

# COUNTY COUNCIL OF BEAUFORT COUNTY

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WM. WESTON J. NEWTON  
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, May 23, 2011

4:00 p.m.

Hilton Head Island Branch Library  
11 Beach City Road, Hilton Head Island

Citizens may participate in the public comment periods and public hearings telephonically from Council Chambers of the Administration Building, Government Center, 100 Ribaut Road, Beaufort and as well as Mary Field School, Daufuskie Island.

- 4:00 p.m.**     1. **CAUCUS**  
                  Large Meeting Room, Hilton Head Island Branch Library
- 5:00 p.m.**     2. **REGULAR MEETING**  
                  Large Meeting Room, Hilton Head Island Branch Library
3. CALL TO ORDER
4. PLEDGE OF ALLEGIANCE
5. INVOCATION
6. PUBLIC COMMENT
7. COUNTY ADMINISTRATOR'S REPORT  
   Mr. Gary Kubic, County Administrator ([report](#))
- The County Channel / Broadcast Update ([backup](#))
  - Two-Week Progress Report ([backup](#))
  - Civil Air Patrol Commendations / Recognitions
  - Recognition / SC Department of Transportation Adopt-a-Highway Program Volunteer Group Award for Beaufort County - "The Riverbend Residents Group"
  - PowerPoint Presentation – Tanger Outlet Center Redevelopment  
   Mr. Jon Rembold, Ward Edwards
  - FY 2011 Year-end Closure Procedures / Five-Day Staggered Employee Furlough

Over



- A Resolution Allowing the Beaufort County Administrator to Institute Certain Measures Cutting Costs and Reducing Expenditures Through the Implementation of Mandatory Unpaid Furlough Days Due to Unforeseen Economic Conditions ([resolution](#))

8. DEPUTY COUNTY ADMINISTRATOR'S REPORT

Mr. Bryan Hill, Deputy County Administrator

- Two-Week Progress Report ([backup](#))

CONSENT AGENDA

Items 9 through 17

9. TEXT AMENDMENT TO THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE, ADDING A NEW ARTICLE: ARTICLE XVII. TRANSFER OF DEVELOPMENT RIGHTS (TDR) ([backup](#))
- Consideration of second reading May 23, 2011
  - Public hearing announcement – Monday, June 13, 2011, beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
  - First reading approval occurred May 9, 2011 / Vote 10:1
  - Natural Resources Committee discussion and recommendation to approve occurred May 2, 2011 / Vote 5:0
10. AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), TO ALLOW FOR CONTROL OF STORMWATER VOLUME FROM “LOTS OF RECORD BUT NOT BUILT.” THESE CONTROLS WILL MITIGATE WATER RESOURCE IMPACTS FROM CONSTRUCTION IN PREVIOUSLY APPROVED DEVELOPMENTS THAT DO NOT HAVE VOLUME CONTROLS. ([backup](#))
- A. SECTION 106-7. EXEMPTIONS OF DEVELOPMENT TYPES
  - B. SECTION 106-8. EXEMPTION FROM SUBDIVISION REVIEW
  - C. SECTION 106-18. DEFINITIONS. (ADDING NEW DEFINITION—BEST MANAGEMENT PRACTICES, ON-SITE)
  - D. SECTION 106-732. ZONING PERMIT
  - E. SECTION 106-2857. EXEMPTIONS FROM SITE RUNOFF CONTROL AND DRAINAGE PLANNING/DESIGN.
  - F. SECTION 106-2861. RETENTION/DETENTION FACILITIES
  - G. SECTION 106-2865. ON-SITE SINGLE FAMILY LOT, BEST MANAGEMENT PRACTICES (BMP) (ADDING NEW SECTION)
- Consideration of second reading May 23, 2011
  - Public hearing announcement – Monday, June 13, 2011, beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
  - First reading approval occurred May 9, 2011 / Vote 11:0

- Natural Resources Committee discussion and recommendation to approve occurred May 2, 2011 / Vote 5:0
  - Natural Resources Committee discussion occurred February 8, 2011
11. TEXT AMENDMENT TO THE BEAUFORT COUNTY COMPREHENSIVE PLAN, APPENDIX L. BUCKWALTER PARKWAY ACCESS MANAGEMENT PLAN, WITH A NEW FIGURE 5 THAT ALLOWS THE INSTALLATION OF A TEMPORARY LIGHT AT PARKER DRIVE WHICH SHALL BE REMOVED UPON COMPLETION OF PHASE 5B OF THE BUCKWALTER PARKWAY, AND THE MEDIAN OPENING AT PARKER DRIVE WILL BE CLOSED UPON COMPLETION OF PHASE 5B, AND PHASE 5B ALIGNMENT SHALL REMAIN AS IS, AND AS PART OF PHASE 5B CONSTRUCTION, TWO ADDITIONAL RESIDENTIAL ACCESS POINTS WILL BE SIMULTANEOUSLY BUILT TO PROVIDE ADDITIONAL RESIDENTIAL ACCESS POINTS FOR ADJACENT RESIDENTS ([backup](#))
- Consideration of second reading May 23, 2011
  - Public hearing announcement – Monday, June 13, 2011, beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
  - First reading approval occurred May 9, 2011 / Vote 11:0
  - Natural Resources Committee discussion and recommendation to approve occurred May 2, 2011 / Vote 4:0
12. AN ORDINANCE TO ESTABLISH, PURSUANT TO SECTION 4-1-170 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, A MULTI-COUNTY INDUSTRIAL/BUSINESS PARK, TO BE KNOWN AS THE RIVERPORT MULTI-COUNTY PARK, IN CONJUNCTION WITH JASPER COUNTY, SOUTH CAROLINA, SUCH PARK TO BE GEOGRAPHICALLY LOCATED IN JASPER COUNTY, SOUTH CAROLINA; TO PROVIDE FOR A WRITTEN AGREEMENT WITH JASPER COUNTY AS TO THE SHARING OF THE REVENUES AND EXPENSES OF THE PARK; TO PROVIDE FOR THE DISTRIBUTION OF REVENUES FROM THE PARK AMONG TAXING ENTITIES HAVING JURISDICTION OVER THE PARK; TO PROVIDE FOR A FEE IN LIEU OF AD VALOREM TAXATION; AND OTHER MATTERS RELATED THERETO ([backup](#))
- Consideration of second reading May 23, 2011
  - Public hearing announcement – Monday, June 13, 2011, beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
  - First reading approval occurred May 9, 2011 / Vote 11:0
  - Governmental Committee discussion and recommendation to approve occurred May 2, 2011 / Vote 3:0 (lack of quorum)
13. BEAUFORT COUNTY ORDINANCE FOR REGULATION OF TOWING FROM PRIVATE PROPERTY IN BEAUFORT COUNTY ([backup](#))
- Consideration of second reading May 23, 2011
  - Public hearing announcement – Monday, June 13, 2011, beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort

