required component(s), if readily available, will be dispatched for delivery the following business day. Where library staff technical expertise working with remote guidance from an ITG technician is not sufficient to adequately address the problem, a technician will be dispatched to the site. ITG is committed to a response time of no more than two hours for phone or web requests for service and four hours for issues reported by the Library that require onsite support.

The following chart shows how information is gathered by ITG support and how ITG responds to support issues.



Tasks

Submission: The best way—a customer submits an issue online using the customer support portal and selects a *category* for the issue. URL for the support portal is: <http://www.integratedtek.com/support.asp> (customers can also submit via email or our toll-free number). If no ITG support staff assumes responsibility for an issue within 10 minutes, the issue is escalated to ITG support management, thus ensuring that all calls are answered promptly, in an acceptable time frame.

Review: ITG support is notified when a new issue has been submitted. After researching the issue and reviewing the customer's profile, a representative responds to the customer by telephone or by email.

Work with the Customer (Responses/Updates): Further updates to the issue, provided by the customer or the support representative, are captured in ITG's support system with duplicate information sent to the customer.

Resolved / Public Issue: Once the question has been resolved to the satisfaction of the customer and the representative, the issue is closed. Common solutions are made available to the customer base through support solutions that can be searched on the customer portal.

Benefits

ITG's automated system assures that resolution is fast. Notifications do not depend on a rep being available by phone; ITG uses multiple notification methods (email, automatic text messaging to our support cell phones, etc.). Escalation procedures are also automatic.

If the issue reported needs to be reassigned based on providing the right expertise to solve the problem, or needs to be escalated to a more senior representative, the receiving rep can instantly re-assign the issue to the right resource person. This person is automatically notified by email. This methodology ensures that the most appropriate representative is always assigned to the customer's issue.

Support personnel have access to all case history so that they can easily see everything that has previously transpired. Customers do not have to repeat information on subsequent phone calls.

Along with the publicly available support database, reps have access to an internal technical database that provides additional information to solve customer problems. Once a problem is resolved the first time, all other customers benefit from the results.

When a customer uses the online support portal for support, the customer is automatically provided with a standard procedure for reporting issues and provided documentation on issue resolution.

A.2 Sample Support and Maintenance Agreement for ITG Products

These Terms and Conditions of Support and Maintenance are evergreen in nature and do not expire. The Customer or Integrated Technology Group (ITG) may terminate this agreement at any time for any or no reason. Billing cycle for Support and Maintenance will be on an annual basis beginning with the anniversary date of the first shipment of equipment or software to the Customer. Billing for Support and Maintenance for products shipped after the first shipment will be pro-rated in such a manner to insure that all products remain co-terminus.

(a) **Coverage.** Integrated Technology Group (ITG) will provide Customer support and maintenance services on an annual basis subject to ITG's Equipment Lifecycle Policy and payment of the annual Product Support and Maintenance Fee. The following services will be provided during the period covered as described below:

- (i) With the exception of consumable supplies (e.g. print ribbons) and parts with specified limited usage life spans (e.g. printer heads), ITG will repair or replace hardware components unless such failure is caused by the Customer, as determined by ITG in consultation with the Customer. Replacement parts, be they new or refurbished, will be equal to or better than the parts being replaced. Replacement parts will be provided on an exchange basis. End of Support (EOS) for Hardware products is specified in the attached document entitled ITG Maintenance and Equipment Lifecycle Policy.
- (ii) In the event that the Customer reports material bugs or defects in the Software, ITG shall use commercially reasonable efforts to correct or replace the Software or provide the services necessary to remedy any programming error attributable to ITG that significantly affects the functionality of the Software.
- (iii) ITG shall provide points of contact for Customer to report Product problems, failures and defects and to request Product changes and enhancements. Only those individuals specifically designated by the Customer shall contact ITG in regard to such matters and ITG is not obligated to respond to any other employees except those specifically designated.
- (iv) ITG shall provide the maintenance and support services during the service period by telephone, facsimile, email, modem, on site visit or any other means which its deems appropriate, at its sole discretion, to adequately provide those services.
- (v) ITG shall be responsible for outbound shipping costs of products and components covered under this agreement. The Customer is responsible for shipping costs of products and components that are returned to ITG for replacement or repair.
- (vi) As a part of this agreement, ITG shall supply Customer any and all updates, improvements, and modifications to the Licensed Programs that ITG makes available to its licensees generally without charge, provided that ITG reserves the right to charge separately for new options or

new applications that, in the discretion of ITG, constitute a new software product. Such updates, improvements, and modifications shall be provided to the Customer within the framework of periodic official releases. Software support will be limited to the two most recently distributed releases.

(vii) Maintenance services to be provided by ITG under this Agreement do not include:

- a) Correction of errors arising from changes, alterations, additions or modification by persons other than the employees or agents of ITG or caused by the operation of the Product other than in accordance with the operating specifications
- b) Correction of errors arising from the fault, neglect, misuse or omission of the Customer or its servants, agents, contractors, or invitees, or any other person whether or not that person is under the control or direction of the Customer
- c) Rectification of errors or defects caused by the incorrect or unauthorized use, modification, revision, variation or translation of the software by the Customer or its servants, agents, contractors or invitees
- d) Repair of damage arising from the failure or surge of electrical power, fusion, fire, air conditioning malfunction, damage caused in transportation or any other environmental factor or cause other than a cause arising from normal use of the Product
- e) Correction of errors caused by the use of computer programs not licensed by ITG for use by the Customer

(b) **Assignment of Warranties on Hardware Products.** In addition to ITG's obligations under the Maintenance Agreement, ITG hereby assigns to the Customer all rights of ITG under any manufacturer's warranties applicable to Hardware Products purchased under this Agreement to the extent such assignment is permitted under such warranties. Such assignment will be effective upon payment of the Total Purchase Price and all other charges invoiced for the shipment of the Products. Except as provided hereunder or pursuant to an executed Maintenance Agreement, ITG shall have no obligation to provide maintenance support or other services for Hardware Products purchased under this Agreement.

(c) **Limitation on Services.** Notwithstanding the above, in the event that Customer or any third party enhances, modifies, alters or otherwise makes any change to the Products without the prior express written consent of ITG, ITG shall have no obligation whatsoever to provide maintenance or support of such Products at any time after such enhancement, modification, alteration or change. Notwithstanding anything herein to the contrary, ITG's obligation to provide maintenance and support for the Licensed Programs shall extend only to the most recent version and the next most recent version of the Licensed Programs provided to Customer.

(d) **Upgrades.** The information technology industry is very dynamic and marked by frequent product replacement and upgrades. With respect to hardware and third party software, Customer retains the

responsibility for the costs of purchase and installation of said upgrades necessary to maintain the functionality of system.

(e) Customer Obligations. During the term of this Agreement, Customer has responsibility to provide:

- (i) Customer shall provide ITG with sufficient documentation, information, assistance, support and test time on Customer's computer system to duplicate any reported problems, certify that the problem is with the Products, and certify that the problem has been corrected. ITG will be provided with remote access to systems to aid the troubleshooting and repair process.
- (ii) Customer shall designate specific employees who will be trained in all aspects of the products, including trouble shooting. These, and only these employees, may contact ITG for matters related to this Agreement.

Customer shall perform problem definition activities and any remedial or corrective actions as described in the Licensed Programs customer manuals and other system documentation provided to Customer by ITG prior to seeking assistance from ITG.

- (iv) Customer is responsible for performing scheduled preventative maintenance as per product specifications.
- (v) Customer shall provide ITG's Maintenance personnel with proper and safe access to the equipment and software at all requisite times for the purpose of providing the maintenance services.
- (vi) Customer will provide ITG with at least 30 days written notice of the Customer's intention to move the equipment to a location other than the premises.

Agreed upon on _____ day of _____ month, _____.

Signature below indicates agreement to all written terms:

(Signatures follow)

A.3 ITG's One Year, Limited Product Warranty

Integrated Technology Group (ITG) warrants that the equipment provided in conjunction with ITG's XpressCheck™, ITG RFID™, ITG Returns™ and/or other ITG-developed and supplied system(s) to be free from factory defects for a period of one year from the date of installation.

This limited warranty does not extend to any ITG product which, in the sole judgment of ITG has been subjected to abuse, misuse, neglect, improper installation, or accident, or any damage due to use or misuse produced from integration of the products into any mechanical, electrical, or computer system. Further, any abuse, misuse, neglect, improper installation, accident, enhancement, modification, alteration or change made without ITG's written consent will invalidate ITG's Limited Product Warranty.

In the event that it is determined the equipment failure is covered under this warranty, ITG shall, at its sole option, repair or replace the piece of equipment with functionally equivalent or better equipment and return such repaired or replaced equipment without charge for service or return freight.

This limited warranty, except as to title is in lieu of all other warranties or guarantees, either express or implied, and specifically excludes, without limitation, warranties of merchantability and fitness for a particular purpose under the uniform commercial code, or arising out of custom or conduct. The rights and remedies provided herein are exclusive and in lieu of any other rights or remedies.

In no event shall ITG be liable for any indirect or consequential damages, incidental damages, damages to person or property, or other damages or expenses due directly or indirectly to the purchased equipment, except as stated in this warranty. In no event shall any liability of ITG exceed the actual amount paid to the Integrated Technology Group for a specific piece of equipment involved in the incident.

A.4 Maintenance and Equipment Lifecycle Policy

The purpose of the Maintenance and Equipment Lifecycle Policy is to set product End of Support (EOS) expectations. The information technology industry is very dynamic and marked by frequent product obsolescence. In order to protect customer investment in their system, EOS dates and options should be clearly understood. This policy is available to customers that have kept their equipment under continuous coverage of a maintenance agreement. ITG will maintain product support under the following terms:

- 1) For all but Security Pedestals and Automated Materials Handling (AMH) products:
 - a) EOS for these hardware products is set at 6 years (1 year warranty plus 5 years support agreement):
 - b) Prior to EOS, customer and ITG should do an evaluation to determine if continued support is possible. If so, the maintenance agreement will be renewed for a specific period of time as agreed by the two parties.
 - c) On EOS date, customer has a number of options available:
 - i) Support will be made available on a best effort, per incident basis, at the then current labor rates. All efforts will be made to affect repairs on said equipment but results may be limited by availability of parts or inventory.
 - ii) ITG offers a convenient program that allows customers to upgrade their equipment to the current levels at a 35% discount. This upgrade along with a renewed maintenance agreement will reset the clock for an additional 5 years. This program will be made available well in advance of the EOS date should customer decide to keep equipment current throughout the life of their system.
- 2) Security Pedestals
 - a) EOS for these hardware products is set for 8 years (1 year warranty plus 7 years support agreement)
 - b) Prior to EOS, customer and ITG should do an evaluation to determine if continued support is possible. If so, maintenance agreement will be renewed for a specific period of time.
 - c) On EOS date, customer has a number of options available:
 - i) Support will be made available on a best effort, per incident basis, at the then current labor rates. All efforts will be made to affect repairs on said equipment but results may be limited by availability of parts or inventory.

ITG offers a convenient program that allows customers to upgrade their equipment to the current levels at a substantial discount. This upgrade along with a renewed maintenance agreement will reset the clock for an additional 7 years. This program will be made available well in advance of the EOS date should customer decide to keep equipment current throughout the life of their system.

- 3) AMH Products
 - a) EOS for these products is set for 10 years (1 year warranty plus 9 years support agreement).
 - b) Prior to EOS, customer and ITG should do an evaluation to determine if continued support is possible. If so, maintenance agreement will be renewed for a specific period of time.
 - c) On EOS date, customer has a number of options available:
 - i) Support will be made available on a best effort, per incident basis, at the then current labor rates. All efforts will be made to affect repairs on said equipment but results may be limited by availability of parts or inventory.
 - ii) ITG offers a convenient program that allows customers to upgrade their equipment to the current levels at a substantial discount. This upgrade along with a renewed maintenance agreement will reset the clock for an additional 9 years. This program will be made available well in advance of the EOS date should customer decide to keep equipment current throughout the life of their system.

Installation services for actions resulting from options presented above, whether on-site or remote, are billable at normal installation rates. While this document is specific to hardware components, all terms related to software and software support remain as stated in the original maintenance agreement.

First Year ITO Cost Breakdown	Bethelvt	McDon Head	Lebeco	Staffton	SL Helms	TOTAL
Conveyors/Sorters/Automated Materials Handling	77,795.50	77,795.50	-	77,795.50	185,223.60	421,810.10
User Stations/ Self Check Out	53,081.97	41,040.57	15,262.49	41,040.57	60,296.75	211,025.15
Tags and Cover Labels	24,023.12	27,224.35	6,932.08	78,432.18	2,359.32	88,962.00
Inventory and Shelf Reading	2,940.00	2,940.00	980.00	2,940.00	-	9,800.00
Staff Stations	7,242.05	7,423.18	2,663.65	8,652.19	0.182.94	35,448.00
Software Licenses	11,942.00	11,942.00	3,583.00	11,942.00	-	39,830.00
Security Databases	17,405.00	13,025.00	21,650.00	13,210.00	44,450.00	110,000.00
Installation and Training	4,007.50	9,337.50	2,657.50	9,337.50	12,000.00	37,650.00
Shipping	3,115.37	3,714.99	839.24	3,714.99	5,303.75	16,687.69

TOTAL \$ 201,715.91 \$ 184,929.46 \$ 54,847.28 \$ 197,322.31 \$ 321,864.36 \$ 876,715.94

Expected Cost Savings Percentage by Major Area	ALL Branches
Check-in	15%
Check-out	19%
Inventory	67%

Maintenance and Warranties

ITO is responsible for all repairs as long as the support and maintenance agreement is in place for all software. ITO will repair or replace hardware components unless such failure is caused by the customer. ITO's web-based and phone support is available 24/7 and 365 days a year. When needed, a technician will be dispatched on site within no more than 4 hours for critical issues that require on-site support. The same is true of hardware until the End of Life Cycle which is 10 years for Automated Materials Handling (including conveyors/sorters), 8 years for security pedestals, and 5 years for everything else (including Self-Checks, Inventory, Computer Stations, etc.). At the end of these respective cycles, ITO offers either a discounted equipment upgrade program that allows the same length of coverage as the initial life cycle or one can go on a per incident basis at the current labor rates. If you need further details about ITO's warranty policy, then find the entire document included in PDF format.

2010 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO ADOPT THE 2010 BEAUFORT COUNTY COMPREHENSIVE PLAN (A COMPILATION OF PREVIOUSLY APPROVED UPDATED ELEMENTS, THE DEMOGRAPHICS ELEMENT, A NEW INTRODUCTION AND HISTORY CHAPTER, AND ALL OF THE 1997 COMPREHENSIVE PLAN APPENDICES).

BE IT ORDAINED, that the County Council of Beaufort County, South Carolina hereby adopts the 2010 Beaufort County Comprehensive Plan under the authority of the South Carolina Local Government Comprehensive Planning Enabling Act of 1994, Chapter 29, Title 6, Section 6-29-510, *et. seq.*, of the *Code of Laws of South Carolina*, 1976, as amended.

Adopted this ___ day of _____, 2010.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson F. Howell, Staff Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

First Reading: November 8, 2010

Second Reading:

Public Hearing:

Third and Final Reading:

(Amending 99/12)

2

*Beaufort County Comprehensive
Plan*
History



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Native Americans

The first identified presence of the aboriginal, or Native American, people who inhabited the Southeastern coastal area dates to approximately 1800 B.C. Early inhabitants were hunters and gatherers who moved seasonally in search of favorable weather and changing food sources, leaving few permanent features on the landscape. Seasonal encampments, such as the Fish Haul Archaeological site on Hilton Head Island were located at sites that offered an abundance of food staples, such as hickory nuts, fish, shellfish and game.

Shell Rings

Shell Rings are circular or semi-circular Native-American sites consisting of deposits of shell, bone, soil and artifacts.

They are located on barrier islands along the Southeastern coast from South Carolina to Florida and date from the Late Archaic Period, 3000 to 5000 years ago. They range in size from large rings that can be as much as 9 to 15 feet high and 300 feet in diameter to much smaller rings only a few feet in height and diameter. There is a debate among archaeologists as to what shell rings represent. Are they intentionally formed mounds for ceremonies or feasts, are they the accumulation of seasonal or permanent occupations, or are they a combination of both?

Early Settlements

Remains of structures such as shell rings, ceremonial mounds, and burial mounds indicate the more settled life of subsequent groups of Native Americans. Beaufort County has at least seven identified large shell rings and a few smaller rings that are believed to date from about the second millennium B.C. and contain some of the earliest known pottery in North America. Large mounds believed to be religious temples dating from approximately 900-1400 A.D are located at the Indian Hill site on St. Helena Island and the Little Barnwell site on the Whale Branch. Judging from the size of the Indian Hill mound, it probably served as a regional ceremonial center with an adjacent village near by. A mound constructed around 500 A.D. for burial purposes only is located at the Hassell Point site on the Colleton River. Evidence indicates that burned human remains as well as pottery and other materials were buried in layers and that a number of graves were located in one shell ring.

The Yemassee

Around 1680 Native Americans began moving to the Carolina coast from Florida, fleeing Spanish settlers. Among these were the Yemassee. Until 1715, the Yemassee coexisted and traded with the English settlers, unified by their mutual adversary – Spanish Florida. The Yemassee were granted a reserve that covered a huge tract of land from the Combahee River in the north to the Savannah River to the south. However, increasing tensions over trade abuses eventually led to the Yemassee War (1715-17). The war began when Yemassee attacked the Port Royal



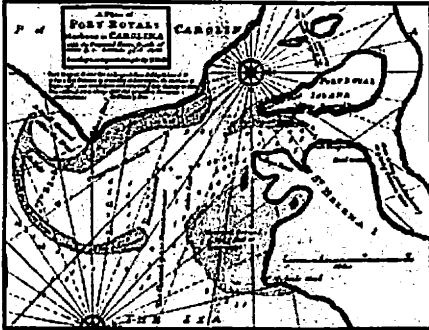
The Sea Pines shell ring site is one of 20 or more prehistoric shell rings located on the southeast coast. All are believed to date early in the second millennium BC, and they contain some of the earliest pottery known in North America.

settlement, and massacred all but a few of the residents, as well as most of the settlers living on the inland plantations. Eventually, the Yemassee and their allies were driven from the area.

There are two identified remaining archaeological sites that were Yemassee town sites – Pocosabo Town, located near present day Sheldon, and Altamaha Town, located in the Okatie area near the Colleton River and Chechessee Creek. These settlements were scattered villages that covered as much as 125 acres and probably had as many as forty households. Altamaha, believed to be inhabited by Native Americans for over 3,200 years, was the head town of the lower region and was the home of the head chief.

Legacy

In addition to shell rings, mounds, artifacts, and place names, perhaps the most identifiable legacy of Native American habitation is the location of many of our current roads and highways. US Highway 21, for example, follows a route from northern Beaufort County to Fripp Island that was originally an Indian trail. Where possible the road follows the high ground, especially across the barrier islands. Many of these trails crossed rivers and creeks making a trip of any distance one that required more than one method of transportation.



Early Explorers and Settlers

From 1520 when the Spanish first sailed the waters along the coast of present day South Carolina to the early 18th century when the English gained a permanent foothold, the region was sought after and contested for by the Spanish, French, English, and Scots. The influence of these Europeans, as well as the Africans they brought in slavery, is apparent today in Beaufort County in the names of places, by the built environment and archaeological sites, and in the language and customs of the people.

Spain

In 1526, Captain Lucas Vasquez de Ayllon brought a company of 550 men to what is now Beaufort County. The fort that he built was short-lived as hostile Indians as well as cold and exposure killed most of his men. The rest returned to Hispaniola leaving no trace of this first European settlement. In 1566, the Spanish, intending to establish a northern outpost to protect Florida from the French and English, returned to build another fort named San Felipe which lasted 10 years. The Spanish returned in 1577 and built another fort, San Marcos, about 100 feet from San Felipe. Like its predecessor, San Marcos had a town within its walls. During its eleven year existence, San Marcos was a thriving place. The settlement, now known as Santa Elena, contained over 60 houses. The presence of women, children, agriculture, and Catholic priests gave the settlement a sense of permanence and stability. However, in 1588, the inhospitable Indians and climate forced the Spanish to return to Florida. Today, Santa Elena exists as an important archaeological site on Parris Island and is invaluable as a source of information about the first European settlers in Beaufort County.



Archaeological dig at the site of Santa Elena and Charles Forte on the southern tip of Parris Island.

France

Arriving in 1562, the French Huguenots were the next Europeans to try and establish themselves in Beaufort County. Led by Captain Jean Ribault, the French explorers cast anchor in "a mighty river" he named Porte Royall because of "the largeness and fairness thereof." He said that there was "No fayrer or fyttter place than Porte Royall."



In 1562, Captain Jean Ribault, in an attempt to establish a French colony in the new world, cast anchor in a river he named Porte Royall because of the "largeness and fairness thereof." He said that there was "no fayrer of fytter place than Porte Royall."