- First reading approval occurred May 9, 2011 / Vote 11:0
  - Governmental Committee discussion and recommendation to approve occurred May 2, 2011 / Vote 3:0 (lack of quorum)
  - Governmental Committee discussion occurred February 7, 2011
14. AN ORDINANCE BASED ON THE REQUEST FROM THE BEAUFORT COUNTY BOARD OF EDUCATION TO AMEND THE SCHOOL DISTRICT 2010-2011 GENERAL FUND BUDGET TO ACCOMMODATE THE CHANGE IN STATE FUNDING SOURCES PURSUANT WITH PROVISIO 1.79 OF THE GENERAL APPROPRIATIONS ACT OF 2010 ([backup](#))
- Consideration of first reading May 23, 2011
  - Finance Committee discussion and recommendation to approve occurred May 16, 2011 / Vote 6:0
15. AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND COUNTY COUNCIL STIPEND ([backup](#))
- Consideration of first reading May 23, 2011
  - Finance Committee discussion and recommendation to approve occurred May 16, 2011 / Vote 6:1
16. SHELDON FIRE DISTRICT REQUEST TO PURCHASE ENGINE PUMPER ([backup](#))
- Finance Committee discussion and recommendation to approve the purchase of a pumping engine in the amount \$56,000 occurred May 16, 2011 / Vote 6:0
17. CLEMSON EXTENSION REQUEST FOR FINANCIAL ASSISTANCE WITH THE DEVELOPMENT OF A LOWCOUNTRY FARMERS / SCHOOL DISTRICT ECONOMIC PARTNERSHIP ([backup](#))
- Community Services discussion and recommendation to approve occurred May 16, 2011 / Vote 5:1
  - Motion 1 – Approve \$30,000 to retrofit a room at the S.C. Community Development Corp. facility on St. Helena Island for food processing contingent upon receipt of the USDA grant in the amount of \$245,000
  - Funding source: FY 2012 general fund outside agencies contributions
  - Motion 2 – Loan the grant applicant, Penn Center, \$245,000 if the USDA grant is approved and a business plan is submitted to Council
18. FY 2011 / 2012 SCHOOL DISTRICT BUDGET PROPOSAL ([backup](#))
- Consideration of second reading May 23, 2011
  - Public hearing announcement – Monday, June 13, 2011, beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
  - First reading, by title only, approval occurred May 9, 2011 / Vote 10:1  
Finance Committee discussion and recommendation to approve on first reading, by title only, occurred May 5, 2011 / Vote 7:0

19. PRESENTATION / FY 2011 / 2012 COUNTY BUDGET PROPOSAL ([backup](#))

- Consideration of first reading May 23, 2011
- Finance Committee discussion and recommendation to approve the FY 2012 on first reading with no millage increase on operations, no millage increase on debt service and no use of reserves occurred May 16, 2011 / Vote 7:0
- Public hearing announcement Monday, June 13, beginning at 6:00 p.m. in Council Chambers of the Administration Building, 100 Ribaut Road, Beaufort
- Finance Committee discussion and recommendation to approve the fire districts' FY 2012 budget with a no mil increase (Bluffton, Burton, Daufuskie, Lady's Island/St. Helena Island, Sheldon) occurred April 25, 2011 / Vote 6:0
- FY 2012 Budget Workshop / Elected Officials presentations and discussion occurred April 27, 2011
- FY 2012 Budget Workshop / Reserve Policy presentation, discussion and budget guidance occurred April 5, 2011
- FY 2012 Budget Workshop / Allocations to Municipality for Public Safety, Employee Buy-Out Options, GASB 45 and 54, Myrtle Park Lease / Buy Option, Professional Service Agreements presentations and discussion occurred April 4, 2011
- FY 2012 Budget Workshop / Solid Waste and Recycling, Library, and Parks and Leisure Services Departments presentations and discussion occurred March 29, 2011
- Executive Committee discussion and staff direction to prepare a list of mandated versus non-mandated internal and external expenditures, as well as a definition of essential versus non-essential items occurred January 24, 2011
- Executive Committee discussion of essential versus non-essential items occurred February 28, 2011 and October 11, 2010
- Executive Committee discussion of smart decline contingency plan occurred March 1, 2010, August 23, 2010, September 13, 2010 and September 27, 2010