Ribault built a fort of logs and clay that he named Charles Forte located on present day Parris Island. The French stayed only a few months and like the Spanish before them, abandoned the fort. Ribault and his men were later massacred by the Spanish near St. Augustine. While Charles Forte lasted only a short time, it has the distinction of being the first Protestant settlement in North America. The most obvious reminder of the French presence here is the name of Beaufort County's largest island as well as one of its principal towns, Port Royal, and the use of the name Ribaut.

Scotland

In 1684, a Scotsman, Lord Cardross, with 148 of his countrymen, established a colony he named Stuart Town at Spanish Point on the Beaufort River. Difficulties with the English authorities in Charles Town over the fur trade and raids by the Spanish from Florida soon led to the demise of Stuart Town. In 1686, a Spanish force attacked the town and killed or captured most of the Scots. The survivors fled and the town was destroyed. While the approximate site of Stuart Town is known, the exact location has never been determined.

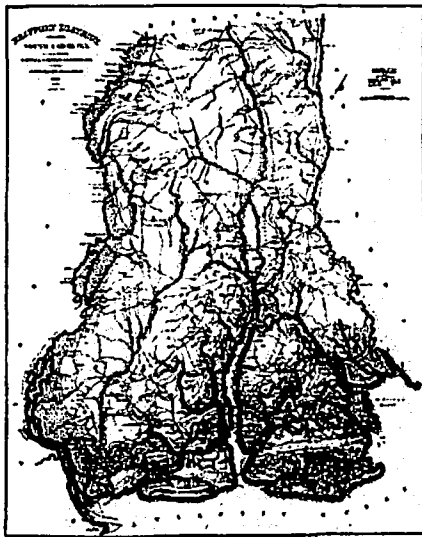
England

For nearly 100 years after the Spanish left, there was no permanent settlement in the area although Spanish priests continued to sporadically operate missions along the coast. Port Royal Sound provided refuge for privateers and warships of all nations as they raided one another and attempted to gain a foothold. In 1663, Captain William Hilton, for whom Hilton Head Island is named, became the first Englishman to explore the region. He reported back favorably to the Crown, and in 1670 the first shipload of colonists arrived in Port Royal Sound. They intended to establish a colony there since they considered the area to be the most favorable for settlement. However, they went further north where they established a colony near present day Charleston that became the first permanent English settlement.



Colonial Period

In 1710, the Lords Proprietors of Carolina ordered the establishment of Beaufort Town, in honor of one of the Lords Proprietors, the Duke of Beaufort. The location of the town was chosen primarily because it offered a safe harbor on the Beaufort River away from the open Port Royal Sound. The growth of the town was initially slow due to its remote island location, skirmishes with the Yemassee Indians, and the continued threat of invasion by the Spanish. In 1721, it was reported that there were only thirty white and forty-two black inhabitants.



Beaufort County was established in 1769 and originally included what is now Jasper and Hampton Counties.

Concerned about the defense of the area, authorities in Charles Town appropriated 1,500 pounds to construct a fort at Port Royal. In 1734, a tabby structure named Fort Frederick was constructed on the Beaufort River under the supervision of the colony's treasurer, Alexander Parris, for whom Parris Island is named. Unfortunately, Fort Frederick was poorly situated and rapidly deteriorated until it was finally abandoned. Tabby ruins of Fort Frederick still exist at the site near the Naval Hospital. When Fort Frederick was abandoned, a new, more formidable tabby fort named Fort Lyttelton was built upriver at Spanish Point, and was used through the Revolutionary War.

Not only did the town of Beaufort develop slowly, but the Sea Island planters did not share in the great wealth being accumulated by the rice and indigo planters of the Charles Town and Georgetown areas. The lack of large freshwater swamps so plentiful on the mainland prevented them from having success with rice, the colony's most profitable export crop. Indigo was the most profitable money crop on the islands and was supported by an imperial bounty which was abolished after the Revolution. Rather than owning huge plantations tilled by hundreds of slaves, the average Sea Island area planter was middle class and owned few slaves and roughly 500 acres of mostly wilderness.

It was not until 1763 when the English finally solidified their hold on North America and the Colonial wars ended that the Port Royal area began to experience prosperity and growth. Between 1763 and 1776 the population of the area quadrupled. The economy grew with the population and the area became a center of the shipbuilding industry.

Tabby

Tabby is a cement like material made of oyster shells, lime, sand and water that when hardened becomes a strong material. Neither stone nor the ingredients needed to make brick are found in the area. Tabby incorporates easily available, inexpensive materials into a reliable building material. There are differing opinions as to where the formula for making tabby originated. Some credit the Africans for bringing it here while others believe that Native Americans were the first to use tabby.



Ruins of Fort Frederick (circa 1735-1758). The fort was named after Frederick, son of George II of England and was the main defense of Beaufort until replaced by Fort Lytleton at Spanish Point.

During that period several large ocean going vessels were constructed of live oak and cypress at boat yards in Beaufort and on Hilton Head, Lady's and Daufuskie Islands.

The American Revolution

As sentiment for a break from England grew in the colonies and among some Beaufort people, many of the prominent families like the Bulls and the Stuarts remained Loyalist. As a result, the revolutionary government in Charles Town had little confidence in the residents of Beaufort. The smuggling of contraband to England in defiance of colonial authority was a constant problem.

The early years of the Revolutionary War were relatively quiet in the area. Then in February 1779, the British attacked in what was to become known as the Battle of Port Royal. While the battle was an American victory and the British were repelled, the American forces left soon after to aid in the defense of Charles Town. The British then occupied Beaufort and Port Royal Island and remained until near the end of the War. Frequent raids on plantations and settlements along the area's rivers were conducted by the British from Port Royal causing extensive damage. After three years of occupation and warfare, the area was devastated. A returning citizen noted that "all was desolation . . . every field, every plantation showed signs of ruin and devastation." The area did, however, produce some revolutionary heroes such as Daniel Heyward, Jr., and John Barnwell.

Legacy

A small but significant group of 18th century buildings remain in Beaufort today. Among the most prominent are St. Helena's Episcopal Church (c. 1724) and the Hepworth-Pringle House (c. 1720) considered to be the oldest house in Beaufort. The most significant 18th century structure outside of the city of Beaufort is the ruins of the Prince William's Parish Church (c. 1745-55). Commonly known as Old Sheldon Church, it is said to be the first conscious attempt in America to imitate a Greek temple and is considered to have been one of the finest revival buildings in the country. It was burned by British forces in 1779, rebuilt in 1826 and later burned by Sherman's troops in 1865 and never rebuilt. At least two extant homes in Beaufort are made completely of tabby (see sidebar) and several others in the area have raised tabby basements or walls of tabby. A number of significant tabby ruins also exist. Among the most prominent are the ruins of the St. Helena Parish Chapel of Ease (c. 1740) on St. Helena Island and several tabby buildings on Spring Island. The Chapel of Ease was built to serve the planters of St. Helena Island, for whom it was too far to travel to the church in Beaufort.



The Antebellum Era and Civil War

The reconstruction and economic growth of Beaufort after the Revolutionary War was slow. It was not until the introduction and spread of long-staple Sea Island cotton that Beaufort began to enjoy the prosperity it had long awaited. Production of Sea Island cotton in South Carolina and Georgia increased from 10,000 pounds in 1790 to eight and one-half million pounds in 1801. The cotton was shipped from Charleston, Savannah and Port Royal to mills in England.

Praise Houses

Praise houses were places of worship for slaves who had no formal churches of their own. First appearing around 1840, they were usually very small, frame structures sometimes built by the planters but often as not constructed by the slaves themselves with whatever material they could find. Elders led services that were a mixture of Christian and African customs. At one time dozens of praise houses dotted the landscape of the Sea Islands. They served not only as places of worship but as community centers for the Africans on the islands. Today, only four 20th century praise houses remain in Beaufort County.

At this time the landscape of the area, especially the Sea Islands began to change dramatically. Forests were cleared for cotton fields. Marshes and swamps were filled and diked for agricultural lands. The small planters and middle class yeomen of the colonial era were gradually replaced by wealthy planters with large holdings. The wealth of the area began to be concentrated in the hands of a few families. Typical were the St. Helena Island planters like the Fripps, Coffins, Sams, and Chaplins who owned thousands of acres of land and many hundreds of slaves. They often owned large working plantations on St. Helena and the other Sea Islands as well as homes in Beaufort or Charleston.

The prosperity brought by Sea Island cotton facilitated by the invention of the cotton gin had a direct impact on the growth of slavery in Beaufort County during this period. The planters began to realize the enormous profits to be made; the more astute began to buy more land and more slaves. As a result, the African American population of the Beaufort area, especially on the Sea Islands, grew dramatically. By 1800 over 80 percent of the population of the Beaufort area were slaves and slightly higher on the Sea Islands. Like in much of the southeast Atlantic coast, the African Americans in Beaufort County held on to many of the West African customs, religion, and traditions. The historic isolation of the Sea Islands has preserved this culture, known as "Gullah." Gullah communities continue to thrive on the Sea Islands. Today the Gullah are noted for the continued preservation of their African roots and traditions: the language, arts, foods, architecture, dress and customs of the Gullah are all African based. They speak a language that derives

most of its vocabulary from English but many of the words and rhythms are African in origin.



The gothic revival Church of the Cross in Bluffton was constructed in 1857. The church survived widespread burning by Union troops in 1863.

Today a number of significant buildings from the plantation era remain in the County, mostly on the Sea Islands. Many of the finest homes and important public buildings and churches in the 304 acre Beaufort City National Historic Landmark District were built during this time. Included are the Beaufort College Building (c. 1852), the First Baptist Church (c. 1844), Tabernacle Baptist Church (c. 1840), and the Beaufort Arsenal (c. 1852), which was built to house the Beaufort Volunteer Artillery. The oldest known extant plantation house in the area is Retreat Plantation (c. 1740), also known as the Jean de la Gaye House, on Battery Creek near Beaufort. A number of plantation house ruins are found on Daufuskie, Lady's, Hilton Head, St. Helena, and Port Royal Islands. Some of the more prominent churches from the plantation era are Brick Baptist Church (c. 1855) on St. Helena Island, The Church of the Cross (c. 1857) in Bluffton, and St. Luke's Church (c. 1824) near Bluffton.

The Civil War

As might be expected from an area that had a wealthy planter class whose fortunes were dependent upon slave labor, Beaufort County had a strong secessionist movement. On July 31, 1844, Robert Barnwell Rhett, known as South Carolina's "father of secession," spoke at a meeting held under a giant live oak tree in Bluffton. This is believed to be the first secession meeting and "The Bluffton Movement" for secession was born. Later an important secession meeting was held in 1851 in the Milton Maxcy House in Beaufort, the "Secession House," which at the time was owned by Edmund Rhett, the brother of Robert Barnwell Rhett. Both the "Secession Oak" and the Milton Maxcy House are still standing.



Fort Walker during the Battle of Port Royal, November 1861.

In 1860 when South Carolina seceded from the Union, the Beaufort Artillery along with other units such as the St. Helena Mounted Rifles joined in the defense of the area. Their primary fear was that the U.S. Navy would attempt to gain control of the deep harbor of Port Royal Sound. While Beaufort and Port Royal were of little use since there were no well developed port or railroad facilities, the Sound, was a natural anchorage for large warships and other vessels. Two fortifications, Fort Walker on Hilton Head Island and Fort Beauregard on Bay Point, were constructed to defend against attack from the sea. Remains of these earthworks exist today.

The Confederate fears were justified when on November 7, 1861, Union naval and ground forces attacked Confederate forces on Hilton Head Island. The Union won a complete victory routing the Confederates and forcing them to evacuate not only Fort Walker and Fort Beauregard, but all of Hilton Head Island, Port Royal Island and the

Penn Center

Under the leadership of Laura Towne and Ellen Murray, the Penn School was located first at the Oaks Plantation and later at a campus in the center of St. Helena. The school operated for over a century as a center of learning, teaching young blacks not only academic subjects but job skills as well. When the school closed in the 1960s, the Penn Community Center was established and still functions as a center of cultural, political and social activities. During the civil rights movement of the 1960s, Dr. Martin Luther King Jr. and his associates used Penn as a retreat and as a place to plan such activities as the March on Washington. While none of the original buildings remain at Penn, a number of 20th century buildings are in use on the campus today. The Penn Center campus is a National Historic Landmark District, one of only four in South Carolina.

other Sea Islands. By December of 1861, Union forces occupied Beaufort and gained control of the entire area.

During this occupation, most of the planters and others of means fled the area going to Charleston, Columbia and other locations. They left their homes in Beaufort and their plantations with no one but the slaves to maintain them. The Union army used a number of Beaufort houses as headquarters, living quarters, and hospitals throughout the occupation and later during Reconstruction. Some Beaufort homes including the Milton Maxcy House and the George Parsons Elliott House have historic graffiti written on the walls by Union troops garrisoned there.

The former slaves who remained in the area were not officially free until January 1, 1863 when the Emancipation Proclamation was read to them at Camp Saxon on the Beaufort River near Fort Frederick. The Green on St. Helena is another place where the good news was given, and it has traditionally been a meeting place for celebration on the island. Both of these sites are listed in the National Register of Historic Places.

During the occupation of Hilton Head Island, one of the many issues facing the Union Army was how to deal with the many freed slaves that either lived on the island or were descending on the island from other areas still under control of the Confederacy. Tent cities and large barracks were originally built to provide housing for freed slaves but did little to help this population to experience and learn about their new freedom. During the fall of 1862, General Ormsby Mitchel, commander of the Union forces on Hilton Head Island, selected a site near the Drayton Plantation, and by March, 1863 a town for freed slaves was built and named after the commander. The town was self governing in matters of education, police, sanitary conditions, public order, tax collection, dispute resolution, and elections. Every child between six and fifteen years of age was required to attend school- the first compulsory education law in South Carolina. By 1865 about 1,500 people lived in Mitchelville. The town included simply built homes, located on about 1/4 acre of land for the planting of gardens, as well as stores, a church, a jail, and a school. Many of the freedman worked for the Union Army while others worked for wages on the plantations they once worked on as slaves. No extent buildings or other physical features of Mitchelville remain today.

The Union occupation was characterized by a number of social experiments which served as a prelude to the later occupation of the Southern states during the Reconstruction Era. During the occupation Beaufort was visited by a number of well intentioned Northern missionaries whose purpose was to bring education and culture to the newly liberated freedman who had been released from slavery once the army arrived and their masters fled. While some of the missionary's plans for the freedman were not realized, some of the so called "Port



A photograph of Mitchelville in 1865 showing typical housing.

Royal Experiment" was successful. Perhaps the most lasting was the establishment of the Penn School on St. Helena Island by the Port Royal Relief Committee of Philadelphia. Under the leadership of Laura Towne and Ellen Murray, the Penn School was located first at the Oaks Plantation and later at a campus in the center of St. Helena.

The era of wealthy planters had come to an end. Many never returned, others came back and were able to reacquire some of the lands they had lost. But their influence was never the same. And while Beaufort was spared much of the physical destruction of the war, the political and social upheaval that resulted would change the face of Beaufort forever.



Late 19th and Early 20th Centuries

The Reconstruction Era (1865-1877)

Reconstruction brought about radical change in South Carolina. The most important of the changes seen was the enfranchisement and entry into the political arena of African-Americans. During this time, forty six of the 124 members of the Reconstruction Era South Carolina Legislature were black. There were two black Lieutenant Governors, eight members of Congress, six delegates to the Constitutional Convention, and several judges, including a State Supreme Court Chief Justice. Many of the men were from Beaufort County.



During reconstruction, Robert Smalls was a member of the South Carolina House of Representatives (1865-1870) and the South Carolina Senate (1871-1874).

Perhaps the most distinguished of these representatives from Beaufort County was Robert Smalls. Smalls first gained fame when during the Civil War he commandeered a boat called "The Planter," that he served on as a crewman, and brought a number of slaves from Charleston to the freedom of Beaufort. Later he was to serve as a member of the U.S. Congress for nine years, as a member of both the House and Senate of the S.C. State Legislature, and as a delegate to two Constitutional Conventions.

In April of 1877, the Reconstruction Era in South Carolina came to an end amid charges of corruption and malfeasance. The Republican Governor, D.H. Chamberlain, and most other Republican leaders, including most blacks, resigned from office and the political winds of South Carolina changed dramatically. Wade Hampton, a Confederate General during the Civil War, became the Governor. The imposition of the notorious "Black Codes," a system of government designed to keep African-Americans from gaining political, social and economic equality changed the lives of both black and white South Carolinians.

The Reconstruction Era was one of poverty and little change in the South. Most people, black and white, barely got by. Many lived on food they grew or raised themselves and little change occurred to the landscape. While most of the county did not suffer extensive damage during the Civil War, the Town of Bluffton had been burned by Union

Packing Sheds

The most notable structures related to the truck farming business were the large packing sheds that still dot the landscape near agricultural areas. These buildings were originally used to pack vegetables grown on the islands by truck farmers for shipment to markets around the country. Currently the sheds are used to ship tomatoes and watermelons.

The oldest is the Corner Packing Shed (circa 1930) on St. Helena Island. The others in use were built after 1950. Some packing sheds have been adapted for reuse as retail stores, farmers markets or as sites for social gatherings such as oyster roasts.

troops as well as many of the plantations on the Combahee, Broad and Edisto Rivers. However, much of Beaufort was preserved intact because the owners did not have the money to make changes.

Post Civil War Economy

Agriculture: Perhaps the most significant change to the landscape during the late 19th century was in the field of agriculture. Land that had once been part of huge cotton plantations was now divided into smaller truck farms, where tomatoes, cucumbers, corn, squash, melons, berries, broccoli, asparagus and beans, among others were cultivated for shipment to towns and cities. In time, successful truck farms consolidated acreage and expanded their operations. By the early 20th century a number of families operated large successful farms in the county, including the Trask family who owned farms throughout the county; the Bellamys in Burton; the McLeods in Seabrook; the Mitchells in Lobeco; the Godleys at the Oaks Plantation; and the Bishops at Yard Farm on St. Helena. Many of the farms had access to the Port Royal Railroad that ran from Port Royal to Yemassee with connections to the main line, where their produce was shipped to the cities of the north. Truck farming was to grow through the first half of the 20th century, reaching its peak in the 1950s. By the 1960s a decline had set in as farming became less profitable. As traditional agriculture declined in the early 20th century, timbering, or silviculture, emerged as a major industry in the state and in Beaufort County.

Seafood: Along with agriculture another economic force in the County during this time was the seafood business. Fish, shrimp, crabs and oysters have been a staple of the Lowcountry diet since the days of the Native American inhabitants. However, it was not until the 1880s that shrimping began on a larger scale. From that time until well into the 1920s-30s most of the shrimping was done by migrant shrimpers operating mostly out of Florida. Then more local shrimpers began to buy and build the big, diesel powered boats like the ones seen today and the industry began to have an economic impact on the area. Ice houses and processing facilities began to appear on the waterfronts of Beaufort, Port Royal and the islands. Oystermen, operating out of Daufuskie, St. Helena and the other islands, as well as Bluffton, could be seen in their small, flat bottomed boats called "bateaus" working with huge tongs as they pulled clusters of oysters from their beds and placed them in their boats. In the 1880s the first major oyster packing house was established by the Maggioni family on Factory Creek across from Beaufort on Lady's Island. An oyster packing house, the ruins of which are still visible, was also opened during the same time period in Bluffton.

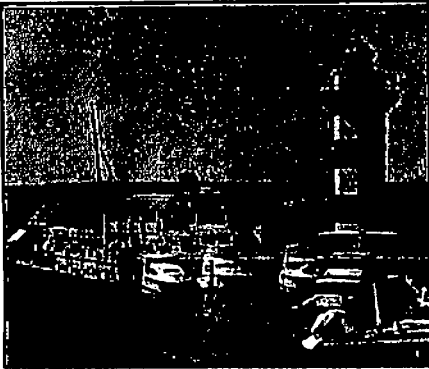
Phosphate Industry: In the late 19th century, the area experienced a brief economic boom from the phosphate industry. The Port Royal Railroad was built to haul phosphate to ships docking at the Port of Port Royal, and the Town of Port Royal was established during this time as



Historic lighthouses such as the Hunting Island Lighthouse and Keeper's Dwelling (c. 1875) are a visible reminder of Beaufort County's maritime history.

well. Phosphate was mined along the coastal areas in Charleston and Beaufort Counties for a few years until the industry eventually succumbed to competition from Florida and the hurricane of 1893. The high winds and ensuing flooding from the "great hurricane of '93" resulted in damaged crops, killed livestock, destroyed buildings, and loss of lives.

From the Reconstruction Era to the 1930s, a number of wealthy individuals, mostly Northern industrialists, purchased large tracts of land along the Carolina and Georgia coasts for use as hunting retreats and winter vacation homes. Often the land they purchased was on former plantations where the houses had been destroyed during the Civil War. Often building on the historic foundations, the new owners built new large beautiful homes often in revival styles. Among some of the notable examples of these homes are Bonny Hall Plantation (c. 1867), Twickenham Plantation (c. 1878), Brays Island Plantation (c. 1938), and Clarendon Plantation (c. 1935). Perhaps the most unique is Auldbrass Plantation designed by Frank Lloyd Wright. Started in 1940 it was never completed. In 1988 the present owner began an extensive restoration, and has completed most buildings from the original site design.

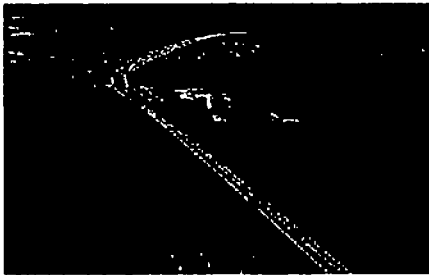


1950 - Present

Much of Beaufort County's slow economic growth during the late 19th and early 20th centuries was due to its geographic isolation. Modern development, which is dependent on rail and automobile accessibility was slow until the construction of bridges began. In the 1920s a bridge was first constructed between Port Royal Island and the mainland and in the 1930s Port Royal and Lady's Islands were bridged. Not until the 1950s were northern and southern Beaufort County joined with bridges across the Broad and Chechessee Rivers; and Hilton Head Island joined to the mainland.

Growth of Southern Beaufort County

These transportation improvements set the stage for the growth of the tourism and retirement community industries in Beaufort County. Hilton Head Island, like the other Sea Islands, was largely agricultural in the middle of the century before its bridge to the mainland was built in 1956. At that time the Hilton Head Company had been in the process of purchasing many of the large tracts on the island for timbering. Charles Fraser, the son of one of the principals, set his sights on developing a resort community on the southern portion of the island that became Sea Pines. The concept of a large master planned community with amenities such as tennis, golf, and preserved open space caught on in other large land holdings on the island. By the time the Town incorporated in 1983, 10 large master-planned communities had been approved making up approximately 70% of the island.



Modern development began in Southern Beaufort County with the opening of the bridge to Hilton Head Island in 1956

Prior to the initial development of Moss Creek and Rose Hill in the mid 1970's, the mainland of Southern Beaufort County was largely rural. Bluffton had scarcely 500 people and covered roughly one square mile. While residential and commercial growth in the Bluffton area had been occurring at a significant pace during the previous two decades, the most significant event that accelerated the spread of development onto the mainland was the arrival of DelWebb (Sun City) on over 6,000 acres of pine forest 11 miles west of Hilton Head Island. In 1993, Beaufort County Council approved a 6,385-unit retirement community that became an anchor for the western part of the U.S. 278 Corridor. Sun City was followed by Belfair, Eagle's Point, Crescent Plantation, Berkeley

Hall, Island West and many other smaller developments. Commercial development in mainland southern Beaufort County followed population growth lining the U.S. 278 corridor with businesses such as Home Depot, Target and outlet malls. The accumulating development along the U.S. 278 corridor in Beaufort County contributed considerably to the current traffic congestion experienced on the roadway today. The Town of Bluffton, which consisted of roughly one square mile before 1998, began to look at annexation as a means to possess more local control over future development. In November 1998, Bluffton annexed Palmetto Bluff and the Shults Tract. In 2000, two more large tracts, the Buckwalter Tract and the Jones Estate annexed into Bluffton, increasing the Town to over 50 square miles, making it one of the largest municipalities (in area) in South Carolina.



Aerial view of Sun City, located approximately 11 west of the bridge to Hilton Head Island.

Growth of Northern Beaufort County

Tourism also increased in northern Beaufort County to a lesser extent due, in part, to an overall growth in heritage tourism. Many tourists drawn to Charleston or Savannah also stop in Beaufort when visiting and often return to visit again, or in many cases to live. Another growing tourism sector is African-American oriented tourism, with Penn Center and the sea island Gullah culture attracting increasing numbers of African-American tourists from around the nation.

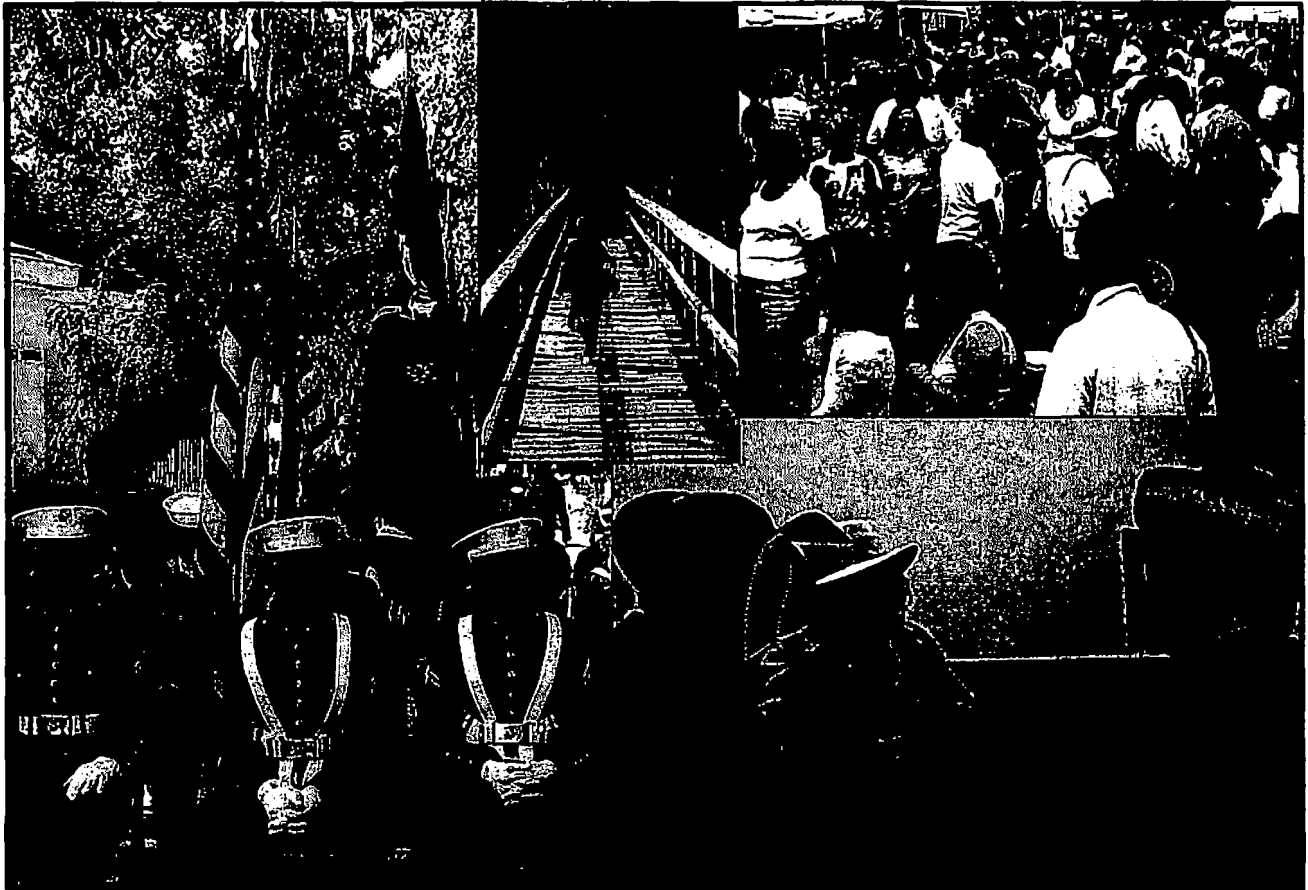
In addition to tourism, the growth of the military installations in the 20th century also greatly influenced the social life, economy and built environment of northern Beaufort County. The Navy first acquired a portion of Parris Island in the 1890's and was later given over to the Marine Corps in the early 20th century. Today, the island is the site of the Marine Corps Recruit Depot, Parris Island, the East Coast training area for Marines. The establishment of the Marine Corps Air Station dates back to 1941 when 1,300 acres in Beaufort were purchased by the Civil Aeronautics Authority for an auxiliary air station that supported advanced training for anti-submarine patrol squadrons. During the Korean War the Navy decided to establish a Marine Corps air station in Beaufort and the land was purchased by the Federal government. Today the entire installation includes 6,900 acres at the air station, 1,076 acres at Laurel Bay and an additional 5,182 acres at the Townsend Bombing Range in Georgia, the weapons training installation for the air station.

3

Beaufort County Comprehensive Plan

Population and Demographics

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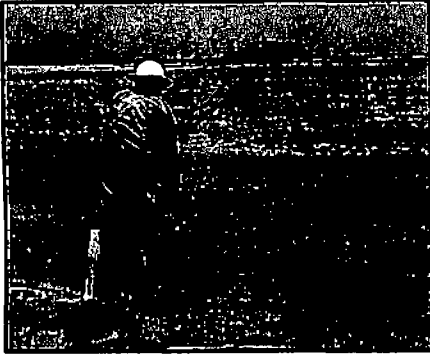


**PROVISIONAL
Pending Data
from 2010 Census**

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**Provisional
Pending Data
from 2010 Census**



Introduction

In less than 30 years, Beaufort County has more than doubled in population. In 1980, the U.S. Census reported that the County had 65,364 persons. The most recent Census projections (2008) estimates that the County's population now exceeds 146,000. The sheer magnitude of this population growth and the likelihood that it will continue into the future has tremendous policy implications on the provision of public facilities, the transportation network, the availability of affordable housing, natural resources, water quality and cultural resources. Population growth has brought about many changes in the County's demographics. Much of the recent growth has been a result of people moving to Beaufort County from other parts of the country or from other countries for retirement or to seek economic opportunities. Compared to 1980, on average, today's population is older, lives in smaller households, is better educated and is wealthier. However, these demographic trends do not apply evenly to all population subgroups or across geographic regions of the County.

The purpose of this chapter is to analyze historic and current population and demographic trends; and to provide reasonable projections of future population growth to help guide policy decisions through the lifespan of this plan (2025). Each of the following chapters of this plan utilize these projections to help shape their recommendations. It is important to note that nine years have elapsed since the 2000 Census. This chapter uses 2008 U.S. Census estimates and information compiled in the 2006-2008 American Community Survey (also conducted by the U.S. Census Bureau). When the County receives data from the 2010 U.S. Census, this chapter will be updated to reflect this data.



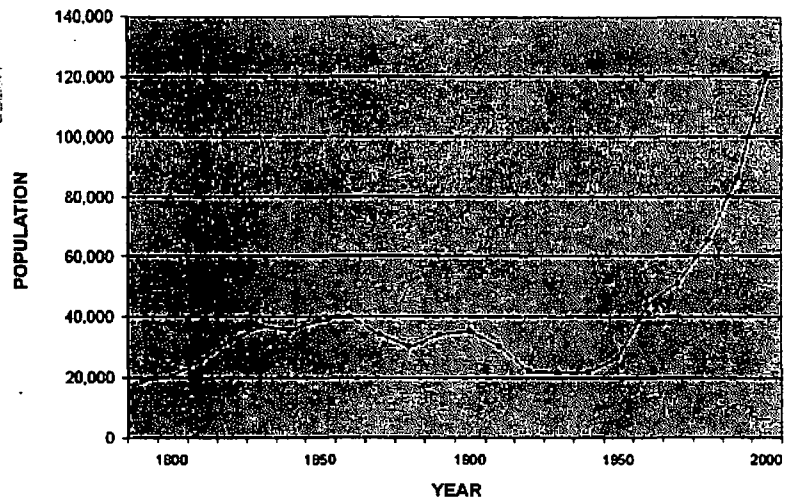
Historic, Current, and Projected Growth Trends

Beaufort County's rapid growth rate is a relatively recent phenomenon in its 240-year history. The County was established in 1769 when South Carolina was still a British Colony. Over 200 years of census data reveal that Beaufort County's growth rate began to consistently trend upward after the 1950 census. Two events helped to spur this growth. In Northern Beaufort County the establishment of the US Marine Corps Air Station in 1955 eventually brought thousands of military and civilian jobs to the region. In Southern Beaufort County, the construction of a bridge to Hilton Head Island in 1956 spurred the development of the County's tourism and retirement based infrastructure.

Beaufort County Population Growth – 1790-2000

Year	Population
1790	18753
1800	20428
1810	25887
1820	32199
1830	37032
1840	35794
1850	38805
1860	40053
1870	34359
1880	30176
1890	34119
1900	35495
1910	30355
1920	22269
1930	21815
1940	22037
1950	26993
1960	44187
1970	51136
1980	65364
1990	86425
2000	120937

Figure 3-1: Historic Population Growth Trends 1790-2000¹



¹ Beaufort County's original boundaries included present-day Hampton and Jasper Counties. Two historic downward growth trends can be explained by the establishment of Hampton County in 1877 and Jasper County in 1912.

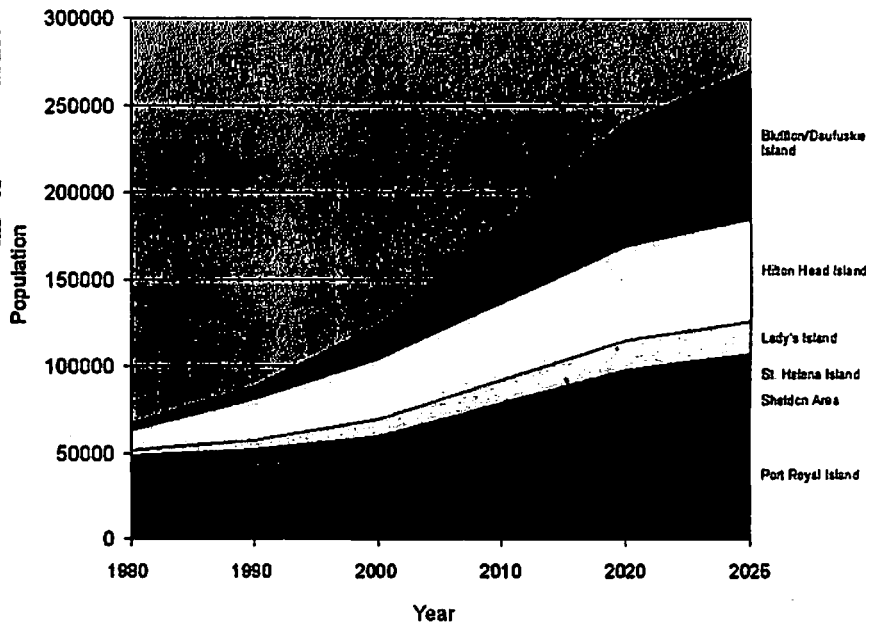
Current Year-round Population

The US Census estimates that Beaufort County's current population (July 2008) is 146,743. This figure represents a 125% increase in population since 1980. This is a dramatic increase compared to population increases in South Carolina and the United States during the same period (Figure 3-2). Figure 3-3 helps to illustrate that this growth has occurred and will continue to occur unevenly across the County with the greatest increases occurring in Bluffton, Hilton Head Island and on Lady's Island.

Figure 3-2: Comparison of Growth Rates 1980-2008

	Beaufort County	South Carolina	United States
1980	65,364	3,122,814	226,545,805
1990	86,425	3,486,703	249,639,692
2000	120,987	4,012,012	281,421,906
2008 ²	146,743	4,403,175	301,237,703
%change 1980-2008	124.5%	41.0%	32.9%

Figure 3-3: Comparison of Growth by Planning Area 1980 - 2025



² US Census estimate as of July 1, 2008.

Average Daily Population

In addition to Beaufort County's permanent population, tourists and other visitors, seasonal residents, and a net influx of daily commuters increases the County's population by 34% on an average day. This increase has a significant impact on the County's roadways, other public facilities and the provision of public services such as law enforcement, fire protection, and emergency medical services. Figure 3-4 summarizes the County's estimated average daily population.

- **Tourists and Other Visitors:** According to estimates from the Hilton Head Island Chamber of Commerce and estimates based on accommodations tax receipts, Beaufort County had approximately 2,961,285 visitors in 2008. Factoring in an average stay of 5 nights for a vacationer to Hilton Head Island, this translates to 30,211 visitors on an average day. This number peaks in July at over 40,000 visitors a day.
- **Seasonal Residents:** Based on the 2000 Census and estimates for 2008, there are 14,206 seasonal dwellings in the County. Assuming that one third of seasonal dwellings are occupied on any given time, there are 10,702 seasonal residents on an average day.
- **Net Influx of Commuters:** Based on the 2000 Census and estimates for 2008, there is net influx of 8,993 commuters daily in Beaufort County.

Figure 3-4: Beaufort County Average Daily Population

Population Segment	Estimated 2008 Average Daily Population
Year-round Residents	146,743
Tourists and Other Visitors	30,211
Seasonal Residents	10,702
Net Commuters	8,993
Average Daily population	196,649

Population Projections

The imperfect nature of population projections results in a number of different predictions of future growth in the County. For planning purposes, the County utilizes the projections employed in its transportation model.

Figure 3-5: Beaufort County Population Estimates from its Transportation Model

Planning Area	2006 Dwelling Units	2006 Population	2025 Dwelling Units	2025 Population
Port Royal I	19,875	50,244	30,587	76,299
Sheldon	2,123	5,266	3,696	9,203
Lady's I	4,855	11,918	7,430	18,911
St. Helena I	7,599	13,190	8,937	19,119
Greater Bluffton Area	17,510	36,864	39,291	83,616
Hilton Head I	28,299	39,985	38,692	53,329
Danvers I	170	340	315	630
TOTAL	80,481	157,807	128,948	261,107

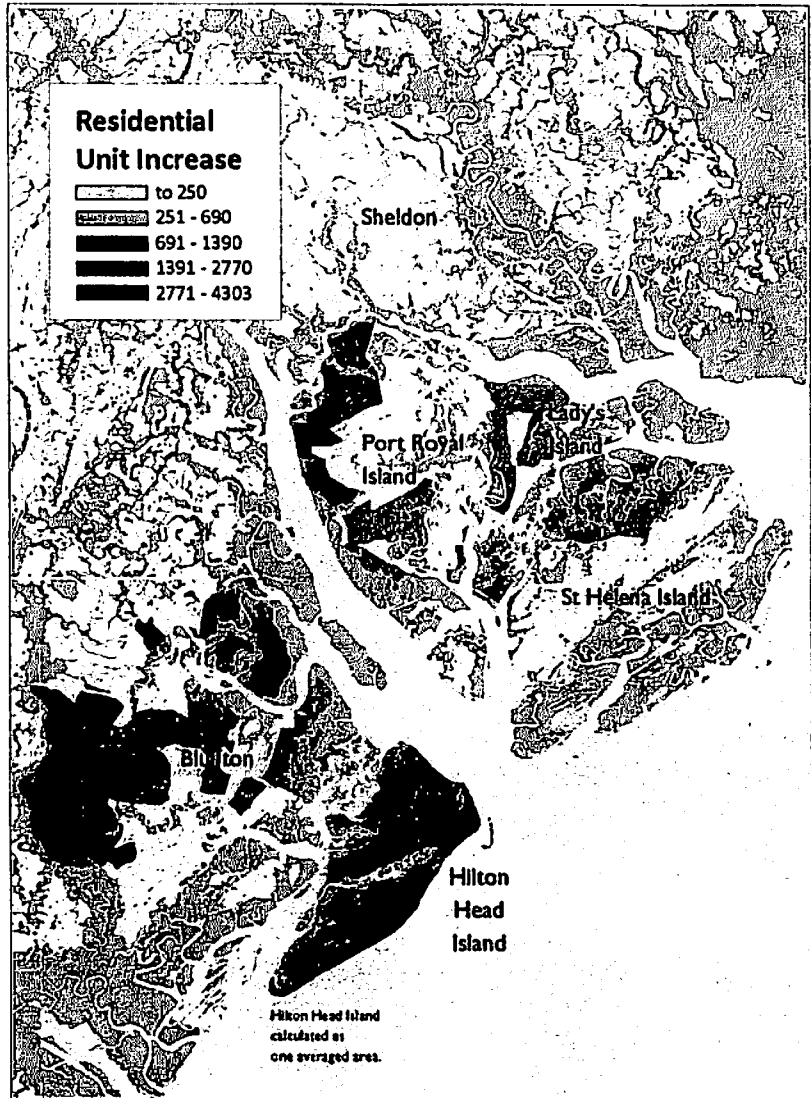
The model utilizes projections compiled by the County's planning staff that divides the County into 124 Transportation Analysis Zones (TAZ). Within each TAZ, historic growth rates, planned development patterns, and land capacity are used to predict future growth. Other sources of population forecasts include the SC Budget and Control Board and Woods and Poole Economics, Inc. It is important to note that population estimates derived from national and state sources tend to be lower than locally derived data. Large area sampling methodologies tend toward conservative averaging, while local, area-specific transportation modeling tends toward maximal accounting.