20. [COMMITTEE REPORTS](#)

21. PUBLIC COMMENT

22. 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 9 & 252
Time Warner Hilton Head Cable	CH 66
Time Warner Sun City Cable	CH 63

OFFICE OF THE COUNTY ADMINISTRATOR  
COUNTY COUNCIL OF BEAUFORT COUNTY

GARY KUBIC  
COUNTY ADMINISTRATOR

CHERYL HARRIS  
EXECUTIVE ASSISTANT

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BRYAN J. HILL  
DEPUTY COUNTY ADMINISTRATOR

LADSON F. HOWELL  
STAFF ATTORNEY

COUNTY ADMINISTRATOR'S REPORT

Monday, May 23, 2011  
5:00 p.m.  
Hilton Head Island Library

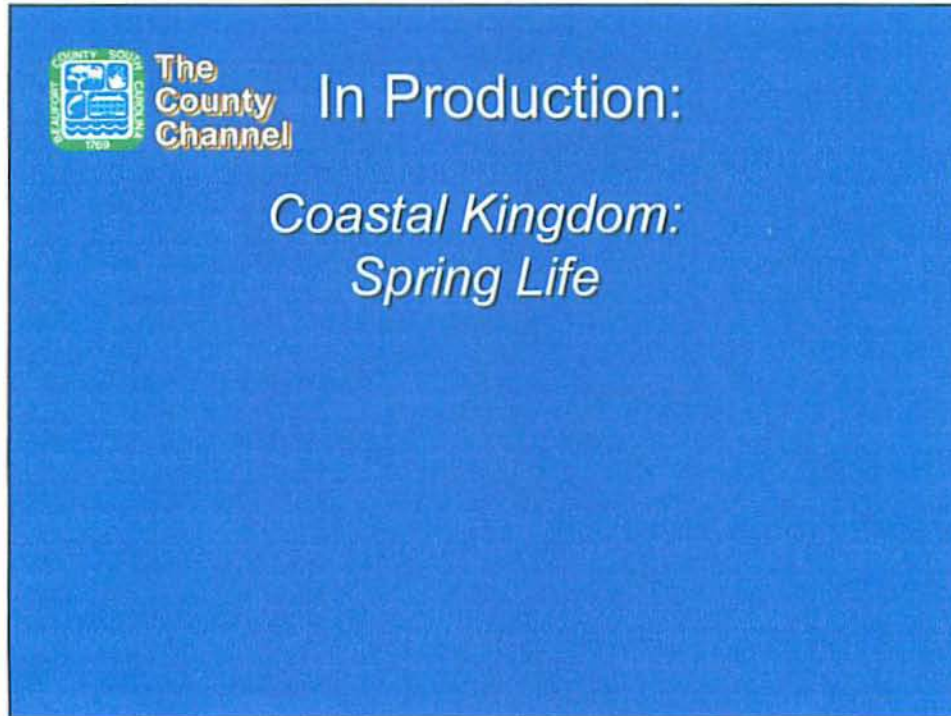
**INFORMATION ITEMS:**

- The County Channel / Broadcast Update (Enclosure)
- Two-week Progress Report (Enclosure)
- Civil Air Patrol Commendations / Recognitions
- Recognition / SC Department of Transportation Adopt-a-Highway Program Volunteer Group Award for Beaufort County- "The Riverbend Residents Group"
- PowerPoint Presentation – Tanger Outlet Center Redevelopment  
Mr. Jon Rembold, Ward Edwards
- FY 2011 Year-end Closure Procedures / Five-Day Staggered Employee Furlough