Map 3-1 helps to illustrate where future growth is likely to occur over the next 15 to 20 years. The western portion of southern Beaufort County is projected to receive the greatest number of dwelling units as existing approved subdivisions build out in those areas. Additional growth is forecasted on Port Royal Island in the vicinity of Habersham and Clarendon Plantation, and in northern Lady's Island. Based on

PROVIDED BY PERFORMING CONTRACTORS FROM PORT ROYAL

**Map 3-1: Projected Residential Unit Increase by
Transportation Analysis Zone: 2005-2025**

Projected
Population
from



current projections, southern Beaufort County (south of the Broad River) is anticipated to surpass northern Beaufort County in year-round population in 2012 or 2013. This population shift will have implications on County Council representation in future years.



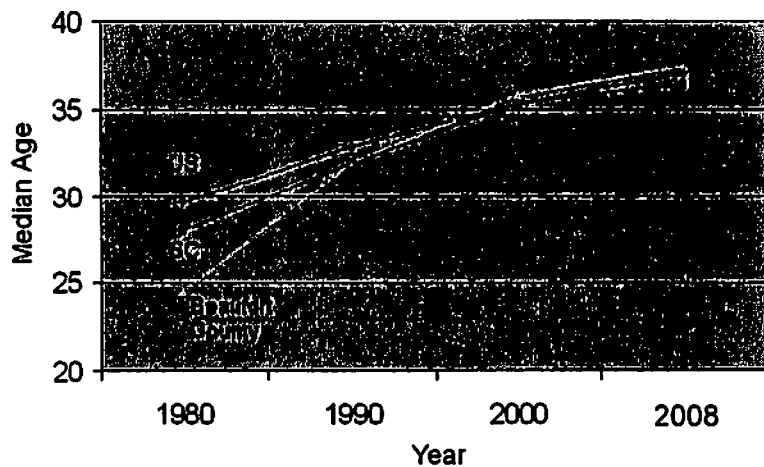
Characteristics of Population

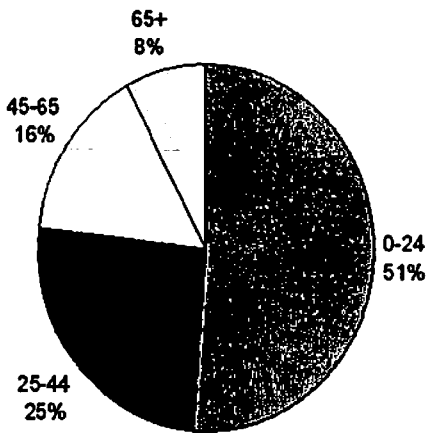
This section explores various attributes of Beaufort County's population including age, household size, race and ethnicity, educational attainment, and income. There are two noteworthy demographic trends in Beaufort County. One trend is the increased proportion of residents over 65 years of age. The other trend is the significant growth of the County's Hispanic community. In many ways, these two trends stand in contrast to each other. For example, the median age of the County's Hispanic population is 12 years younger than the County average. Hispanic households are, on average, 1.35 persons larger than the County average while elderly residents tend to live in smaller households. While these two demographic trends reflect national trends, they are amplified in Beaufort County by the region's popularity as a retirement destination and its relative prosperity over the last 15 years, which has attracted immigration.

Age

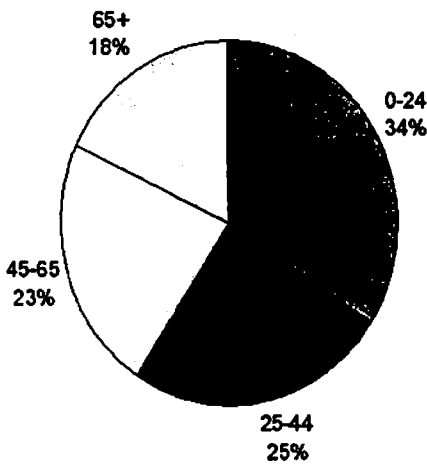
The age of Beaufort County's population has changed significantly since the 1980 census. In 1980, the median age was 24.5, much lower than both state and national median ages (see Figure 3-6).

Figure 3-6: Comparison of Median Age 1980-2008





1980 distribution of population among age groups.



2008 distribution of population among age groups.

In 2008, Beaufort County's median age grew to 38.1, slightly higher than the state and the nation. Another significant statistic is the growth of the 65-year and older age cohort. In 1980, this group only made up 8% of the County's population. In 2008, it was estimated that over 18% of County residents were 65 years or older (see sidebar).

Beaufort County's aging population can be attributed to several factors; primarily the County's popularity as a retirement destination. Other factors include the advance of the Baby Boom generation and improvements in the standard of living as Beaufort has transformed from a poor rural county to a relatively prosperous urbanizing county.

In 2011, the first Baby Boomers will turn 65. The US Census predicts that the 65 and older population will grow from 34.9 million (one in eight Americans) to 53.7 million (one in six) by 2020. This national demographic trend is anticipated to have a significant impact and policy implications on Beaufort County and the surrounding region. The Atlanta Regional Commission (ARC), through a series of public meetings, developed a set of strategies to deal with the issue of an aging population. The ARC "Lifelong Communities" program was set up with the goal to develop communities where older adults can age in place. Many of these strategies have land use, housing and transportation components and are very relevant to Beaufort County. The following is a summary of some of the "Lifelong Communities Strategies and Solutions".

- **Land Use Issues:** Strategies are aimed at developing walkable communities to eliminate the need for older adults to drive; and to develop land use policies that promote a diversity of housing choices so that older adults can live near children and grandchildren.
- **Transportation:** Transportation strategies include enhancing public transportation options to better serve older adults; Integrating modifications to new and existing roadways to reduce accidents and assist older drivers (left hand turn lanes, improved signage, and lighting); and improving sidewalk infrastructure.
- **Housing:** Housing strategies are aimed at allowing older adults to age at home or in proximity to their families. Strategies include incentivizing accessory dwelling units; expanding housing rehabilitation programs, including weatherization, to help older adults to stay in their houses; and providing incentives to develop housing for seniors³.

These strategies will be addressed further in the Land Use, Transportation, Housing and Energy chapters of this plan.

³ Atlanta Regional Commission. "Lifelong Communities: A Regional Approach to Aging: Strategies and Solutions," http://www.atlantaregional.com/documents/ag_llc_solutions_strategies_5_13_08.pdf

Household size

An average household in Beaufort County in 2008 contained 2.41 persons compared to 2.84 in 1970. This reduction in household size mirrors the national trend of a growing number of smaller families, single parent households and an aging population. This downward trend will likely continue as the County's population ages.

Figure 3-7: Comparison of Persons per Household 1980-2008

	1980	1990	2000	2008
United States	2.75	2.63	2.59	2.61
South Carolina	2.93	2.68	2.53	2.52
Beaufort County	2.84	2.59	2.51	2.41

Race and ethnicity

Population growth over the last 30 years has brought about several changes to the racial and ethnic makeup of the County. From 1980 to 2008, Beaufort County's white population grew by 155% while the black population grew by only 39%. In 1980 one third of all Beaufort County residents were African-American compared to 20% in 2007. This demographic change is largely due to the influx of new residents, including retirees from other parts of the county.

Figure 3-8: Racial Trends 1980-2008

	1980	1990	2000	2008
White	42,454	59,843	85,451	108,366
Black	21,504	24,582	29,005	29,864
Asian, Pacific Islander	610	813	1,016	1,196
Native American	161	251	321	254
Other	635	936	4,823	7,063

Another significant trend is the growth of Beaufort County's Hispanic community. Nationally, the Hispanic population is the fastest growing demographic segment. Until the early 1990s, Hispanic immigration was largely limited to southwestern states, and a handful of other states including Florida and Illinois. Since the early 1990's, there has been a significant growth in Hispanic immigration to other parts of the country including the southeast. For example, between 1990 and 2000, South Carolina's Hispanic population grew by 211% from 30,551 to 96,178. Within South Carolina, Beaufort County has the second largest Hispanic community (Figure 3-9).

Figure 3-9: Hispanic Population

	1980	1990	2000	2008
# of Hispanics	1,329	2,168	8,208	14,122
% of total population	2.0%	2.5%	6.7%	9.6%

Mexicans make up approximately 57% of the County's Hispanic population with Puerto Ricans (8.5%) making up the second largest group. Over 33% are from various countries in Central and South America. It is likely that the actual numbers and percentages of Hispanic residents are significantly higher than reported census data and estimates. National and regional evidence supports that this population is undercounted.

The recent growth of Beaufort County's Hispanic community poses several challenges to public policy makers. One challenge is the language barrier. According to recent data, 57% of foreign-born Hispanics in the southeast do not speak English or do not speak it fluently.⁴ This barrier presents a challenge to public service providers, public safety officials and teachers. Another concern is health care. Approximately 66% of Hispanics in the United States, who primarily speak Spanish, do not have a regular doctor; 45% have no insurance; and 33% use only public health services.⁵

Educational attainment:

Another significant change over the last 30 years in Beaufort County's population is educational attainment. From 1980 to present, Beaufort County went from having nearly 30% of its population lacking a high school diploma to exceeding state and national averages in terms of the percentage of high school and college graduates (Figure 3-10). In 2000, 40% of Beaufort County's residents that were 65 years or older had a college degree compared to the only 33% of the general population. This statistic indicates that some of the improvements in educational attainment are a result of and influx of educated retirees.

⁴ "The Growing Hispanic Population in South Carolina: Trends and Issues ", Richard D. Young, Institute of Public Service and Policy Research, University of South Carolina, 2005

⁵ "Uninsured Hispanics with limited English face formidable barriers to health care", The Commonwealth Fund, 2003

Figure 3-10: Comparison of Educational Attainment: 1980-2008

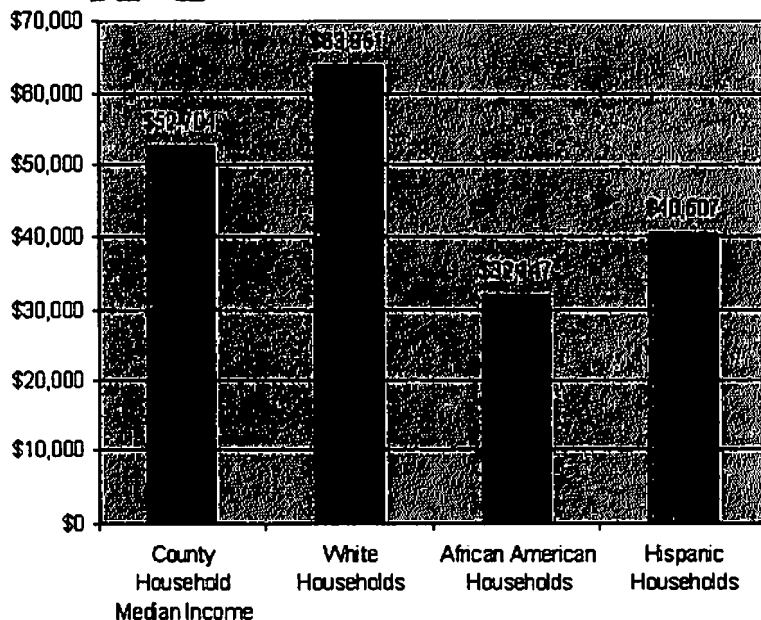
	1980	1990	2000	2008
No High School Diploma	28.0%	16.6%	12%	9.8%
High School Graduate	50.1%	56.8%	54.6%	53.3%
4-year College or greater	21.9%	26.5%	33.2%	36.9%

Income

In terms of per capita and median income, Beaufort County is the wealthiest in South Carolina. However, the County is unique in that only 56% of household income is derived from actual wages. A large percentage (30.6%) of personal income comes from interest, dividends and rent. This is indicative of the County's large retiree population. Beaufort County's median income was estimated to be \$65,150 in 2008. This is slightly higher than the national median income (\$63,211) and 19% higher than the state average (\$54,710). At the same time, statewide average weekly wages (\$668) exceed the County's average (\$595) by 12%. This data begins to indicate that Beaufort County's wealth does not evenly benefit all segments of the County's population.

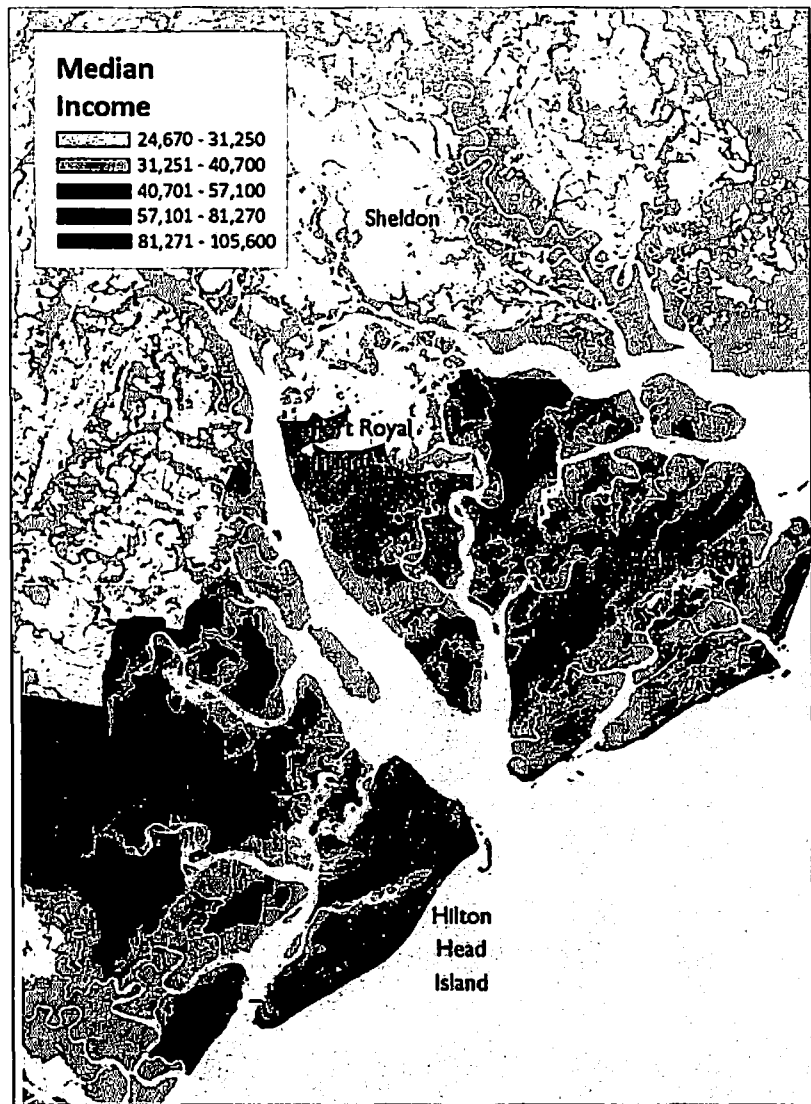
There is a disparity of income among racial and ethnic groups and among geographical regions of the County. Figure 3-11 shows that the median income for African American and Hispanic households is significantly lower than the County as a whole.

Figure 3-11: Comparison of Median Household Income among Racial and Ethnic Groups (2000 U.S. Census)



Map 3-2 indicates that wealth is not spread evenly countywide. Higher income households are generally concentrated in Southern Beaufort County. Rural communities, such as Sheldon and St. Helena Island have much lower household incomes than the County's median income.

Map 3-2: Median Income per Census Tract (2000 U.S. Census)



2010 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO EXTEND THE 2010 SUNSET DATE FOR GREENHEATH PLANNED UNIT DEVELOPMENT, INVOLVING 97.80 ACRES ON LADY'S ISLAND, FOR AN ADDITIONAL TEN YEARS WITH CONDITIONS:

- Concurrent with this PUD action, the applicant shall address school deficiencies through a development agreement with Beaufort County.
- Improved access shall be provided between the development and Coosa Elementary. If golf cart type vehicles are envisioned for Greenheath residents, then connectivity to the school should allow for golf cart type vehicle access.
- The landscape buffer along Brickyard Point Road shall include a 15-foot easement to allow construction of a future 10-foot wide multi-use pathway.
- Incorporation of environmental development requirements ~~The Greenheath PUD must meet all environmental development requirements~~ of the ZDSO.
- Providing for all current impact fees to ~~must~~ apply to this PUD.
- A Development Agreement must accompany this PUD and include, ~~as part of the Development Agreement negotiations~~, a sunset date for this project should be considered.

Adopted this ____ day of _____, 2010.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson F. Howell, County Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

First Reading: August 25, 2008
Second Reading: October 26, 2009
Public Hearing: November 9, 2009
Third and Final Reading:

2010 /

AN ORDINANCE TO APPROVE A DEVELOPMENT AGREEMENT BETWEEN BEAUFORT COUNTY AND GLEASON PLACE, L.P., A SOUTH CAROLINA LIMITED PARTNERSHIP, PURSUANT TO SECTION 6-31-30 OF THE *CODE OF LAWS OF SOUTH CAROLINA, 1976*, AS AMENDED.

WHEREAS, the General Assembly of the State of South Carolina has enacted the "South Carolina Local Government Development Agreement Act" as set forth in Section 6-31-10 through 6-31-160 of the *Code of Laws of South Carolina, 1976*, as amended; and

WHEREAS, the Act authorizes local governments, including Beaufort County through its County Council, to enter into Development Agreements with developers for the purpose of providing a continuous agreement for development of projects and for the protection and advance payments for the impact upon the citizens of Beaufort County.

NOW, THEREFORE, in consideration and pursuant to Section 6-31-10, of the *Code of Laws of South Carolina, 1976*, as amended, Beaufort County Council herein adopts this Ordinance, which is necessary to provide the authority to execute a Development Agreement with Gleason Place, L.P., a South Carolina Limited Partnership.

Adopted this ____ day of _____, 2010.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

Ladson F. Howell, County Attorney

ATTEST:

Suzanne M. Rainey, Clerk to Council

First Reading: October 12, 2009

Second Reading: October 26, 2009

Public Hearings: October 26, 2009 and November 9, 2009

Third and Final Reading:

STATE OF SOUTH CAROLINA)
) **DEVELOPMENT AGREEMENT**
COUNTY OF BEAUFORT)

This Development Agreement ("Agreement") is made and entered this _____ day of _____, 2010 (the "Effective Date"), by and between Gleason Place, L.P., a South Carolina Limited Partnership (hereinafter sometimes referred to as "Gleason Place" or "Owner") and the governmental authority of Beaufort County, South Carolina ("County").

WHEREAS, the legislature of the State of South Carolina has enacted the "South Carolina Local Government Development Agreement Act," (the "Act") as set forth in Sections 6-31-10 through 6-31-160 of the South Carolina Code of Laws (1976), as amended; and

WHEREAS, the Act recognizes that "The lack of certainty in the approval of development can result in a waste of economic and land resources, can discourage sound capital improvement planning and financing, can cause the cost of housing and development to escalate, and can discourage commitment to comprehensive planning." [Section 6-31-10 (B) (1)]; and

WHEREAS, the Act also states: "Development agreements will encourage the vesting of property rights by protecting such rights from the effect of subsequently enacted local legislation or from the effects of changing policies and procedures of local government agencies which may conflict with any term or provision of the Development Agreement or in any way hinder, restrict, or prevent the development of the project. Development Agreements will provide a reasonable certainty as to the lawful requirements that must be met in protecting vested property rights, while maintaining the authority and duty of government to enforce laws and regulations which promote the public safety, health, and general welfare of the citizens of our State." [Section 6-31-10 (B) (6)]; and,

WHEREAS, the Act further authorizes local governments, including counties, to enter into Development Agreements with developers to accomplish these and other goals as set forth in Section 6-31 -10 of the Act; and,

WHEREAS, Gleason Place owns a tract of land known as Greenheath of approximately 98.35 acres, more or less ("Property"), located on Lady's Island adjacent to Coosaw Elementary School; and

WHEREAS, Beaufort County approved development standards for the Property included in the document entitled "Master Plan and Text Amendments", and created a Planned Unit Development (PUD) district called the Greenheath Planned Unit Development (PUD) district encompassing the Property in 1997, and thereafter updated the master plan and standards of the PUD in 2005; and

WHEREAS, Greenheath was a vested "low impact" PUD pursuant to Section 106-7 of the Beaufort County Zoning and Development Standards ordinance ("ZDSO") enacted in 1999; and

WHEREAS, Beaufort County subsequently amended Section 106-7 to require all "low impact" PUDs to either complete the entire project by January 1, 2010, or seek an amendment to the PUD in accordance with Section 106-7 (d), in an effort to require outstanding PUDs to either complete the development or update the development standards to those currently used by Beaufort County; and

WHEREAS, the adjacent properties to Greenheath are located in the Lady's Island Community Preservation District, with a base zoning density of two units per acre; and

WHEREAS, The County Planning Staff, Planning Commission and County Council have recognized the superior level of subdivision design incorporated within the Greenheath PUD standards, and desire to provide sufficient time to develop this "neo-traditional" mixed use project, without unduly accelerating the Project's development schedule and causing an undesirable effect on the area's infrastructure; and

WHEREAS, the zoning density at maximum build-out for the Greenheath PUD is 3.18 units to the acre; and

WHEREAS, Gleason Place has submitted to Beaufort County, in accordance with Section 106-7, an amendment to the Greenheath PUD which would extend its PUD designation for an additional ten (10) years, which amendment has been favorably recommended by the Beaufort County Planning Staff, the Planning Commission, and County Council, with conditions; and

WHEREAS, those recommended PUD conditions are contained within Beaufort County Ordinance Number 20__ / _____, being adopted contemporaneously with this Development Agreement, and are discussed hereinbelow; and

WHEREAS, the County finds that the PUD designation, and the extension proposed for the Greenheath PUD is consistent with the Comprehensive Plan, and will further the health, safety, welfare and economic well being of the County and its residents; and

WHEREAS, this Development Agreement is being made and entered between Gleason

Place and the County, under the terms of the Act, for the purpose of providing assurances to the Gleason Place so that it and its assignees may proceed with both the unified development of the Property under the terms hereof, as hereinafter defined, without encountering future changes in law which would materially affect the ability to develop under the plan, and for the purpose of providing important protection to development and providing enhanced job opportunities for its citizens, while adding to the long term viable tax base of the County;

NOW THEREFORE, in consideration of the terms and conditions set forth herein, and other good and valuable consideration, including the potential economic benefits to both the County and Owners by entering this Agreement, and to encourage well planned development by Gleason Place, the receipt and sufficiency of such consideration being hereby acknowledged, County and Gleason Place hereby agree as follows:

I. INCORPORATION.

The above recitals are hereby incorporated into this Agreement, together with the South Carolina General Assembly findings as set forth under Section 6-31-10(6) of the Act.

II. DEFINITIONS.

As used herein, the following terms mean:

“Act” means the South Carolina Local Government Development Agreement Act, as codified in Sections 6-31 -10 through 6-31-160 of the Code of Laws of South Carolina (1976), as amended;

“Covenants” means and refers to a declaration of covenants and restrictions for a parcel of the Property, or for the Property as a whole, to be recorded in the Register of Deeds Office for Beaufort County, and all amendments and supplements thereto.

“Developer” means Owners and all successors in title to or lessees of the Owner who undertake Development of the Property or who are transferred Development Rights.

“Development” means the land disturbance of portions of the Property and/or vertical or horizontal construction of improvements thereon as contemplated by the Zoning Regulations.

“Development Agreement Ordinance” means the ordinance by which Beaufort County adopts the Development Agreement and authorizes the execution and filing of this Agreement.

“Development Fees” means any and all fees incurred in Development of all or any portion of the Property including but not limited to any impact fees, development fees, development agreement fees, building permit, review, application, filing and/or any other similar fee now existing or hereinafter adopted by Beaufort County.

“Development Plan” means the layout and development scheme contemplated for the Property, as more fully set forth in the PUD approval for Greenheath, attached to the PUD Master Plan as Exhibit A-2, and as may be modified per the terms of this Agreement.

“Development Rights”, when capitalized, means development of the Property, or portions thereof, undertaken by the Owner(s) or Developer(s) in accordance with the Zoning Regulations and this Development Agreement.

“Effective Date” means the date which this Agreement is filed of record in the Office of the Register of Deeds for Beaufort County, South Carolina.

“Impact Fee” or “Development Impact Fee” means a payment of money imposed as a condition of development approval, as defined in § 6-1-920 (8) of the Code of Laws of South Carolina, 1976, as amended.

“Intensity” means the total number of commercial square feet per acre, or floor area coverage permissible for a specific parcel of the Property or for the Property as a whole, under the terms of this Agreement, as context dictates.

“I.T.E.” means Institute of Traffic Engineers.

“Owner” means Gleason Place, L.P., or its successors and/or assigns.

“Homeowner’s Association or Owner’s Association” shall mean a duly constituted Owner’s Association under South Carolina law, pursuant to a Declaration of Covenants and Restrictions, filed of record in Beaufort County at or about the time of land subdivision, providing regulations for the governance of such subdivision, the upkeep of common elements, including assessment provisions, and other related matters.

“Outparcel Lots” means any area of the Property which is subdivided for sale or transfer to a Secondary Developer, and may refer to a commercial lot or lots, or a residential section of the Property.

“Property” means those certain parcels of land depicted and/or described in Exhibit A, the Legal Description.

“Purchaser” or “Developer” means any person or entity which may take title to all or a portion of the Property in the future for the purpose of development thereof under the terms hereof.

“School Capital Construction Fee” is that fee payable to Beaufort County for school construction assistance pursuant to Beaufort County Council Resolution R-2007-18, as further delineated in Section IX.D hereafter.

"Secondary Developer" means any and all successors in title to Owner who or which undertake or cause to be undertaken development activity on the Property.

"Term" means the duration of this agreement as set forth in Section III hereof.

"Tract" means any of those parcels comprising the Property, or portions of the Property as a whole once combined and re-divided.

"Zoning Regulations" means all terms and conditions of the Greenheath PUD approval and extension, the Zoning and Development Standards Ordinance (ZDSO) of Beaufort County, in effect at the time of the execution of this Agreement (Exhibit "C" attached hereto), and the terms of this Development Agreement. References in the ZDSO to the latest version of County manuals shall mean and refer to the latest version of such manual as of the date of this Agreement. Specifically, it is noted that the adoption of the Development Agreement Ordinance shall have the effect of a properly adopted land use ordinance. To the extent that any provision of the Development Agreement Ordinance may be deemed to be a modification of presently existing Beaufort County law, such modification is hereby approved, ratified and adopted as binding upon the Property by the approval of this Development Agreement. In case of any conflict, the terms of this Development Agreement shall take precedence, followed by the terms and conditions of the PUD approval, followed by the terms of the ZDSO.

III. TERM.

The Term of this Agreement shall commence on the Effective Date and terminate five (5) years thereafter; or, if renewed, at the end of one (1) additional five (5) year period. During the Term hereof the provisions of the Development Agreement shall be vested against any future changes to Beaufort County law which would materially affect the ability of the Owner to carry out the development as approved under this Development Agreement. Further, at the end of the first 5 year period (or the additional 5 year period if applicable) the provisions of this Development Agreement and the incorporated Zoning Regulations shall be vested against any future changes to Beaufort County law if Owner shall have achieved Substantial Development. "Substantial Development" shall mean (i) the conveyance by Owner of the Easement Parcel to the County pursuant to the terms of Article V (2) of this Agreement, and either of (ii) the platting and recording of more than forty per cent (40%) of the lots or (iii) the construction (being completed or under construction) of not less than forty percent (40%) of the infrastructure development contemplated under this Agreement. Nothing herein shall be deemed a prohibition against extension adopted by mutual agreement pursuant to Section 6-31-(A) (2) of the Act. The degree of completion of infrastructure shall be measured by reference to the engineering estimate of the cost to construct the infrastructure required to plat lots at the time of the request for the vesting extension.

IV. DEVELOPMENT OF THE PROPERTY

The Property shall be developed in accordance with the Zoning Regulations and this Development Agreement. Certain provisions of the ZDSO may be interpreted, enhanced, supplemented or modified by this Agreement in accordance with Section V below. The PUD Master Plan, and its Exhibits, are attached hereto as Exhibit B, and are incorporated by reference and made a part hereof. The development of the Property and all of the terms contained in this Agreement shall be deemed by virtue of the adoption of the ordinance authorizing this Development Agreement to comply with the Beaufort County Comprehensive Plan existing as of the Effective Date.

V. ZONING REGULATIONS-AND DEVELOPMENT REQUIREMENTS

Any amendment or modification to the ZDSO relating to the Property shall not be applicable to the Property without the express written consent of the Owner; provided, however, in accordance with Section 6-31-80 of the Act, Beaufort County may apply such subsequently adopted laws to the Development if it holds a public hearing and it is determined that the subsequently adopted laws are: (a) not in conflict with laws governing this Agreement and do not prevent the Development set forth in this Agreement; (b) essential to public health, safety or welfare, and the subsequently adopted laws expressly state that they apply to the Development of the Property; (c) specifically anticipated and provided for in the Development Agreement; (d) the County demonstrates that substantial changes have occurred in pertinent conditions existing as of the Effective Date and if not addressed by the County would pose a serious health risk to the public health, safety and welfare; or (e) the Development Agreement is based on substantially inaccurate information supplied by the Owner or Developer(s). Notwithstanding the foregoing, specific provisions regarding the applicability of subsequently enacted laws or regulations regarding storm water standards are contained in Article VIII (E) below. Owner does, for itself and its successors and assigns, and notwithstanding the ZDSO, agrees to be bound by the following:

1. Site and Environmental Standards. As noted in Section I of the Greenheath PUD Master Plan, site standards noted within the Master Plan – including those related to road standards, density, building height, land uses, building uses, lot sizes, setbacks, and buffers - are recognized as specific standards of the Greenheath PUD. As noted in the conditions to the term extension in Beaufort County ordinance Number 2008/ _____, environmental standards applicable to the Project (including tree protection and landscaping, environmental quality and protection of natural and cultural resources) will be those in force at the time of the Effective Date of this agreement. Specific provisions regarding drainage and stormwater management are contained in Article VIII (E) below. Notwithstanding the foregoing, the development is not subject to the site capacity or natural resource protection requirements of Article Seven of the ZDSO, as those particular standards and requirements have already been addressed within the PUD Master Plan as part of the site design. It is specifically agreed however, that any such future ordinances of the County that directly or indirectly affect the residential density,

commercial intensity, setback, buffer or open space requirements permitted pursuant to the Zoning Regulations will not be applicable to the Owner, Developer and any Secondary Developer within the Property without the Owner's, Developer's or any Secondary Developer's express written consent thereto.

2. Open Space and Buffers. Open space requirements are those contained within the Greenheath Master Plan, and meet or exceed the open space requirements of the ZDSO. Buffer and setback requirements are contained within the Master Plan. The thirty foot (30') landscape buffer along Brickyard Point Road shall contain a fifteen foot (15') easement for dedication to the County for use as, and its construction of, a ten foot (10') wide multi-use pathway within this area, which is also subject to a utility easement in favor of SCE&G. Within the thirty foot (30') landscaped buffer, the naturally occurring vegetation may be replaced or supplemented with plants of a more decorative nature upon the mutual agreement of the Developer and the County (acting through the DRT), which agreement will not be unreasonably withheld.. Dedication of the fifteen foot (15') easement to the County must occur no later than the final approval of the first site specific development plan.

3. Access to Coosaw Elementary. The Greenheath Development Plan, Exhibit A-2 to the Master Plan, shows a pedestrian path extending east from the intersection of Keats and Austen streets to the Coosaw Elementary property. This pedestrian path may be allowed to be constructed as a golf cart access drive to the school, provided such is determined to be lawful and the Beaufort County School Board determines that such is desirable and does not compromise student safety and school site security.

4. Development Plan. The locations and layouts and development standards of permitted uses are shown on the Development Plan, included as part of the PUD Master Plan, attached thereto as Exhibit A-2 and made a part hereof. The Development Plan specifies location of roads, building types, uses, amenities and recreational facilities. It is specifically understood that Owner, its successors and assigns shall have the absolute right to develop the Property to the residential density and commercial intensity stated herein and depicted in the Master Plan. The Owner shall have the right to make minor revisions to the Master Plan for matters including, but not limited to, adjustments to the dimensions of any outparcel lots, outparcel lot buildings, and buildings so long as the same are in keeping with the character and intent of the Development Agreement Ordinance and authorized under the Zoning Regulations. It is acknowledged that Developer may not materially deviate from the layout shown on the Development Plan without the prior consent of County, except as provided herein. Minor changes to development locations and layouts which do not alter approved uses, densities, intensities, allowed conversion or the development concept shall not require Amendment of the Agreement or the Exhibit B PUD Master Plan by County Council.

5. Major and Minor Changes. More specifically, on the subject of minor and major changes to the Development Agreement and PUD, it is first noted and agreed that all uses, densities, intensities, conversions and flexibility standards which are specifically provided under

the Greenheath PUD and this Development Agreement are not considered changes, but are allowed. Beyond these stated allowances, further changes to the development plan which are the result of final engineering and planning may be approved as minor changes at the Development Review Team (DRT) level, provided such changes do not change the basic concept of the road layout system, the function of the required pathway systems, or negatively impact the open space requirements. Minor changes in the location of housing units or non-residential elements, roads and right of way widths may be allowed as minor changes, so long as the uses and residential densities and commercial intensities approved under the PUD and this Development Agreement are not exceeded. By way of example, and not limitation, a modification which seeks the shifting of residential density or applicable building and lot standards of Village General to The Green, vice versa, or to the other residential districts, moving a lot or block line by twenty feet (20'), or the increase or decrease in allowed commercial building size by 2,000 square feet shall be considered minor changes to the Master Plan under Section 106-2447(d) of the ZDSO, provided the overall residential density or commercial intensity allowed under the PUD are not exceeded. Changes requesting additional overall residential density or commercial intensity, shall be considered major changes, and require amendment hereof and/or amendment of the PUD. It is acknowledged these types of minor changes are consistent with both the provisions of Ordinance 90-3, Section 8.3.2 (the predecessor development ordinance under which this PUD was originally approved), and Section 106-2447(d) of the current ZDSO. If an applicant and the DRT fail to agree on whether a particular requested change is major or minor, using these principles as guidance, the matter may be reviewed in accordance with the appeal procedure under the Local Government Comprehensive Planning Enabling Act of 1994 (the "Enabling Act").

6. Transfers/Notification. The Owner shall be required to notify the County at least fourteen (14) calendar days prior to a proposed transfer in writing on a form approved by the County in order to apprise the County of a Development Rights transfer when Development Rights are to be transferred to a Secondary Developer, to allow an opportunity for the County to confirm the consistency of the terms of the transfer with the terms of this Development Agreement. Such information shall include the identity and address of the Secondary Developer, a contact person, and the location and number of acres of the Property, the number of commercial acreage and square footages, and/or the open space acreage, as applicable, subject to the transfer. All subsequent Secondary Developers transferring Development Rights to another Secondary Developer shall be subject to this requirement of notification, and shall be required to file with the County an acknowledgment that it shall be bound by this Development Agreement. This requirement does not apply to individual building lots.

7. Release of Transferor. In the event of the sale or other conveyance of all or a portion of a tract that has been deemed in compliance with this Agreement, the transferor/Property Owner shall be released from any further obligations with respect to that portion of the tract so transferred, and the transferee shall be considered as substituted for the Property Owner under the Agreement as to the portion of the tract yet to comply with this Agreement. Notwithstanding the foregoing, the Owner shall not be relieved of its obligation to dedicate the fifteen foot (15")

easement along Brickyard Road to the County, and any deed to that portion of the Property shall contain an acknowledgment of the existence of the right to this area in favor of the County.

8. **Variances.** It is acknowledged that nothing in this agreement shall be deemed or construed to affect the right of any person to seek a variance from the provisions of the Zoning Regulations. Variance applications shall include a certification from the Owner stating its endorsement of the variance.

9. **No Other Requirements.** Except with respect to the dedications and/or conveyances of the properties referred to in Article V (2), no other dedications or conveyances of lands for public facilities shall be required in connection with the development of the Property

VI. DEVELOPMENT SCHEDULE.

The Property shall be developed in accordance with the development schedule, attached as **Exhibit D**, or as may be amended by Owners or Developer(s) in the future to reflect actual market absorption. Pursuant to the Act, the failure of the Owners and any Developer to meet the initial development schedule shall not, in and of itself, constitute a material breach of this Agreement. In such event, the failure to meet the development schedule shall be judged by the totality of circumstances, including but not limited to the Owners and Developer(s) good faith efforts to attain compliance with the development schedule. These schedules are planning and forecasting tools only, and shall not be interpreted as mandating the development pace initially forecast or preventing a faster pace if market conditions support a faster pace. The fact that actual development may take place at a different pace, based on future market forces, is expected and shall not be considered a default hereunder. Development activity may occur faster or slower than the forecast schedule, as a matter of right, depending upon market conditions. Furthermore, periodic adjustments to the development schedule which may be submitted unilaterally by Owners / Developers in the future shall not be considered a material amendment or breach of the Agreement.

It is further acknowledged that while Ordinance 20__ / ____ provides a ten year extension of the existing Greenheath PUD, the Greenheath PUD is subject to being rezoned from a PUD at the expiration of the initial five (5) year term of this Agreement, or the expiration of the ten (10) year PUD extension, unless 1) this Agreement is renewed or extended in accordance with Section III and Section XV (3) herein, or 2) the Owner shall have achieved Substantial Development, meaning the Owner has conveyed the Easement property to the County pursuant to Article V(2) of this Agreement, and either (i), the PUD has more than forty per cent (40%) of the lots platted and recorded, e.g., "lots of record," or (ii), more than forty percent (40%) of the utilities and infrastructure for the entire project have been completed, as of the relevant expiration term, in which case it shall be deemed "exempt" in like manner as other PUDs under Section 106-7(2)(a) of the ZDSO. The degree of completion of infrastructure shall be measured by reference to the engineering estimate of the cost to construct the infrastructure required to plat lots at the time of the request for the extension.

VII. EFFECT OF FUTURE LAWS.

Owners and Developers are relying upon this agreement, and will proceed to undertake development activities in accordance with the terms and conditions contained herein, which activities require the expenditure of substantial monies. Beaufort County understands and acknowledges this presumption and Owners and Developer's reliance on this premise. The intent of the parties to this Agreement is that Owners' and Developers' reliance and substantial change in position based upon the terms and conditions contained herein shall create a vested right to construct and operate the development referenced herein pursuant to such terms and conditions. Owner and Developers shall have vested rights to undertake Development of any or all of the Property in accordance with the Zoning Regulations (as defined herein and modified hereby, and as may be modified in the future pursuant to the terms hereof), and this Development Agreement, for the entirety of the Term. Subject to the provisions of Section XIII (E), future enactments of, or changes or amendments to County ordinances, including zoning or development standards ordinances, which conflict with the Zoning Regulations and the terms of this Agreement, shall apply to the Property only with the approval of the Owners if permitted pursuant to the Act and this Agreement.

The parties specifically acknowledge that this Agreement shall not prohibit the application of any present or future building, housing, electrical, plumbing, gas or other standard codes; any tax or fee of general application throughout the County or any fee that is equally applied to the applicable payees (unless specifically addressed within this Agreement, (i.e., see Section IX); or of any law or ordinance of general application throughout the County found by the County Council to be necessary to protect the public health, safety and welfare in accordance with Section 6-31-80(B). Notwithstanding the foregoing, the County may apply subsequently enacted laws to the Property only in accordance with the Act. The parties acknowledge that this agreement is subject to the provisions of Section 6-31-80 of the Code of Laws of South Carolina.

VIII. INFRASTRUCTURE AND SERVICES

County and Owner recognize that the majority of the direct costs associated with the Development of the Property will be borne by the Owner and subsequent Developers, and many necessary services will be provided by other governmental or quasi-governmental entities, and not by the County. For further clarification, the parties make specific note of and acknowledge the following:

A. **Roads/Facilities.** All new roads within the boundaries of the Property and required improvements to existing public roads at their intersections with the new roads shall be constructed by the Owners and/or Developers.

1. **Private Roads.** Private Roads constructed within the Property may be constructed by the Owners and/or Developers, and shall be maintained by them and/or an Owner's Association, or dedicated to appropriate entities. The County will not be responsible for the construction or maintenance of any private roads within the Property, and the Owners and/or Developers and/or Owner's Association will continue the maintenance thereof.

(a) **Express Dedication.** Notwithstanding the generality of the foregoing, in the event that a road and its drainage within the Property is constructed to the standards contained in the ZDSO or specific requirements of the County contained within this agreement, and is acceptable as a public road, the County may consider a request to take ownership and assume responsibility for the maintenance of same upon the request of the person or entity which has ownership of the road. Such consideration by the County regarding roadways and drainage in no way binds the County to actually accept the road or drainage.

(b) **No Implied Dedication.** The recording of a final plat or plan subdividing a portion of the Real Property shall not constitute an offer to deed or dedicate any or all streets and rights of way shown thereon to the County.

(c) **Emergency Access through Gates.** If any gate is placed across any road to prevent access to a private residential community within the Property, an emergency access system approved by the County DRT or its successor shall be included as part of the gate installation.

B. **Public Roads.** All public roads adjacent to and outside the Property that serve the Property are under the jurisdiction of the State of South Carolina or Beaufort County regarding access, construction, improvements and maintenance. Owners acknowledge that they must comply with all applicable state statutes, and rules and regulations of the South Carolina Department of Transportation, or its successor, and those of the County. Future public roads may serve the Property. The County shall not be responsible for construction, improvements or maintenance of the public roads which now or hereafter serve the Property, except as set forth herein, unless it otherwise agrees.

C. Potable Water. Potable water will be provided to the Property by the Beaufort Jasper Water and Sewer Authority (BJWSA) on the same basis as is provided to other residents and businesses within the County. The County shall not be responsible for any construction, treatment, maintenance or costs associated with water service to the property, unless it otherwise agrees.