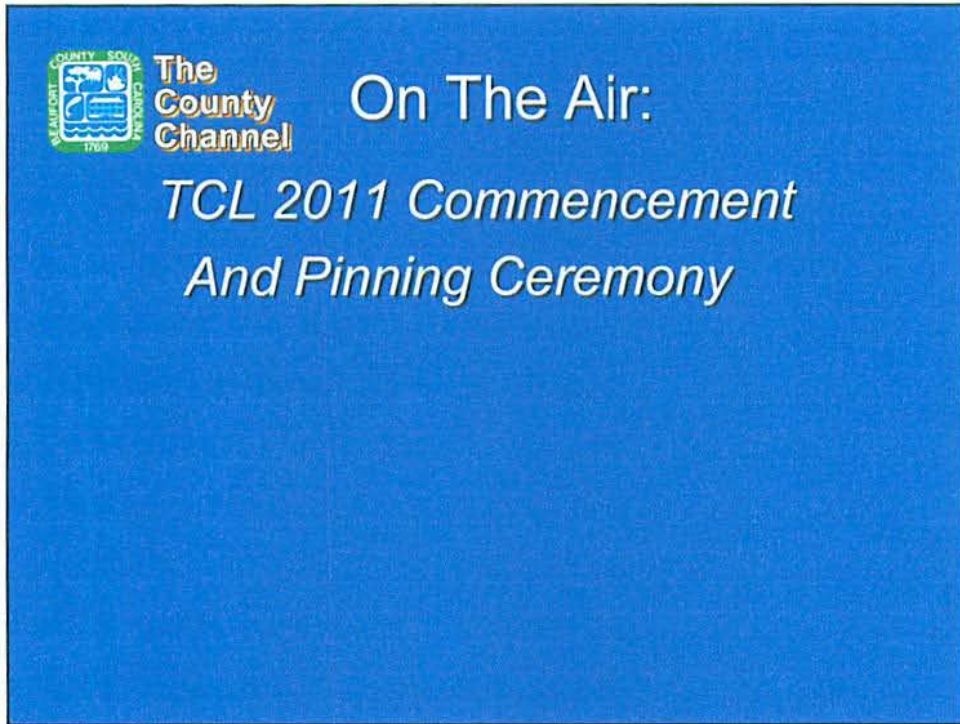
**ACTION ITEM:**

- A Resolution Allowing the Beaufort County Administrator to Institute Certain Measures Cutting Costs and Reducing Expenditures Through the Implementation of Mandatory Unpaid Furlough Days Due to Unforeseen Economic Conditions (Enclosure)





{Video Plays} The County Channel, in partnership with the LowCountry Institute, are about to release their seventh episode in the Coastal Kingdom series. This episode will be called "Spring Life," and will focus on how local plants and animals find a mate and reproduce. (It is G-Rated, I promise.) Some other good news to report on Coastal Kingdom... this year we've been nominated for an Emmy. The National Academy of Television Arts and Sciences has recognized the County Channel and Coastal Kingdom as an example of excellence in the broadcasting world. We'd like to thank Tony Mills, Chris Marsh, and our partnership with the LowCountry Institute on this project.



{VIDEO PLAYS} As always, the County Channel continues to partner with our local educational institutions. We partnered with the Technical College of the Lowcountry to provide coverage of their graduation ceremony and their Nurses pinning ceremony. We were there with multiple cameras, and will provide playback of the commencement ceremonies on the County Channel and on the Web.





## Memorandum

DATE: May 20, 2011

TO: County Council

FROM: Gary Kubic, County Administrator

SUBJ: County Administrator's Progress Report

The following is a summary of activities that took place May 9, 2011 through May 20, 2011:

May 9, 2011

- Meeting with Division Directors re: FY 2011 Budget
- Joint meeting of Finance and Governmental Committees
- County Council Caucus meeting
- County Council meeting

May 10, 2011

- Meeting with Elected Officials re: FY 2011 Year-end Budget Discussion
- Meeting with Attorney David Tedder and Rob McFee re: Ihly Road Paving Contract
- Meeting with Scott Dadson, City Manager, and Van Willis, Town Manager of Port Royal re: Beaufort Commerce Park

May 11, 2011

- Meeting with Ann Bluntzer, Executive Director of Beaufort County Open Land Trust, Lad Howell, Staff Attorney and Joshua Gruber, new Staff Attorney to discuss Rural and Critical Lands items

May 12, 2011

- Meeting with George Wilson, School Board member re: School Board's budget
- Meeting with Robert Hitt, Secretary of Commerce, at Holiday Inn

May 13, 2011

- Redistricting Committee meeting

May 16, 2011

- Finance Committee meeting
- Community Services Committee meeting
- Meeting with Cristina Roberson, PALS Co-Director re: Personnel matter

May 17, 2011

- Meeting with Donna Ownby, EMS Director
- Conference call with David Beaty, of Florence Hutcheson, Bryan Hill, Deputy County Administrator, and Rob McFee, Division Director of Engineering and Infrastructure, re: Bluffton Parkway 5B Alternative Analysis Draft Report
- Conference call regarding future solid waste and recycling opportunities between Beaufort County and Three Rivers SWA

May 18, 2011

- Agenda review
- Annual Hurricane Planning Session at Emergency Operations Center
- Meeting Ed Hughes, County Assessor
- Staff meeting re: Tax roll up

May 19, 2011

- Meeting with Elected Officials Re: FY 2011 Budget
- County / Town of Bluffton bi-monthly meeting

May 20, 2011

- Conference call with Steve Farrow, President and CEO, Piedmont Airlines, Chairman Weston Newton, Mayor Drew Laughlin and Steve Riley to discuss Piedmont's position regarding tree management and the impact on their passenger loads
- Meeting with Steve Riley, Hilton Head Island Town Manager re: Variety of Issues
- Meeting with Andy Patrick, CEO, Advance Point Global, and Steve Riley, Town Manager of Hilton Head Island re: Business licenses

## RESOLUTION

### **A RESOLUTION ALLOWING THE BEAUFORT COUNTY ADMINISTRATOR TO INSTITUTE CERTAIN MEASURES CUTTING COSTS AND REDUCING EXPENDITURES THROUGH THE IMPLEMENTATION OF MANDATORY UNPAID FURLOUGH DAYS DUE TO UNFORESEEN ECONOMIC CONDITIONS.**

**WHEREAS**, a continuing decrease in revenues caused by the downturn in the state, national and global economy may, without further action, cause a deficit in the fiscal year 2010-2011 budget, contrary to law; and

**WHEREAS**, while Beaufort County Government's goal is to always operate with only the minimum financial resources necessary, the County Administrator has requested the authority to implement mandatory unpaid legal holidays, thereby reducing operating and personnel costs in an effort to reduce any potential deficits; and

**WHEREAS**, Monday, May 30, 2011 is a federal, state, and county holiday that, in the discretion of the County Administrator, may be deemed an unpaid furlough day for all county staff and personnel not otherwise currently scheduled to work on that holiday; and

**WHEREAS**, Council recognizes that the above cost-saving measures shall require sacrifice on the part of Beaufort County employees.