D. Sewage Treatment and Disposal. Sewage treatment and disposal will be provided by the Beaufort Jasper Water and Sewer Authority on the same basis as is provided to other residents and businesses within the County. The County will not be responsible for any treatment, maintenance or costs associated with sewage treatment or capacity fees within the Property, except as set forth herein, unless it otherwise agrees.

E. Drainage System. All Storm water runoff and drainage system improvements within the Property will be designed in accordance with the Zoning Regulations and Section V hereof, and best efforts shall be made to coordinate such systems with the County Master Drainage Program. All Storm water runoff and drainage system improvements will be constructed by Owner or Developers and maintained by Owner, Developers and/or Owners Association (s), unless such are dedicated to a public entity which accepts maintenance and/or installation responsibilities. Beaufort County will not be responsible for any construction or maintenance costs associated with the drainage system within the Property, unless it specifically agrees to such. In conjunction with the storm water requirements as committed to by Owner above, notwithstanding Section V hereof, Developer and any Secondary Developers shall adhere to any and all future ordinances or regulations of the County governing detention, filtration, and treatment of storm water for any undeveloped areas of the Property, provided those ordinances and regulations apply County-wide uniformly to properties with similar hydrological characteristics, and are based on acceptable scientific principles and the best available information; provided further, nothing herein shall be construed as preventing the Developer or its successors and assigns from challenging the validity of the standards under the Act. It is specifically agreed however, that any such future ordinances of the County that directly or indirectly affect the residential density, commercial intensity, setback, buffer or open space requirements permitted pursuant to the Zoning Regulations shall apply only to new phases, developed after the passage of such new laws, and not to previous phases of development. As to new phases where the residential density, commercial intensity, setback, buffer or open space would be affected by application of such future ordinances, the Developer and the County will in good faith collaboratively design the stormwater system, utilizing such Best Management Practices that will respect the density, commercial intensity, setbacks, buffers, open space and similar aspects of the PUD, while protecting the receiving waters of the County to the best extent practical.

F. Solid Waste Collection. The County shall provide solid waste collection to the Property on the same basis as is provided to other residents and businesses within the

unincorporated areas of the County; it is acknowledged that the County presently does not provide such services, either residential or commercial.

G. **Utility Easements.** Property Owner shall furnish necessary easements for water, sewer, gas, electricity, telephone, cable television, and other utilities when the Property Owner determines that same are required. Adequate easements for utilities shall be reserved by Property Owner in the conveyances of Lots and Development Parcels. All utilities shall be installed underground, except those portions of the system which must necessarily be above ground (i.e., transformers, switch gears, connection pedestals).

H. **Police Protection.** The County shall provide police protection services to the Property on the same basis as is provided to other residents and businesses within the unincorporated areas of the County. Owner acknowledges the jurisdiction of the Beaufort County Sheriff's Department on the Property.

I. **Recycling Services.** The County shall provide recycling services to the Property on the same basis as is provided to the residents and businesses of the unincorporated areas of the County, should it elect to provide such services in the future.

J. **Emergency Medical Services.** Such services are now provided by Beaufort County, and the County shall provide emergency medical services to the Property on the same basis as it may provide to other residents and businesses.

K. **Fire Services.** Fire services are provided by the Lady's Island-St. Helena Fire District, which shall provide fire protection services to the Property on the same basis as is provided to other residents and businesses within the District.

L. **Library Services.** Such services are now provided by Beaufort County.

M. **School Services.** Such services are now provided by the Beaufort County School District.

IX. FEES AND RELATED AGREEMENTS

A. **County Impact Fees.** Nothing herein shall be construed as relieving the Owner, its successors and assigns, from payment of any such fees or charges as may be assessed or collected by entities other than the County. The impact fees which are payable to Beaufort County under County Ordinance 2006-24 (codified as section 82-21 through 82-140 of the County Code of Ordinances) to support infrastructure provided by Beaufort County, such as, but not limited to, fire, parks, library, and roads, shall not be affected by this Agreement. County Impact Fees adopted by ordinance in the future may or may not be applied to the Property in whole or in part, at the discretion of County Council.

B. Other Charges or Fees. The Owners, their successors and assigns, shall be subject to the payment of any and all present or future fees enacted by the County that are of general County-wide application and that relate to processing applications, development permits, building permits, review of plans, or inspections or other matters, other than development impact fees. Owner agrees that should the State authorize a real estate transfer fee in the future, and the County elects to collect such, this Development Agreement shall not affect the ability of the County to collect same.

C. Special Districts. Nothing in this Agreement shall be construed to prevent the establishment by the County of a special source revenue district, Municipal Improvement District, multi-county business park, tax increment financing, or other special district on the Property in accordance with applicable provisions of the Code of Laws of South Carolina, 1976, as amended.

D. School Capital Construction Fee.

The laws of the State of South Carolina do not permit the imposition of impact fees for the effect and impact that development has or will have upon the public school systems servicing the Property. At the request of the County in accordance with Resolution R-2007-18, Owner will pay to Beaufort County the sum of \$6,000 per residential dwelling unit which is 2400 square feet or greater, and a prorated sum of \$2.50 per square foot for all residential units less than 2400 square feet (heated interior)("Standard Fee")as a School Capital Construction Fee. All commercial development shall pay a School Capital Construction Fee of \$2.50 per square foot of interior heated space to Beaufort County. These sums shall be payable at the time that a lot or residential unit or commercial building is granted a Certificate of Occupancy or Certificate of Completion. These fees shall not be applicable to transfers to service providers, Property Owner Association(s), or governmental related entities.

These fees shall not apply to the first 196 residential units, based upon the allowable density attributable to the adjacent Community Preservation (CP) zoning for Lady's Island at 2 units per acre, unless all residential units in the Lady's Island CP District are subject to such a fee; however, these first 196 units shall pay a Reduced Fee, such Reduced Fee being the maximum per unit school impact fee under Ordinances 95/26 and 95/39, in effect at the time of the approval of the PUD, increased by the cumulative Consumer Price Index for All Urban Areas (CPI-U), with the initial CPI increase calculated for year 1998 forward. This calculation can be made by using the U.S. Government Inflation calculator found at http://www.bls.gov/data/inflation_calculator.htm. The maximum fee under Ordinances 95/26 and 95/39 was \$1,000.00; the Inflation Calculator calculates that figure has inflated to \$1,340.12 as of November 1, 2010.

Standard Fees will be assessable against all units in excess of the exempt 196 units paying the Reduced Fee, these units being the additional units over the density rate of 2 units per acre of the adjacent CP lands. The Reduced Fee is justified by the fact that there is in actuality no additional density being granted to the Greenheath PUD under the ZDSO, as density

of Greenheath was actually less than that allowed under the zoning and development standards in effect at the time the Greenheath PUD was created. The Reduced Fee is further justified based upon the fact that at the time of the approval of the Greenheath PUD, these were the fees expected to be collected and were incorporated into the business plan of the Owner for the property.

At the end of five years from the date of this Development Agreement, if this Development Agreement is extended beyond the initial 5 year period, the amount of the Standard School Capital Construction Fee and Reduced Fee shall be increased by the sum of the increase in the Consumer Price Index for All Urban Areas (CPI-U), and annually thereafter, on each succeeding anniversary, as such increase is measured against the immediately preceding year, again by reference to the U.S. Government's Inflation Calculator.

Notwithstanding the above, should the State of South Carolina adopt legislation (statewide or local) which allows Beaufort County and/or the School District to impose Development Impact Fees for Schools, and should Beaufort County or the School District adopt such a School Development Impact Fee of general application, the School Capital Construction Fees provided for hereunder shall either be replaced by such School Development Impact Fee, or adjusted, to the extent necessary, to that authorized under such School Impact Fee Ordinance. Furthermore, should a court of competent jurisdiction determine that these School Capital Construction Fees, or such School Development Impact Fee be unlawful or excessive, this Agreement shall be deemed amended to either remove the requirement for School Capital Construction Fees or School Development Impact Fees (both Reduced and Standard), or change the amount due to such lesser amount as may be judicially approved or subsequently enacted and ultimately approved by judicial review, if any. In the event these School Capital Construction Fees, or a School Development Impact Fee is abandoned or not implemented by Beaufort County and/or the School District, the requirements of this section for payment of School Capital Construction fees shall likewise become of no further effect, and any unspent or unallocated by budget funds collected from this Property shall be refunded.

X. COMPLIANCE REVIEWS.

Pursuant to the requirements of § 6-31-90, the Owners, or their designee(s), shall meet with the County Administrator, or his designee, at least once per year during the Term, to review Development completed in the prior year and the Development anticipated to be commenced or completed in the ensuing year. In lieu of a meeting, Owner may provide the below listed information in a writing delivered to the County Administrator or his designee. The Owners, or their designee(s), shall be required to provide such information as may reasonably be requested, to include but not be limited to, acreage and/or square footage of building footprints or floor area ratios sold in the prior year, acreage and/or square footage of building footprints or floor area ratio under contract, the number of lots sold in the prior year, the number of certificates of occupancy issued in the prior year, and the number anticipated to be issued in the ensuing year, Development Rights transferred in the prior year, and anticipated to be transferred in the ensuing

year. A failure to provide this information in a timely manner shall not constitute an event of default under Section XI herein unless the County has provided a notice of a twenty day period in which to cure the omission by filing the requested information.

XI. DEFAULTS.

The failure of an Owner, Developer or County to comply with the terms of this Agreement shall constitute a default, entitling the non-defaulting party to pursue such remedies as deemed appropriate, including specific performance and the termination of this Development Agreement in accordance with the Act; provided however no termination of this Development Agreement may be declared by the County or an Owner or Developer absent its according the Owner(s) and Developer(s), or to the County, as the case may be, the notice, hearing and opportunity to cure in accordance with Sections 6-31-90 (b) and (C) of the Act; and provided further that nothing herein shall be deemed or construed to preclude the County or its designee from issuing individual stop work orders or voiding specific permits issued for Development when such Development contravenes the provisions of the Zoning Regulations or this Development Agreement.

A default of the Owner shall not constitute a default by a Developer, and a default by a Developer shall not constitute a default by the Owner. Neither shall a default by one Owner or Developer constitute a default as to the Owner or other Developers collectively. Notwithstanding the foregoing, it is acknowledged by all persons, firms or entities claiming or accorded interests under this Agreement that the failure of the Owner or its successor to convey to the County the easement rights to the fifteen foot area for a multi-use trail or sidewalk pursuant to Article V (2) within the time provided for therein shall constitute a default, entitling the County to pursue the termination of this Development Agreement, in accordance with the Act.

XII. MODIFICATION OF AGREEMENT.

This Development Agreement may be modified or amended only by the written agreement of the County and the Owners. No statement, action or agreement hereafter made shall be effective to change, amend, waive, modify, discharge, terminate or effect an abandonment of this Agreement in whole or in part unless such statement, action or agreement is in writing and signed by the party against whom such change, amendment, waiver, modification, discharge, termination or abandonment is sought to be enforced.

If an amendment affects less than all the persons and entities comprising the Property Owners, then only the County and those affected persons or entities need to sign such written amendment. Because this Agreement constitutes the unified development plan for the Property, minor modifications to a site plan or to development provisions may be made by County staff without a public hearing or amendment to applicable ordinances. The County Zoning and

Development Administrator, after consultation with the Planning Director, may make administrative variances to numerical standards of the Zoning Regulations of up to 10% without requiring a formal variance application to be brought before the Zoning Board of Appeals. Any requirement of this Agreement requiring consent or approval of one of the Parties shall not require amendment of this Agreement unless the text expressly requires amendment. Wherever said consent or approval is required, the same shall not be unreasonably withheld.

The Master Plan is not intended to be a rigid, exact site plan for future development. The location of roads, buildings, and other elements may vary somewhat at the time of permit applications when more specific designs are available, as long as the maximum intensities set herein in the Master Plan attached as Exhibit B and the general concept of commercial and residential development is respected.

XIII. NOTICES.

Any notice, demand, request, consent, approval or communication which a signatory party is required to or may give to another signatory party hereunder shall be in writing and shall be delivered or addressed to the other at the address below set forth or to such other address as such party may from time to time direct by written notice given in the manner herein prescribed, and such notice or communication shall be deemed to have been given or made when communicated by personal delivery or by independent courier service or by facsimile or if by mail on the fifth (5th) business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided.

To the County at:

Beaufort County
Post Office Drawer 1228
Beaufort, SC 29901-1228
Attention: County Administrator

With additional copy to:

Beaufort County
Post Office Drawer 1228
Beaufort, SC 29901-1228
Attn: Planning Director

And to the Owner at:

Gleason Place, L.P.
c/o Mr. Fred Trask
P.O. Box 1256
Beaufort, SC 29901

With Copy To: David L. Tedder, Esquire
Attorney at Law
Post Office Box 1282
Beaufort, SC 29901-1282

XIV. GENERAL:

Subsequent Laws. In the event state or federal laws or regulations are enacted after the execution of this Development Agreement or decisions are issued by a court of competent jurisdiction which prevent or preclude compliance with the Act or one or more provisions of this Agreement ("New Laws"), the provisions of this Agreement shall be modified or suspended as may be necessary to comply with such New Laws. Immediately after enactment of any such New Law, or court decision, a party designated by the Owners and Developers and the County shall meet and confer in good faith in order to agree upon such modification or suspension based on the effect such New Law would have on the purposes and intent of this Agreement. During the time that these parties are conferring on such modification or suspension or challenging the New Laws, the County may take reasonable action to comply with such New Laws. Should these parties be unable to agree to a modification or suspension, either may petition a court of competent jurisdiction for an appropriate modification or suspension of this Agreement. In addition, the Owners, Developers and the County each shall have the right to challenge the New Law preventing compliance with the terms of this Agreement. In the event that such challenge is successful, the remainder of this Agreement shall remain unmodified and in full force and effect.

Estoppel Certificate. The County, the Owner or any Developer may, at any time, and from time to time, deliver written notice to the other applicable party requesting such party to certify in writing:

- (1) that this Agreement is in full force and effect,
- (2) that this Agreement has not been amended or modified, or if so amended, identifying the amendments,
- (3) whether, to the knowledge of such party, the requesting party is in default or claimed default in the performance of its obligations under this Agreement, and, if so, describing the nature and amount, if any, of any such default or claimed default, and
- (4) whether, to the knowledge of such party, any event has occurred or failed to occur which, with the passage of time or the giving of notice, or both, would constitute a default and, if so, specifying each such event.

Greenheath November 23, 2010

Entire Agreement. This Agreement sets forth, and incorporates by reference all of the agreements, conditions and understandings among the County and the Owners relative to the Property and its Development and there are no promises, agreements, conditions or understandings, oral or written, expressed or implied, among these parties relative to the matters addressed herein other than as set forth or as referred to herein.

No Partnership or Joint Venture. Nothing in this Agreement shall be deemed to create a partnership or joint venture between the County, the Owner or any Developer, or between Owners, or Owners and any Developers, or to render such party liable in any manner for the debts or obligations of another party.

Exhibits. All exhibits attached hereto and/or referred to in this Agreement are incorporated herein as though set forth in full.

Construction. The parties agree that each party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits hereto.

Assignment. Subject to the notification provisions hereof, Owner may assign its rights and responsibilities hereunder to subsequent land owners and Developers.

Governing Law. This Agreement shall be governed by the laws of the State of South Carolina.

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

Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the parties. In the event of a provision being held invalid, void, or unenforceable, the parties shall use the procedure set forth in Section XV, "Subsequent Laws", to take such steps as may be necessary to achieve the purposes and intent of this Agreement.

Agreement to Cooperate. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending such action; provided, however, each party shall retain the right to pursue its own independent legal defense.

Greenheath November 23, 2010

Eminent Domain. Nothing contained in this Agreement shall limit, impair or restrict the County's right and power of eminent domain under the laws of the State of South Carolina.

No Third Party Beneficiaries. The provisions of this Agreement may be enforced only by the County, the Owner and Developers (including their successors and/or assigns). No other persons shall have any rights hereunder.

XV. STATEMENT OF REQUIRED PROVISIONS

A. Specific Statements. The Act requires that a development agreement include certain mandatory provisions, pursuant to Section 6-31-60 (A). Although certain of these items are addressed elsewhere in this Agreement, the following listing of the required provisions is set forth for convenient reference. The numbering below corresponds to the numbering utilized under Section 6-31-60 (A) for the required items:

1. Legal Description of Property and Legal and Equitable Owner. The legal description of the Property is set forth in Exhibit A, attached hereto and having TMP Numbers R200 010 000 0022, and consisting of 98.35 acres, more or less. The present legal owner of the Property is as follows: Gleason Place, L.P.

2. Duration of Agreement. The duration of this Agreement is as set forth in Section III above, 5 years from the date of recording. Nothing in this Agreement shall be interpreted to preclude the Parties from extending the term of this Agreement by mutual agreement or from entering into subsequent development agreements, as provided by statute.

3. Permitted Uses, Densities, Building Heights and Intensities. A complete listing and description of permitted uses, building intensities and heights, as well as other development related standards, are contained in the Greenheath Master Plan attached hereto as Exhibit B, and as shown on the Development Plan attached thereto as Exhibit A-2.

4. Required Public Facilities. The utility services available to the Property are described generally above regarding electrical service, telephone and solid waste disposal. Beaufort-Jasper Water and Sewer Authority will provide water and sewer to the Property. The mandatory procedures of the Zoning Regulations and this Agreement will ensure availability of roads and utilities to serve the residents on a timely basis. The County will provide, or cause to be provided, police, fire and sanitation services, as well as development application services to the Property on the same basis as is provided the unincorporated areas of the County.

5. Provisions to Protect Environmentally Sensitive Areas/ Dedication of Land. All relevant State and Federal laws will be fully complied with, in addition to the provisions set forth in this Agreement. Where required by state or federal law, protective buffers for wetlands have been created.

6. Local Development Permits. The Development is set forth in the Master Plan with its Exhibits, attached hereto as Exhibit B, and must comply with the Zoning Regulations. Specific permits must be obtained prior to commencing Development, consistent with the standards set forth in the Zoning Regulations. Building permits must be obtained under County Ordinances for any vertical construction, and appropriate permits have been or must be obtained from the State of South Carolina (OCRM) and the Army Corps of Engineers, when applicable, prior to any impact wetlands. It is specifically understood that the failure of this Agreement to address a particular permit, condition, term or restriction does not relieve the Owners, their successors and assigns, of the necessity of complying with the law governing the permitting requirements, conditions, terms or restrictions.

7. Comprehensive Plan and Development Agreement. The Development permitted and proposed under the Zoning Regulations, is consistent with the Comprehensive Plan and with current land use regulations of the County of Beaufort.

8. Terms for Public Health, Safety and Welfare. The County Council finds that all issues currently relating to public health, safety and welfare have been adequately considered and appropriately dealt with under the terms of this Agreement, the Zoning Regulations, and existing law.

9. Historical Structures. No specific terms relating to historical structures are pertinent to this Development Agreement. Any historic structures and issues will be addressed through the permitting process of the Zoning Regulations at the time of development and no exception from any existing standard is hereby granted.

IN WITNESS WHEREOF, the parties hereby set their hands and seals, effective the date first above written.

SIGNATURES BEGIN ON FOLLOWING PAGE

WITNESSES:

GLEASON PLACE, L.P.

By: Frederick G. Trask, President of Wiseblood, Inc., General Partner of Gleason Place, L.P.

Attest: _____
Its: Secretary of Wiseblood, Inc.

Greenheath November 23, 2010

STATE OF SOUTH CAROLINA)

)

ACKNOWLEDGMENT

COUNTY OF BEAUFORT)

I HEREBY CERTIFY, that on this _____ day of _____, 2010, before me, the undersigned Notary Public of the State and County aforesaid,, personally appeared Frederick G. Trask, President, and _____, Secretary, on behalf of Wiseblood, Inc., General Partner of Gleason Place, L.P., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within document, who acknowledged the due execution of the foregoing document.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above mentioned.

Notary Public for South Carolina
My Commission Expires:

SIGNATURES AND ACKNOWLEDGMENTS CONTINUE ON FOLLOWING PAGE

Greenheath November 23, 2010

WITNESSES:

BEAUFORT COUNTY

By: Wm. Weston J. Newton, County Council
Chairman

Attest:
Suzanne M. Rainey, Clerk to Council

STATE OF SOUTH CAROLINA)
))
COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

I HEREBY CERTIFY, that on this _____ day of _____, 2010, before me, the undersigned Notary Public of the State and County aforesaid, personally appeared Wm. Weston J. Newton, Beaufort County Council Chairman, and Suzanne M. Rainey, Clerk to Council, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within document, who acknowledged the due execution of the foregoing document.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above mentioned.