**NOW, THEREFORE, BE IT RESOLVED**, by the County Council of Beaufort County, South Carolina, in a meeting duly assembled, that the County Administrator is hereby vested with the authority to implement an unpaid holiday furlough day for Memorial Day, May 30, 2011 and as many days as may be deemed in the best interest of Beaufort County:

All essential public safety personnel scheduled to work on Memorial Day are exempt.

The furlough applies to all County employees not working for elected officials.

Elected officials are encouraged to have their employees, who would ordinarily not work on the holiday, also comply with the furlough.

County Council members further wish to join in this extreme cost-saving measure and hereby adopt and implement the furlough days which will apply to salary and stipends ordinarily accrued by it in the same manner and amounts as applied to all Beaufort County employees participating in the furlough.

**BE IT FURTHER RESOLVED** that, an employee may not work for the County on an unpaid legal holiday under any circumstance unless previously approved by the County Administrator.

An employee who has scheduled a personal leave day on any unpaid legal holiday must reschedule such day. Supervisors are required to monitor the work hours of employees to ensure that no employee exceeds their normal daily hours of work during the week of one of the above unpaid days.

This Resolution shall be effective following passage and approval and shall be repealed and expire of its own accord on June 30, 2011, and shall not, without further action by the County Council, be included in the fiscal year 2012 Budget.

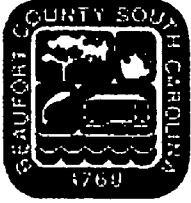
Adopted this 23rd day of May, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council



## *Memorandum*

DATE: May 20, 2011  
TO: County Council  
FROM: Bryan Hill, Deputy County Administrator  
SUBJECT: Deputy County Administrator's Progress Report

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The following is a summary of activities that took place May 9, 2011 through May 20, 2011:

May 9, 2011 (Monday):

- Meet with Division Heads re: FY2011 Budget
- Prepare for Joint Finance & County Council Meetings
- Finance Committee Meeting
- County Council

May 10, 2011 (Tuesday):

- Elected Official FY 2011 - Year End Budget Discussion
- Work on Budget
- Meet with Chief Buddy Jones, Sheldon Fire District and Wayne Blankenship

May 11, 2011 (Wednesday)--Bluffton:

- Bluffton Hours - A.M.
- Work on Budget
- Meet with William Winn, Public Safety re: FY 2012 Budget

May 12, 2011 (Thursday)--Bluffton:

- Meet with Duffie Stone re: IT & Other Issues
- Bluffton Hours
- Meet with William Winn, Public Safety re: FY 2012 Budget (Continuation)
- Work on Budget

May 13, 2011 (Friday):

- Redistricting Committee Meeting
- Work on FY2011 Budget



May 16, 2011 (Monday):

- Prepare for Finance Committee Meeting
- Meet with Dan Morgan and Theresa Roberts, MIS re: Telephone Lines and Costs
- Finance Committee Meeting

May 17, 2011 (Tuesday):

- Meet with David Starkey re: FY 2011 & FY 2012 Budgets
- Conference with Gary Kubic, Robert McFee, Robert Klink, Weston Newton and Engineers re: Bluffton Parkway 5B Alternative Analysis Draft Report

May 18, 2011 (Wednesday)--Bluffton:

- Bluffton Hours - A.M.
- Work on FY 2011 and FY 2012 Budgets
- Meet with Gary Kubic, Ladson Howell, Joshua Gruber and Ed Hughes re: Roll Up

May 19, 2011 (Thursday):

- Elected Official Meeting re: FY 2011 Budget
- Meet with Monica Spells, Compliance Officer re: County Council Presentation
- Meet with Morris Campbell, Community Services re: Various Issues
- Work on Budgets

May 20, 2011 (Friday):

- Meet with Eddie Bellamy, Jim Minor and Doug Baker, Public Works Staff re: Budget Issues
- Prepare for County Council Meeting on Monday
- Work on Budgets

2011 /

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE BEAUFORT COUNTY ZONING AND DEVELOPMENT STANDARDS ORDINANCE, ADDING A NEW ARTICLE: ARTICLE XVII. TRANSFER OF DEVELOPMENT RIGHTS (TDR).

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

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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: May 9, 2011

Second Reading:

Public Hearing:

Third and Final Reading:

## Beaufort County Zoning and Development Standards Ordinance

### Article XVII. Transfer of Development Rights

#### Sec. 106-3298. Purpose

The purpose of the Transfer of Development Rights (TDR) program is to support County efforts to reduce development potential near the Marine Corps Air Station Beaufort (MCAS—Beaufort) and to redirect development potential to locations further from the Air Station, consistent with the Beaufort County Comprehensive Plan. This preferred development pattern is intended to reduce hazards associated with aircraft operations near MCAS—Beaufort in a way that respects the rights of property owners and utilizes a free market system to achieve planning objectives. The TDR program is also intended to work in concert with other regional, County, and local programs that promote good land use planning and to facilitate inter-jurisdictional cooperation between Beaufort County, the Lowcountry Council of Governments (LOCG), the City of Beaufort, and the Town of Port Royal.