Notary Public for South Carolina
My Commission Expires: _____

EXHIBIT A

Property Description

ALL that certain piece, parcel or tract of land, situate, lying and being on Lady=s Island, Beaufort County, South Carolina, containing 97.80 acres, more or less, being known as AGreenheath Subdivision,@ and being more particularly shown and described as Parcel AA@ on a plat prepared by David E. Gasque, R.L.S., recorded in Plat Book 77 at Page 165 in the Office of the Register of Deeds for Beaufort County, South Carolina. For a more complete description as to metes, courses, distances and bounds of said property, reference may be had to the aforementioned plat of record.

TMP 200-010-000-0022-0000

Greenheath November 23, 2010

EXHIBIT B

GREENHEATH MASTER PLAN WITH EXHIBITS

Greenheath November 23, 2010

EXHIBIT C

The Zoning Regulations hereunder shall be composed of the Development Agreement, the PUD Approved Master Plan for Greenheath (Exhibit B) and by the now current Zoning and Development Standards Ordinance (ZDSO) of Beaufort County, through Supplement 21, Update 3, which ZDSO is hereby attached to this Exhibit C to complete the Zoning Regulations.

(Note: A certified copy of the ZDSO on CD (Read Only), may be substituted for the printed version; an initialed copy of the CD will be kept on file at the Clerk to Council's Office, the Planning Department, and with the Owner)

Greenheath November 23, 2010

Exhibit D

DEVELOPMENT SCHEDULE

First Five Years: 40% of residential units, being 125 units

Second Five Years: Remaining 60% of units, being 186 units
25,000 s.f. of commercial

Greenheath November 23, 2010

**Committee Reports
November 29, 2010**

A. COMMITTEES REPORTING

1. Community Services

① [Minutes](#) provided from the November 15 joint meeting. See main agenda items 9 and 10.

② Foster Care Review Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
11.08.10	Doris Williams	Countywide	Appoint	6 of 11

2. Finance

① [Minutes](#) provided from the November 15 joint meeting. See main agenda items 9 and 10.

3. Public Facilities

① Airports Board

<i>Nominated</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
11.08.10	Richard Wirth	Qualifications	Appoint	6 of 11

B. COMMITTEE MEETINGS

1. Community Services

William McBride, Chairman

Gerald Dawson, Vice Chairman

➔ Next Meeting – Monday, December 20 at 4:00 p.m., Building 2, BIV

2. Executive

Weston Newton, Chairman

➔ Next Meeting – To be announced.

3. Finance

Stu Rodman, Chairman

William McBride, Vice Chairman

➔ Next Meeting – Monday, November 29 at 2:00 p.m.

Monday, 2:00 p.m., December 13 at 2:00 p.m.

4. Natural Resources

Paul Sommerville, Chairman

Jerry Stewart, Vice Chairman

➔ Next Meeting – Monday, December 6 at 2:00 p.m.

5. Public Facilities

Herbert Glaze, Chairman

Steven Baer, Vice Chairman

➔ Next Meeting – Tuesday, November 30 at 4:00 p.m.

6. Public Safety

Jerry Stewart, Chairman

Brian Flewelling, Vice Chairman

➔ Next Meeting – Monday, December 6 at 4:00 p.m.

7. Transportation Advisory Group

Weston Newton, Chairman

Stu Rodman, Vice Chairman

JOINT MEETING OF FINANCE AND COMMUNITY SERVICES COMMITTEES

November 15, 2010

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

The joint meeting of Finance and Community Services Committees met on Monday, November 15, 2010 at 2:00 p.m. in the Conference Room of the Beaufort Industrial Village, Building 2, Beaufort, South Carolina.

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 members Rick Caporale, Gerald Dawson and Herbert Glaze also were present.

County Staff: Morris Campbell, Division Director – Community Services; Alan Eisenman, Financial Analyst; Bryan Hill, Deputy County Administrator; Alisha Holland, Financial Analyst; Fred Leyda, Human Services; David Starkey, Chief Financial Officer; Dave Thomas, Purchasing Director; Wlodek Zaryczny, Library Director.

Media: Richard Brooks, *Bluffton Today* and Joe Croley, Hilton Head Association of Realtors

Public: Katie Grindle, Child Abuse Prevention Association (CAPA); Andrea Allen, Coastal Empire Community Health Center; Susan Cato, Child Abuse Prevention Association (CAPA); Shaww Chin Capps, Executive Director of Hope Haven; Jonathan Ceips, Integrated Technology Group Consultant; Ray Norris, Executive Director of Coastal Empire Community Health Center; Chris Nubrowski, Citizens Opposed to Domestic Abuse (CODA);

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

ACTION ITEMS

1. Fiscal Year 2010/2011 Allocations to Outside Agencies

Discussion: *Note: Considered as a Finance Committee item.* Mr. Morris Campbell, Division Director – Community Services, introduced this item to the Committee. For the past 20+ years the County worked with outside agencies to meet the needs of the citizens of Beaufort County. We have been moving in a new direction regarding the allocation process and have started migrating this process to the Human Services Alliance. He introduced Fred Leyda, Human Services Director, to review this item with the Committee. Mr. Leyda distributed to the Committee, Beaufort County Human Services Alliance organization structure and a brochure on VITA Coalition. He then presented the Committee with a PowerPoint Presentation regarding the

allocation recommendations for FY2011. The 2010 allocations are as follows: Department of Environmental Control \$67,313, Coastal Empire Community Mental Health Center \$128,000, Clemson University Extension \$5,000, Beaufort Soil and Water Conservation District \$21,000, Lowcountry Regional Transportation Authority \$247,000, Child Abuse Prevention Association (CAPA) \$32,000, Children Opposed to Domestic Abuse \$15,000, Hope Haven of the Lowcountry \$15,000, Beaufort Jasper EOC \$55,000, Senior Services of Beaufort County \$55,000, and Literacy Volunteers of the Lowcountry \$10,000, totaling \$600,313. This leaves a net balance of \$125,686 to be used for Alliance grants.

The Department of Environmental Control Region 8 (DHEC) received \$67,313. They served on six different Together for Beaufort County (T4BC) Coalitions and had the following outcomes: 332 newborn home visits, 11,798 childhood vaccinations, and 21,094 women and infant children program recipients.

The Coastal Empire Community Mental Health Center received \$128,000 in funding. They are the provider of counseling services to our Detention Center. They participate in the Alliance and the Mental Health Access Coalition and provided the following services: 156 persons served at the Detention Center, 2 to 3 days per week at the Department of Social Services based mental health services. 201 children were served as part of the school based mental health services.

The Clemson University Extension received \$5,000 in funding. They are instrumental in addressing the Water Quality Coalition's action items as well as programs dealing with healthy living and senior leadership including farmer markets and master gardener programs. Ten rain barrels were provided to schools. There were 53 participants in seven pesticide and herbicide training courses. Nutrition programs were delivered to 500 youth and 25 adults. There were 33 participants in the senior leadership program and 18 youth participated in Healthy Lifestyles training with focus on diabetes.

The Beaufort Soil and Water Conservation District received \$21,000. The District is responsible to work with rural development, stormwater run-off and land management to ensure proper development of rural land. The Conservation District impacts T4BC through early childhood readiness, academic achievement, as well as protection and monitoring of water quality. They were involved in 62 acres of upland wildlife management; 430 acres of forest stand improvement and prescribed burning, 80 acres of pest management, 2,000 feet of installed livestock control fencing and 20 acres of land management.

Palmetto Breeze (LRTA) received \$247,000 in allocations. They are our rural transportation service and are directly impacting all four of the Together for Beaufort County goals though not specifically associated with any single coalition. They attend the quarterly Alliance meetings and participate in various coalitions and programs as appropriate. They provided 41,960 individuals with public transportation.

The Child Abuse Prevention Association (CAPA) received \$32,000 in funding. In addition to providing emergency shelter for child victims of abuse, CAPA's efforts in the teen

pregnancy arena are significant and constitute the majority of the Reduced Adolescent Pregnancy Alliance's community projects. They provided 6,816 youth with character development classes and 56 children with emergency shelter.

Citizens Opposed to Domestic Abuse (CODA) was the recipient of \$15,000. They are an active member of the Human Services Alliance and participate on two coalitions: Reducing Adolescent Pregnancy and the Community Services Organization. In addition, CODA identified "access to mental health services for adults and children" as their focus for FY2010. They provided counseling services for 50 adults and 20 children, held group sessions – 23 women's groups and 15 children's groups, had 126 new client referrals, and received 1,574 calls on their 24 hour hotline.

\$15,000 in funding was allocated to Hope Haven of the Lowcountry. They used the County allocation to provide evidence-based mental health treatment to children who are victims of sexual abuse. They also provided rape crisis services to adults. 45 victims, both adult and child, received therapeutic services. In addition, 46 adults and 156 children victims were served.

Beaufort Jasper Equal Opportunity Commission (EOC) received \$5,000 in funding. They are addressing two objectives under the Poverty Goal. Specifically, they reference employment skills development, emergency assistance and food assistance to the elderly. They are an active member of the Human Services Alliance, as well as the Community Services Organization and the Beaufort County Early Childhood Coalition. County funds were leveraged with other funds to provide: skill development classes for 16 participants, emergency assistance for 2,485 households, mortgage renegotiations for 34 households, emergency foreclosure assistance for 22 households and the distribution of 750 coupons for the Senior Farmer's Market.

The Senior Services of Beaufort County was the recipient of \$55,000. They used the county allocation as a local match for their contract with LCOG's Area Agency on Aging to provide services to seniors; as match to the S.C. Department of Transportation (SCDOT) for transportation services for seniors in Bluffton and Hilton Head Island, and for the provision of meals also supported with federal matching funds. They are members of the Coalition for Aging in Place and have acted as fiscal agent for small grants for this coalition in the past. They provided 438 meals, transported 161 seniors, and had 33 attendees for the Wellness Program. In total they served approximately 632 seniors.

The Literacy Volunteers of the Lowcountry received \$10,000. They used the County allocation to enroll and sustain adult literacy students in their classes with the following outcomes: 28 adults were placed in literacy programs, 24 students advanced one or more literacy levels, and 71 students achieved three or more functional goals – 18 found employment, 22 attained consumer skills, 8 increased involvement in their children's education and 23 increased their involvement in the community.

The proposed 2011 allocations are as follows: Department of Health and Environmental Control — \$65,000, Coastal Empire Community Mental Health Center — \$121,000, Clemson University Extension — \$5,000, Beaufort Soil and Water Conservation District — \$19,000,

Lowcountry Regional Transportation Authority — \$246,000, Child Abuse Prevention Association (CAPA) — \$30,000, Children Opposed to Domestic Abuse — \$15,000, Hope Haven of the Lowcountry — \$15,000, Beaufort Jasper EOC — \$5,000, Senior Services of Beaufort County — \$55,000, and Literacy Volunteers of the Lowcountry — \$10,000; this totals \$586,000, and it leaves a net balance of \$140,000 to be used for Alliance grants - \$90,000 for grants to coalitions and Alliance members and \$50,000 for Grant Writers Program and matching funds.

Mr. Leyda reviewed the 2010 Volunteer Income Tax Assistance (VITA) Coalition results wherein 1,660 applications were processed. There were 32 community volunteers trained as tax preparers and 24 VITA sites available throughout the county. The average tax return received by low-income families in Beaufort County was \$1,600. This had an economic impact of \$1.9 million, without any “multiplier effect.”

Mr. Flewelling wanted to know if the remaining money went toward grants or overhead. Mr. Leyda replied, just grants.

Mr. Flewelling expressed his concern about the increased money for grants, with the allocation reductions over the previous year. They are really important. Why is it more important to have money to have for grants, outside of this group?

Mr. Campbell stated this is the third year we have been through this exercise. Council directed us to spread the money to other organizations providing services.

Mr. Flewelling stated a list of those outside agencies, which received funding, was not provided. Mr. Campbell stated they will provide that information to Council.

Mr. Leyda stated that was his point in bringing up VITA. The effort was to increase allocation of funds for agencies partnering with one another.

Mr. Flewelling stated without Council oversight he cannot vote to increase the amount of money given to outside agencies.

Mr. Leyda went through the list of agencies that received funding.

It was moved by Mr. Flewelling that Finance Committee postpones consideration of this item for 30 days.

Ms. Von Harten stated we need to look more at expenditures. We, as Council, have felt burned from other stuff.

Mr. McBride stated he does not feel burned. He believes Mr. Campbell to be correct – this is the avenue we decided to take. The Alliance did what it was supposed to do. There were only a handful of agencies on the preferred list. This gives other agencies the opportunity for funding.

Mr. Stewart stated most of the groups that lost part of their monies are sitting around this room. Were they are a part of the discussion?

Mr. Campbell stated they were informed in writing. This year was supposed to be the last year of real funding. All the monies were supposed to move to the Alliance, but in this economic situation many expressed their inability to provide services if that were to happen. Therefore, we decided to do this one more year.

Mr. Stewart stated he has not heard of any discontent from the agencies. If so, they would have come forward.

Mr. Campbell stated we tried to maximize the resources Council provided and have the agencies work closely together. This is a way of pulling them together. It was not the desire of Council to deal with these agencies.

Mr. Baer stated he has faith they are doing a good job. From a reporting standpoint, there is a bit of a reporting gap. Last year, there was an un-allotted amount of which \$80,000 was given in grants. Some of that money went to agencies that were in the primary grant. Reporting should be more complete. He is in favor or postponing it so some of these gaps can be filled in.

Mr. Campbell asked Mr. Leyda to talk about the \$80,000, the agencies that received those funds and why they received double funds.

Mr. Leyda stated the grant process scores applications. Some can be eligible for a grant, as well as a piece of that organization. This year we have our first meta-coalition. Three coalitions formed a group that will leverage \$210,000 and 10 VITA volunteers. Many said they will use four more than the three coalitions. They will try getting others in.

Mr. Sommerville thanked Mr. Leyda for his hard work. If we pass this today, how many readings are required at Council? The Committee concurred, one reading. Mr. Sommerville said he does not see any reason the details cannot be presented at the next Council meeting. Some organizations are hanging by a thread and need the monies as soon as possible. Mr. Leyda stated they could also be waiting for drawdown monies or matching grants.

Mr. Flewelling stated his first objection was due to his absence at the November 29th Council meeting. Also, Council already set the budget for the monies going out now. This will not affect this year's budget. This money is 2011 allocation. What we vote on now will not have any effect until the next budget cycle.

Mr. Rodman clarified the allocations are for this fiscal year's budget. Mr. McBride stated Council approved a lump sum in June. We are now deciding how this should be distributed.

Mr. Rodman added his understanding is that there was one line item in the current budget. The allocation of that line item would be determined later.

Mr. Flewelling stated, when he asked administration the amount the agencies would receive, their response was the agencies would receive the same amount as before.

Mr. Rodman stated two or three years ago we decided this should be handled as a block grant and the Alliance would take a more holistic look at it. In FY 2012, will we get to the block grant?

Mr. Morris replied probably not, due to the discussion we are having now.

Ms. Von Harten stated she agreed with this process. However, she said she expected the Sheriff's Office to step forward and provide money for CAPA. There are funds in place that could be moved and they are not. Also, she expected Coastal Empire Mental Health and B/J Comprehensive Health to fall under the Indigent Care line item and expected them to get supplementary funding. Perhaps she should have communicated more quickly.

Mr. Stewart stated we can get more information, delve into this more deeply, but is it the role of Council to get involved in what staff does or should we let staff deal with it? Even with additional information, it will not give more insight on how to allocate the money. We do not know as much detail and are not able to change things. The groups receiving money are not complaining. We want to have oversight, but there is a point where we need to rely on staff. He is comfortable moving forward and letting staff deal with the block grant.

Mr. Flewelling stated it is the same as with our Accommodations Tax Board, which brings information back to Council. We have a list of the projects and some oversight. We appoint those Board members and approve their grants. This is a blatant disregard to our oversight. Perhaps we should look at this whole process.

Mr. Campbell stated they will provide whatever information is wanted and needed. We did not want to overburden the committee with too much paper. If we have to do that, we will. If we need to tell how many people we serve or how the money was leveraged, we will do that. Over the past 15 years we have used the same approach of verifying how money was allocated. The agencies are well aware of the fact that when the monies are allocated to them, they must tell us where those dollars were used (mid- and end-year reports). Most are spent appropriately. There are political challenges. We will always be questioned about something. What we are doing is in the best interest of all.

Mr. Flewelling stated he is sure they have done a good job. We just do not have any authority.

Mr. Baer stated there is a simple compromise. He will approve the funding if we receive a one-page report showing how the \$80,000 was allocated and seeing a mid-year progress report on the \$90,000.

Mr. Flewelling agreed with that. He just wants oversight.

Motion to Amend

It was moved by Mr. Flewelling, that Finance Committee approves the recommended allocation of the funds, so as long as Council receives a one-page report showing the allocation of the grant monies and receives a mid-year progress report. The vote was: FOR – Mr. Baer, Mr. Flewelling, Mr. McBride, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Ms. Von Harten. The motion passed.

Mr. Rodman wanted to know if there is logic to have outside folks receive the block grant. Is the Alliance in a better position to make decision on the allocations? If we want to revisit the block grant piece, we need a motion.

Mr. Flewelling and Ms. Von Harten said they thought this to be a good Retreat discussion item.

Mr. McBride stated as long as everyone is satisfied, it is not necessary. The Alliance can provide information on how the dollars are distributed.

Mr. Flewelling stated the Alliance is our best organization and he will endorse what they do with our monies. He just wants to know where the monies go.

Mr. Rodman thought the dollars for LRTA should be in their own pot of money – their own line item. Mr. Leyda agreed.

Recommendation: Council approves FY2011 allocations as follows: Department of Environmental Control — \$65,000, Coastal Empire Community Mental Health Center — \$121,000, Clemson University Extension — \$5,000, Beaufort Soil and Water Conservation District — \$19,000, Lowcountry Regional Transportation Authority — \$246,000, Child Abuse Prevention Association (CAPA) — \$30,000, Children Opposed to Domestic Abuse — \$15,000, Hope Haven of the Lowcountry — \$15,000, Beaufort Jasper EOC — \$5,000, Senior Services of Beaufort County — \$55,000, and Literacy Volunteers of the Lowcountry — \$10,000, totaling \$586,000. This leaves a net balance of \$140,000 to be used for Alliance grants — \$90,000 for grants to coalitions and Alliance members and \$50,000 for Grant Writers Program and matching funds. The Alliance must provide Council with a report on FY2010 outside agencies funding and from here-out must provide mid-year reports.

2. Presentation and Consideration of Contract Award – Radio Frequency Identification (RFID) for County Library Services

Discussion: *Note: Considered as a Finance Committee item.* Mr. Wlodek Zaryczny, Library Director, presented the Committee with a PowerPoint Presentation on the Radio Frequency Identification (RFID). RFID is not new technology and has been with us since World

War II. The British used it to distinguish their aircraft from the German aircrafts. It became quite popular and continues in that path. It was adopted by the banking, medical and industrial fields in the 1970s. Libraries adopted it starting in the 1990s. The RFID allows you to utilize a reader to do multiple checkouts of material. One key issue is circulation. For example, the library saw a modest 22% increase in circulation over a five-year period. The justification and return on this is based on circulation figures. If we had a circulation of 10,000 for the entire County, then this project would not be worth pursuing and would not have a cost benefit. Why does circulation increase? The big reason is reduction in the economy. That is synonymous with library trends for the past hundred years. As soon as the economy is in trouble, there is an instant increase in utilization of library resources. Also, we have the new Bluffton Branch Library come online and people then had items they could check out. Another reason for the increase is our library system joined a consortium of 10 libraries in the state. That increased the number of items we have to over \$2 million. He displayed three video clips that demonstrated the inventory, sorter and self check out of RFID.

Richland County and Aiken Library Federation uses RFID. Charleston County just started RFID and Spartanburg County is looking into it. He then introduced Mr. Dave Thomas, Purchasing Director, to go over the purchasing details.

Mr. Dave Thomas, Purchasing Director, stated the Council followed the purchasing code, it was a competitive RFID process and it will cover an addition to the new St. Helena Island Library at Penn Center. The initial pricing we received from ITG was evaluated by staff and an evaluation committee comprised of the library staff, Facilities Maintenance Director, and MIS staff. We looked long and hard trying to select the best system to put into our libraries. ITG was the best company. As time went by the price of equipment and tags decreased due to the new library coming on line. The recommendation to Committee is to approve and recommend to County Council an initial contract award of \$970,711 to ITG for the RFID equipment and services and an additional contract for services in the amount of \$79,075 per year for maintenance with the possibility of four additional, one-year contracts subject to County Council's approval.

Mr. Alan Eisenman, Financial Analyst, reviewed return of investment for the RFID project. He broke it down by five branches, using salaries and benefits, circulation of staff and compared it to the efficiencies gained and the reduction in circulation of staff in implementing. The total calculation is \$1,270,003 and is broken down as follows: Beaufort Branch \$286,773, Bluffton Branch \$503,755, Hilton Head Branch \$235,375, Lobeco Branch \$70,146 and St. Helena Branch \$173,954. These figures are over a five year period. He also performed a discount cash flow calculation. Using a 5% discounted rate, it came out to a little more than \$1 million.

How are we going to pay for this? The Finance Department recommends using the following funding sources the first year.

Beaufort Branch

- 2005 Bond Contingency (11435-56000)
 - \$213,855

- 11435-56000 has a balance of \$1,046,094

Bluffton Branch

- Bluffton Library Impact Fees (09230-54200)
 - \$200,022
 - Fund 09230 has a balance of \$1,170,760

Hilton Head Branch

- HHI/Daufuskie Library Impact Fees (09210-54200)
 - \$200,660
 - Fund 09210 has a balance of \$406,057

Lobeco Branch

- Sheldon Library Impact Fees (09280-54200)
 - \$54,847
 - Fund 09280 has a balance of \$168,606

St. Helena Branch

- Lady's Island/St. Helena Library Impact Fees (09260-54200)
 - ~~\$114,590~~ \$321,864
 - Fund 09260 has a balance of \$1,096,146

Mr. Baer pointed, out the studies show the quote for St. Helena to be \$321,864, but the impact fee is only \$114,590. Where is the other \$207,000 coming from? Mr. Eisenman apologized; the number was a typo – it should be \$321,864.

Mr. Flewelling wanted to know why the cost for St. Helena is higher than any other libraries.

Mr. Zaryczny stated the design is totally different. The differential in the cost is the conveyor system – it takes materials from a drive-up check-in window, conveys the material under the floor and takes it to the opposite side of the building where the five-bin sorter is located. That then matches up with a simultaneous sorter that comes from another part of the library. The two meet and feed into the five-bin sort system. The other branches do not have that. We felt the cost would be prohibitive. There is no conveyor system. Instead, there is a short drop into the five bins. They have small, short conveyors.

Mr. Flewelling stated ITG originally bid \$538,046. Yet now staff is recommending we approve \$907,011. The only difference is St. Helena Branch Library. Mr. Zaryczny replied there was a customization of what ITG would provide in terms of having a total impact with regards to circulation. That increased the initial bid.

Mr. Flewelling wanted to know if staff gave TechLogic that same opportunity. Their initial bid was \$80,000 less.

Mr. Thomas stated part of the process is looking at the total proposal. They are not going to have the same type of system or software. We looked at who had the best system. TechLogic did not get a chance giving us a price on St. Helena Branch Library. They were provided the chance to interview on their process and their type of equipment. Overall we felt that ITG was the best system.

It was moved by Mr. Flewelling, seconded by Mr. McBride, that Finance Committee approves and recommends that County Council awards an initial contract of \$970,711 to ITG for the RFID equipment and services, and an additional contract for services in the amount of \$79,075 per year for maintenance with the possibility of four additional, one-year contracts subject to County Council's approval.

Mr. Stewart stated if you look at where the money comes from, all, with the exception of the Beaufort Branch, is impact fees. Beaufort Branch comes from the general fund. They do not collect library impact fees. He asked those serving on the Northern Regional Implementation Committee to get that straightened out. It is not appropriate for the City of Beaufort, especially, with the growth boundaries potential and the infill. They should be collecting and putting those monies into a fund. That must be stopped. Several of us here have had discussions with Beaufort City Council members and explained to them, how this works. They have refused to accept that and understand. It is high time that this is resolved.

Ms. Von Harten spoke on behalf of the City of Beaufort. They serve as the hometown for this region. We get a lot of people who come in, use City resources and enjoy the Waterfront Park. Beaufort City provides a lot of services for the County overall and is not charging us for.

Mr. Stewart stated that has nothing to do with it. The argument does not hold. It has been out of balance and out of control for awhile.

Ms. Von Harten stated it is not like there would be a lot of impact fees as in Bluffton because there is not as much building in Beaufort.

Mr. Stewart stated there is infill that will be going on. There will be growth boundaries and new annexations. This has to be put into place.

Ms. Von Harten thought maybe the County should send the City some money to help maintain the Waterfront Park.

Mr. Baer stated in January 20, 2010 he sent an email to Mr. Zaryczny. He sent another email March 24 with the same questions that were still not answered — percentage of cost at each branch for stations, conveyors, conversion costs, and assumptions made. We have verbal information, but there is not a table of costs and equipment at each branch. Where are the savings coming from? Are they self check in, inventory, or checkout? When looking at the data, about a year ago, the bulk of the savings were concentrated in one spot. It would be nice to see that. The people savings, for example – the Lobeco Branch has just two part-time people in it. The folks on Hilton Head and Bluffton are very concerned that we are taking impact fee money (which

should be used for books) and using it to buy machinery, getting personnel savings from that. Those personnel savings are being sported to different places and not staying in the branches that spent the impact fee money. There is a great deal of anxiety about that with his constituencies. He is upset; the questions he asked for twice, in writing, have yet to be answered.

Mr. Starkey stated the savings are based on the fact the machine can do the process for a human being. We are going to have to hire more individuals based on the circulation, as opposed to buying a machine. There is a one-time hit being proposed on the impact fees. After that you are not allowed to use impact fees for the operation of this. The return on investment you see says if we keep going on the lines we are going, we will need x amount of people. If we buy this system we will save general operations money. You are expending your impact fees money for the purpose in which they were intended — materials, machines, new building, etc. Then that will allow the library to operate more efficiently. We can give Council a 50-page presentation on it.

Mr. Baer asked for a simple table of where the major costs are at each of the branches. Mr. Starkey stated that is what he thought the return on investment provided.

Mr. Baer wanted to know how much we spend on conveyors, sorting machines and the conversion cost at each of the libraries. Mr. Starkey stated the conversion cost was distributed at the January meeting. None of the machinery numbers changed.

Mr. Baer stated that is what he has been asking for the last 18 months. He also stated that the Bluffton branch has a 90,000 collection. What is assumed as the seconds per items for conversion?

Mr. Jonathan Ceips, Integrated Technology Group Consultant, spoke before the Committee. One conversion station for most libraries, with an individual working 40 hours per week, can handle 25,000 items in a month. If you put two people on the conversion station and it is the wrong people, they can do 15,000 in a month. We had libraries put two people on a conversion station with less than 25,000. While other libraries converted 35,000. Baltimore County had 1.5 million items to convert, put three people on a machine and did 50,000 items in a month, per machine. They had 10 teams of three and did 1.5 million items in six weeks.

Mr. Baer said he wanted to know if the conversion stations and tags are included in the cost estimates. Mr. Ceips replied in the affirmative.

Mr. Baer proposed any staff cost savings in the branch in excess of that needed to offset the system initial and annual costs, stay at that branch to maintain, to enhance services or to staff at that branch. He does not want to exploit savings to other branches. We are very concerned about that. All libraries should have the same grade of service.

Mr. Starkey stated part of the rationale behind this is that it goes hand-in-hand with smart decline. Unfortunately, our general fund was down by \$2.7 million last year; we need to save as much general operations money as we can. This is one way of doing it to where we are not hiring

as many folks to provide the same level of service we can do. Being that our revenues declined, this is the way we have to save costs. We cannot keep funding everything at the same level that we did in the past years without experiencing these large losses in the general fund.

Mr. Baer stated that is why he asked for the library budget for 2010 allocated and spent, and the same numbers spent for 2011, *i.e.*, to make sure the libraries are taking a similar type of smart decline hit as other departments. We all have to take smart decline. We are worried the libraries are taking a massive hit.

Mr. Starkey stated amongst smart decline we were also not smart over the last number of years in using impact fees. We have large amounts of monies in impact fees for all of these libraries. A lot of these libraries did not expend money on materials, but expended from the general fund. This is where we are starting to say our general fund is the most important fund. There are restrictions and purposes for certain items. Impact fees are restricted for these particular items. If we can use these amounts, buy what we should have been using in the first place, we can then use our general fund and decline it enough so we are not losing monies out of our general fund each year, but are still providing that same level of service.

Mr. Baer spoke of the quality level of service which is his concern. A library contributes its impact fee money to machinery to save resources. Then the savings should stay in that library.

Mr. Rodman stated his understanding is that the impact fees are used for the first year, and then we will use the general fund in the future.

Mr. Sommerville spoke about the funding source for Beaufort Branch. He wanted to know if Mr. Starkey could speak on the bond issue and the purpose. Mr. Starkey replied it is the 2005 bond issue, contingency. We either completed projects under budget or there was contingency in the beginning of that particular item. Those monies are not committed to any particular project. The Beaufort area does not collect impact fees. Based on the fact that you would have four of the five branches, within the system and one without, it would throw things in disarray. Therefore, it comes out of the General Fund.

Mr. Sommerville stated he personally lobbied Beaufort City Council, on several occasions, to correct the fact they do not have library impact fees. He does not think it is going to happen. If we withhold this funding on the Beaufort Branch Library we are making a political statement, but are also shooting ourselves in the foot because it will end up costing us more money. He does not know if it makes sense to try to accomplish this.

Mr. Stewart stated he is not advocating we hold this up. There will be time in the Northern Regional Implementation Committee whereby leverage can be used to try to get these impact fees.

Mr. Sommerville stated if leverage presents itself, he will use it.

Mr. Sommerville pointed out that Lady's Island is making a great contribution toward the St. Helena Island Branch Library.

Ms. Von Harten stated from a policy standpoint if we want to encourage density in our urban areas, we must encourage lower density in rural areas. From a policy standpoint it makes sense to keep the cost down for building in Beaufort.

Mr. Baer stated a simple amount of data showing 2010 and 2011 library budget allocated and spent for the past year, per branch would allow them to make sure all the branches are treated fairly.

Mr. Hill stated at year end that information was provided. Mr. Baer would like the latest update. Mr. Hill stated he will forward it to Council.

Another of Mr. Baer's concerns is the libraries receive adequate staffing. There is a report showing there are 14 full-time empties and 5 part-time empties. Mr. Hill stated he will continue to see, per Council's directive, that we manage our shortfalls through vacant lines.

Mr. Baer stated the libraries are taking a 22% smart decline and wanted to know if the other departments are taking that same amount of decline.

Mr. Rodman stated we have vacancies. When we make this investment we will need fewer people or we are saving some of the vacancies we should be filling.

Mr. Rodman also commented about the School District identifying two schools to close -- Shell Point Elementary and St. Helena Early Learning Center. They commented that they would be used for other things such as a library. Mr. Hill stated he has not heard that.

Mr. Rodman stated it sounded like what was said is because of the layout we will spend more on conveyors to move these books around than other libraries because of configuration. There would probably be fewer books handled because of the lower population area. Do we have a place where we are over investing in automation? Could a person do the work more efficiently?

Mr. Zaryczny stated the new St. Helena Branch Library is going to service two main communities -- Lady's Island and St. Helena Island. Their population base will be about 35,000. We do see considerable circulation.

Mr. Baer stated once a month he sees reports of meetings, memos, architectural models, details of the building, etc. in regard to the St. Helena Branch Library. He wanted to know when Council would be briefed on that building.

Mr. Hill stated he has been working with Mr. Roland Gardener, Executive Director Beaufort/Jasper Comprehensive Health, because our master plan has two buildings at one location. Most of the meetings are to get Mr. Gardener's groups and staff together. We have square footage, which was approximately 27,000 square feet, but it remains unknown. That

library will cost an approximate \$10 million. That is what is in the resolution and what staff has tasked the architect to do. When the actual bid documents are provided, staff will bring it forth to Council.

Mr. Baer stated he would like a 30-minute briefing on where we are on the St. Helena Branch Library. Mr. Hill stated Council deserves that, but when staff is ready to present it, we will. At this point, staff is not ready.

Ms. Von Harten wanted to know the timeframe for approving this RFID. Mr. Hill stated we would like it approved as soon as possible — today. That would allow us to begin working on the other libraries.

Mr. McBride reminded everyone the St. Helena Branch Library is also going to serve as a disaster recovery site. Mr. Caporale concurred.

Mr. Caporale inquired as to the timeframe on the construction of the library. Mr. Hill stated 12-18 months.

Mr. Caporale wanted to know if the RFID cost would hold firm in that timeframe. Mr. Hill replied in the affirmative.

Mr. Baer would like to receive the date report prior to the Council meeting. He would be happy to go forward with this, after that data is received.

Mr. Sommerville stated the biggest issue on Lady's Island is bridge traffic. Anything that reduces traffic is a good thing. Anything that increases traffic is a bad thing. The park is going to be great. It will reduce bridge traffic. When the convenience center on Lady's Island was closed, many people were upset. There were also a lot of complaints about St. Helena Island Drop-Off Center -- the rails were too high -- therefore, people were having to drive to Beaufort to one of the other drop-off centers. The point is, when this library opens, he suspects everyone on Lady's Island goes there, loves it and never has to cross the bridge to get to a library. His realistic sense is that there will be some concerns. He asks staff to be sensitive to those concerns and complaints.

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

Recommendation: County Council approves an initial contract award of \$970,711 to ITG for the RFID equipment and services and an additional contract for services in the amount of \$79,075 per year for maintenance with the possibility of four additional, one-year contracts subject to County Council's approval.

INFORMATION ITEMS

3. Presentation – Future Finance Projects

Discussion: *Note: Considered as a Finance Committee item.* Mr. David Starkey, Chief Financial Officer, stated the Finance Department wanted to provide Council with a presentation of the plans for the interim and throughout, to improve our processes. When we do not strive for improvement, we stagnate. He reviewed a summary of projects.

One glaring issue we have this coming year, fiscal year 2011, is the implementation of a new Governmental Accounting Standards Board – GASB 54. It is required in all FY2011 CAFRs. We are required to report our fund balances in more detail. Furthermore, special revenue funds, whose revenues mostly come from the General Fund, must be consolidated into the General Fund. What many counties and municipalities throughout the country were doing was dumping monies in special funds to level their revenues in the good years. And in the bad years the monies were transferred back into the General Fund. GASB 54 got wise to that and implemented this new requirement. We had a few funds funded by the General Fund and all but one of those were eliminated. There is one other fund in FY2011 that will be consolidated into the General Fund. GASB 54 is designed to get more reported detail in fund balance and to prevent misreporting fund balances.

As part of a FY2010 directive, there was the implementation of a Fund Balance Policy. We will be working on this and shortly will be making a presentation to Council in regard to it. If we ever have a major hurricane, it will most likely occur in the months of August or September. That coincides to when our fund balances are at their lowest. That is something we need to keep in mind, and worry about, so we can make our debt payments in the event a hurricane ever hit and took out much of our property values. The rating agencies want to see a policy of that nature. That could be put together within the next two months.

Mr. Starkey introduced Ms. Alisha Holland, Financial Analyst, to speak to the Committee. We are working on improving grant reporting. This has to do with Federal and State grants we receive. Due to their strict compliance requirements, our objective is to prevent the loss of future grants and allow for accurate, timely reporting of the reimbursement.

She informed the Committee: the Finance Department is also working to consolidate accounting functions to the proper departments. One example is the Airport Fiscal Tech who currently reports to the Finance Department. That Fiscal Tech is physically located here three days a week. Our objective is to properly train other fiscal techs, within other departments, and to help streamline the accounting function. This will help to prevent unnecessary expenditures, provide timeliness of invoices coming through accounts payable, and prevent paying penalties and late fees, etc.

Mr. Alan Eisenman stated another thing the Department intends to work on in the next year is Family Court Child Support account. Family Court prints about 200 checks a day. You can imagine how much time is involved in posting and how many outstanding checks there are each month. We began the process of cleaning up the outstanding checks by opening up a new child support account, keeping the old one open to see which checks have been trickling in. Once we have a good list together, we will void the original checks and reissue checks to these parents.

Once that is completed, then we can escheat to the state. If those funds are not claimed within a five-year period, they are returned to the County. It could become a revenue source later on. Another part of this process is that other counties in the state are converting writing checks to a direct deposit method. We will talk to other counties that have implemented this process and get their policies and procedures to see what worked for them and what has not. We are not expecting every custodial parent to be receptive or open to providing their bank account, but if we can get half to follow the new policy it will save us a lot of time and money, and help prevent fraud. There was one incident this past winter where a custodial parent in Chicago was cashing her child support check twice. We believe she was copying her check, cashing it at one bank and two days later going to another bank and cashing it again. Since this fell out of our jurisdiction, we had to report it to the Chicago City Police Department. Beaufort County has been reimbursed for these fraudulent check charges. This direct deposit method will prevent any of this from happening in the future.

Mr. Starkey stated two years back when we were reconciling our Tax Increment Financing (TIF) there were some large maps presented that showed if it was a square area everything should be colored blue and outside of that should be colored white. What we were seeing in the maps and how they degenerated over the years was that there would be blue spots all outside of the square and white spots within the square. This is a part of a process to prevent something from snowballing from a ten-year problem that every couple of years now we should look at these maps so that if a parcel had split up, that it still be coded within that TIF. That was a huge issue behind the New River TIF. There were some very large tracks in District 603 at the start, but as Sun City developed they got broken down into small tracks for individual suburban properties and coded into the wrong district. That led to the large misstatement. Looking at these maps every few years will prevent those types of occurrences. He is working hand-in-hand with the Assessor's Office and MIS Department to make sure this occurs. Those results will be given out to the municipalities once the maps are complete.

Mr. Baer informed the Committee that Hilton Head Island map shows the Airport as 107 acres, while Beaufort County's shows it as 92 acres.

Mr. Eisenman stated another project is to clean up our Capital Asset Internal Audit reports. There are a lot of old assets that still appear on these asset reports. There is no effect on the financial statements since they are fully depreciated. Capital Assets make up about two thirds of our total assets. Our external auditors also test our capital assets each year as part of the County's audit. This will be the first time we have conducted an internal audit. In May 2010, we sent out reports to each Department with their capital asset listing and asked them to let us know which assets were gone and which ones needed to be added. Once we are finished with the process and have updated their records, then we will begin going to random inventory observation sites and comparing it with what we have on our list. We want to make sure what we have physically exists.

Ms. Holland stated we have improved our Finance website. There are all sorts of financial reports added. As of Friday, all of the FY2010 and FY2011 interim reports are on the site. As time goes by, more information will be added.

Mr. Flewelling wanted to know if there is autonomy in the capability to amend the website for the Finance area. Ms. Holland replied yes.

Mr. Eisenman informed the Committee the Finance Department is going to purchase CAFR software. The way we draft the CAFR now takes awhile — 80 hours [sic]. We are looking to purchase this software to speed up the year end and interim report, as well as help prevent misstatements in the CAFR and interim reports.

Mr. Flewelling wanted to know if it would be MUNIS and Manatron compatible. Mr. Eisenman stated it will be MUNIS compatible.

Mr. Starkey stated with that software we could have probably issues our CAFR a week earlier. That will speed up the process as well as give Council more valid data.

Mr. Caporale wanted to know the cost. Mr. Starkey stated it is approximately \$5,000. It is minimal compared to what it would cost for someone to continue working that number of hours for us.

Mr. Starkey stated we are continuing to go paperless. We began scanning every journal entry, budget amendments and cash reconciliations. Come audit time we can prevent the auditors from having to make a trip, saving a lot of money. Instead we can email them the documentation. This will essentially save money and improve controls. We will need less space in Records Management; it helps prevent loss of records and helps reduce audit costs.

The projects to be undertaken will help the County improve financial and grant reporting, will improve controls and will save the County money.

Mr. Rodman stated *The Agreed Upon Procedures* were approved at the last Council meeting. At that time, the Chairman asked we look at that in more detail. He asked Mr. Starkey that when they bring it forward to break it down by areas. We will be scheduling that in the near future. Another one is the quarterly reporting – it would be good for us as a group to take a look at that and see if there is anything different we would suggest. Also, Mr. Baer wanted to revisit the Airport financials.

Mr. Baer stated about two months ago, in Executive Committee, Mr. Hill showed the functions that were being performed by each of the various departments and we were going to map that into headcount to try to monitor smart decline. We need to see that information at some point.

Status: This item was for information only.

4. Consideration of Reappointments and Vacancies

- **Foster Care Review Board**

Discussion: This item was taken as part of Community Services Committee. Mr. McBride stated there has been a slot available on this Board for some time that we did not have any candidates for. As of yesterday, this candidate, Dorris Williams, came forward to serve on the Board.

Recommendation: Council nominates Dorris Williams to serve as a member of the Foster Care Review Board

- **Library Board**

Discussion: This item was taken as part of Community Services Committee. Mr. McBride stated we talked about this for a couple of months now. The Chairman was supposed to find a candidate for that slot. There was an agreement between Mr. Stewart and he that if he did not have a candidate available that Mr. Stewart could bring forward a name.

Mr. Stewart expressed his concern for nominating a candidate on the Board since he has yet to speak to the Chairman. There is a person out of his district that is very qualified and would like to serve on the Board.

After much discussion the Committee decided to delay this item for a later meeting to find out the desire of the Chairman.

Status: This item will be brought up at a later meeting.

- **Accommodations Tax Board**

Discussion: Ms. Von Harten presented the Committee with an application for a Ms. Jean Bullen-Ennevor.

Status: This item will be brought up at a later meeting.