#### Sec. 106-3299. Definitions

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Affordable Housing Units* means dwelling units that comply with Article IX (Affordable Housing Incentives) of the Zoning and Development Standards Ordinance.

*Air Installations Compatible Use Zone (AICUZ)* means the area surrounding MCAS - Beaufort as identified in Appendix A1 (Airport Overlay District/MCAS - Beaufort)

*AICUZ Buffer* means the quarter-mile area surrounding the AICUZ **for MCAS - Beaufort**.

*Baseline Density* means the maximum density allowed on a Receiving Area property under baseline zoning and applicable overlay districts without participation in the TDR program.

*Baseline Zoning* means the zoning in effect on a receiving area property as of the adoption of this article (insert date).

*Cash In-lieu* means the fee rate identified by Beaufort County that can be paid for increased density above Baseline zoning.

*TDR Bank* means an intermediary authorized by Beaufort County to act on its behalf in the TDR Program.

*TDR Certificate* means the official document issued by the County identifying the number of TDRs owned by the holder of the TDR certificate.

*TDR Option* means the option of a Receiving Area property owner to increase density above baseline zoning through participation in the TDR Program.

*TDR Program* means the rules and requirements of this article for the transfer of development rights from Sending Areas to Receiving Areas.

*TDR Receiving Area* means properties on which upzonings trigger the establishment of the TDR overlay district.

*TDR Sending Area* means areas within unincorporated Beaufort County that are eligible to sell TDRs.

*Intermediary* means any individual or group, other than a Sending Area landowner or Receiving Area developer, which buys and sells TDRs.

### **Sec. 106-3300. Voluntary Nature of Program**

The participation of property owners in the TDR program is voluntary. Nothing in this article shall be interpreted as a requirement for Sending Area property owners to sell TDRs, for Receiving Areas property owners to purchase TDRs, or for any property owner or County resident to otherwise participate in the TDR program

### **Sec. 106-3301. Establishment of TDR Sending and Receiving Areas**

(a) *Sending Areas.* TDR Sending Areas shall include all properties within unincorporated Beaufort County that are:

- (1) Located within the Airport Overlay District and AICUZ Buffer for MCAS-Beaufort; and
- (2) Zoned Rural (R), Rural Residential (RR), Rural - Transitional Overlay (R-TO), Rural Residential - Transitional Overlay (RR-TO), or Suburban (S).

(b) *Receiving Areas.*

- (1) TDR Receiving Areas shall include all properties within unincorporated Beaufort County that are located:
  - a. Outside of Airport Overlay District for MCAS-Beaufort and the AICUZ Buffer; and
  - b. Within the boundaries of Port Royal Island.
- (2) The cities of Beaufort and Port Royal may also participate in the TDR Program by designating TDR Receiving Areas and submitting a complimentary ordinance and interjurisdictional agreement

## Sec. 106-3302. TDR Bank

(a) *Purpose.* The County may choose to contract with an outside agency, hereto referred to as a TDR Bank, to assist or manage TDR program administration, buying, holding, and selling TDRs as well as performing other functions as directed by the County Council. The purpose of the TDR Bank is to facilitate a well-functioning TDR market by performing these tasks. The County is ultimately responsible for managing and administering the TDR program and the TDR Bank.

(b) *TDR Bank Description.*

- (1) The TDR Bank is an intermediary specifically authorized by the County Council to perform functions assigned to it by agreement by the TDR Bank and the County Council. These functions may include the acquisition and sale of TDRs as well as TDR program promotion and facilitation.
- (2) The County Council is not required to form a TDR Bank. The County Council may instead elect to use County personnel to perform TDR Bank functions.
- (3) The establishment of a TDR Bank shall not preclude direct buyer-seller transactions of TDRs.

(c) *TDR Purchase Priorities.* The TDR Bank will prioritize the purchase of TDRs from small landowners over large landowners in the following way:

- (1) The TDR Bank will purchase TDR Certificates from Sending Area landowners based on the number of TDRs they hold, from smallest to largest. Landowners with one TDR will be bought out first, followed by landowners with two or more TDRs.
- (2) The TDR Bank will establish a time window during which it will accept letters of interest from Sending Area landowners. At the close of the time window, the TDR Bank will create a rank-order list of sellers whose TDR Certificates it will buy.
- (3) The TDR Bank will purchase TDR Certificates starting at the top of the list from landowners who have TDR Certificates. For example, if the landowner at the top of the list does not have a TDR Certificate, the TDR Bank will go down the list until it reaches a landowner with TDR Certificates.
- (4) **Notwithstanding this prioritization, this subsection shall not prevent a specific funding of a purchase outside of this prioritization on a case by case basis when requested by a funding entity or organization.**

(d) *TDR Bank Operation.* The duties and operating procedures of the TDR Bank, if established, shall be specified in an agreement between the TDR Bank and the County Council. These procedures shall reflect the TDR program goal of reducing development potential within Sending Areas.



### **Sec. 106-3303. Transfer of Development Rights (TDR) Overlay District**

(a) *Purpose.* The purpose of the Transfer of Development Rights (TDR) overlay district is to allow Receiving Area properties to exceed Baseline Density through compliance with TDR program requirements.

(b) *Establishment of TDR Overlay Districts.* TDR overlay districts shall be established concurrently with the approval of any rezoning that increases residential density potential within a TDR Receiving Area. As part of the rezoning, the new zoning designation shall include a TDR overlay district suffix indicating the need to comply with TDR Program requirements in the event that the property owners choose to use the TDR Option and exceed Baseline Density.

(c) *Rezoning Procedure.*

- (1) Establishment of a TDR overlay district shall occur as part of the County's standard rezoning process and shall not require separate application or approval procedures. The approval or denial of a TDR overlay district shall be dependent upon the approval or denial of the requested zoning district.
- (2) The TDR overlay district does not affect County procedures for placing conditions on rezoning approvals to implement County plans and policies. The TDR program does not affect the authority of the County to initiate amendments to the Zoning and Development Standards Ordinance or County procedures for responding to rezoning applications submitted by property owners

### **Sec. 106-3304. TDR Certificates**

(a) *General.* A TDR Sending Area property owner may choose not to participate in the TDR Program or, alternatively, may choose to participate by applying for a TDR Certificate.

(b) *TDR Certification Application Submittal, Review, and Issuance.*

- (1) To request a TDR Certificate, a property owner shall submit to the Planning Department an application that includes the information and materials required by the County for TDR Certificate applications, together with all required application fees.
- (2) The property owner shall submit to the Planning Department proof of clear title of ownership. The application shall include written approval of the TDR Certificate application from all holders of liens on the subject property.
- (3) TDR Certificate applications shall include draft easement language as required by Section 106-3306 (Sending Area Easements). At the property owner's option, this easement may preclude one, some, or all of the allowable TDRs not foregone by previous TDR easements or similar deed restrictions.

- (4) The Planning Department shall calculate the number of allowable TDRs for a Sending Area property using the methodology described in Section 106-3305 (Calculation of TDRs in Sending Areas).
- (5) Upon recordation of the easement, the Planning Director shall issue a TDR Certificate documenting the number of TDRs generated by the recorded easement, the serial numbers of all TDRs created by the easement, the Sending Area that generated these TDRs, the identity of the property owner/certificate holder, and any other documentation required by the Planning Director. **For purposes of this program, only TDR Certificates issued by the Planning Director shall be available for sale to a Receiving Site developer or to any intermediary.**

(c) *Sale and Tracking of TDRs.*

- (1) Once a Sending Area property owner receives a TDR Certificate, the property owner may sell or give one, some, or all of the TDRs documented in that TDR Certificate directly to the developer of a Receiving Site property or to any intermediary.
- (2) In accordance with procedures approved by the Planning Director, upon the sale or gift of any or all TDRs, the holder of a TDR Certificate shall notify the Planning Director, who will void the original TDR Certificate and issue one or more new TDR Certificates documenting the new owners of the TDRs.
- (3) The Planning Director shall maintain a TDR registry, publicly accessible via the internet, documenting current TDR Certificate holders and the serial numbers of the TDRs contained within all TDR Certificates. The Planning Director shall develop and implement procedures to ensure that the transfer process is accurate and transparent.

**Sec. 106-3305. Calculation of TDRs in Sending Areas**

(a) *Methodology.*

- (1) The Planning Department shall calculate the number of allowable TDRs for a TDR Sending Area property using the methodology for calculating residential use capacity of a parcel as outlined in Table 106-1815(1). The calculation shall be based on the baseline zoning classification, not on the limitations, if any, imposed by the airport overlay district.
- (2) When 50 percent or more of a parcel is located within a Sending Area, the calculation of maximum allowable TDRs shall be based on the entire land area of the parcel.
- (3) The maximum number of allowable TDRs shall be **the permitted dwelling units** minus any reduction in this calculation created by the recordation of previous TDR easements or similar deed restrictions.

(4) The maximum permitted density shall be reduced by one TDR for each existing dwelling unit on the property. The Planning Director shall develop and implement procedures, if needed, to reduce the TDR allocation to reflect existing non-conforming or non-residential improvements if the owner declines to remove these improvements from the sending site.

(b) *Fractional Development Rights.* Any fractional development right exceeding 0.5 shall be rounded up to the nearest whole number. Only whole TDRs shall be issued and sold.

(c) *Appeals.* The Planning Director's calculation of allowable TDRs may be appealed to the ZBOA in a manner consistent with Article III, Division 6 (Appeals).

#### **Sec. 106-3306. Sending Area Easements.**

(a) *Maximum Residential Density.* Owners of TDR Sending Area properties that choose to participate in the TDR program shall record an easement that reduces the permitted residential density by one, some, or all allowable TDRs on the property.

(b) *County Review.* The Planning Department and County Attorney shall review and approve easement language as part of its review of a TDR Certificate application as specified in Section 106-3304.

(c) *Required Language.* At a minimum, easements shall specify the following information:

(1) Serial numbers for all allowable TDRs to be certified by the Planning Department for the parcel.

(2) Written consent of all lien holders and other parties with an interest of record in the sending parcel.

(3) ~~If the County chooses, and~~ At the request of the property owner, a reversibility clause can be included to allow for the removal of the easement if the property owner does not sell the associated TDR certificates, chooses to not participate in the TDR program, and returns all TDR certificates to the County Planning Department within an allotted time period ~~30 days of issuance~~. All TDR Certificates issued to a property partially within the TDR Sending Area as allowed by Section 106-3304 (TDR Certificates) may only be reversed together at the same time and shall not be unbundled.

(4) A statement that the easement shall be binding on successors in ownership and shall run with the sending parcel in perpetuity.

(d) *Easement Monitoring and Enforcement.* The County shall be responsible for monitoring of easements or may select any qualified person or organization to maintain the easements on its behalf.

### **Sec. 106-3307. Development Options within TDR Overlay District**

(a) *Baseline Development Option.* Owners of properties within a TDR overlay district may choose to not participate in the TDR Program and to develop the property at or below the Baseline Density. Properties developed under this option shall be subject to the requirements of the baseline zoning district before the property was upzoned and received the TDR overlay district designation as well as all applicable development standards and procedures specified in this ZDSO chapter.

(b) *TDR Development Option.* In addition to the requirements imposed by the underlying zoning district, developers who choose to exceed Baseline Density within a TDR overlay district shall satisfy TDR requirements in the following ways:

- (1) One TDR shall be retired for every three dwelling units of residential development in excess of baseline density.
- (2) One TDR shall be retired for every 5,000 additional square feet of commercial development beyond the maximum permitted by the baseline zoning.
- (3) Developers have the option of paying cash in lieu of each TDR that otherwise would be required in an amount specified in the County Fee Schedule.

### **Sec. 106-3308. Exceptions to the TDR Requirement.**

(a) *Affordable Housing Projects.* Affordable Housing Units shall not be counted when calculating the extent to which a proposed development project exceeds baseline density.

(b) *Commercial Density.* The County may approve an additional 250 square feet of commercial development for each proposed residential unit that is part of a traditional neighborhood development without the use of TDRs. This exception is intended to promote mixed-use, traditional neighborhood developments in a manner consistent with the goals of the TDR program.

(c) *Industrial Development.* Industrial development shall be excluded from the TDR requirement. However, in order to be excluded from the TDR requirement, industrial development must be proposed in such a way that its floor area can be easily calculated separately from any other uses.

### **Sec. 106-3309. TDR Compliance**

(a) *Purchase Price.* All TDR Certificate purchase prices shall be open to negotiation between the buyer and seller, except that public funds shall not be used to purchase TDRs for an amount greater than their market value. The TDR Bank shall publicly post and update the dates and sale prices of all TDR Certificate transactions.

(b) *Timing of Compliance.* A Receiving Area property owner shall transmit TDR Certificates containing the required number of TDRs, or make a cash payment in lieu of TDRs, before final

subdivision plat approval of a project involving land division or prior to final development plan approval for a project that does not involve land division.

#### **Sec. 106-3310. Development Project Procedures**

(a) *Identification of TDRs.* Project applicants that propose to exceed baseline density in a TDR overlay district shall acknowledge in all official development applications the number of TDRs that must be retired prior to final project approval.

(b) *Final Approval.* The Development Review Team shall grant final approval of a project utilizing TDRs for additional development only after the applicant has transmitted TDR Certificates containing the required number of TDRs to the Planning Department or has made the required cash in lieu payment. The serial numbers of all TDRs to be retired for Receiving Area projects shall be recorded on the final plat or the development permit.

#### **Sec. 106-3311. In-Lieu Payment Option**

(a) *General.* The developer of a property in the TDR overlay district who chooses to exceed Baseline Density may satisfy TDR requirements through a cash in-lieu payment rather than, or in combination with, the retirement of TDRs.

(b) *Fee Amount.*

(1) The fee amount shall be established by the County Council.

(2) The Planning Director shall submit an annual report on the TDR program to the Rural and Critical Lands Board, the Beaufort County Planning Commission, and County Council. The annual report shall include recommendations on potential changes to the cash-in-lieu amount. This recommendation shall reflect changes in the assessed value of Sending Area properties, actual TDR sales prices experiences, and general real estate trends.

(c) *Use of Revenue.*

(1) Revenue from cash in-lieu payments shall be applied exclusively to the TDR program unless the potential supply of TDRs has been depleted and/or Sending Area landowners decline to sell their TDRs at full market value. In this event, the County Council may choose to expand the TDR program by adopting additional TDR Sending Areas.

(2) Other than TDR acquisition, revenue from cash in-lieu payments shall only be used for costs incurred in administering the TDR program, including but not limited to facilitating TDR transactions, preparing/recording TDR easements, monitoring/enforcing easements, and maintaining records.

(3) The County Council may authorize County staff to use cash-in-lieu proceeds in accordance with procedures adopted by the Council. Alternatively, if the County Council chooses to enter into an agreement creating a TDR Bank, the Council may transmit cash



in-lieu proceeds to the TDR Bank for the purposes specified by agreement between the Council and the TDR Bank. This agreement may direct the TDR Bank to combine the cash in-lieu proceeds to create a general TDR acquisition fund. All TDRs purchased with such a general TDR acquisition fund shall be offered for sale to Receiving Area developers.

- (4) The TDR program may operate with federal or other land preservation programs.

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND THE ZONING AND DEVELOPMENT STANDARDS ORDINANCE (ZDSO), TO ALLOW FOR CONTROL OF STORMWATER VOLUME FROM "LOTS OF RECORD BUT NOT BUILT." THESE CONTROLS WILL MITIGATE WATER RESOURCE IMPACTS FROM CONSTRUCTION IN PREVIOUSLY APPROVED DEVELOPMENTS THAT DO NOT HAVE VOLUME CONTROLS.

- A. SECTION 106-7. EXEMPTIONS OF DEVELOPMENT TYPES
- B. SECTION 106-8. EXEMPTION FROM SUBDIVISION REVIEW
- C. SECTION 106-18. DEFINITIONS. (ADDING NEW DEFINITION—BEST MANAGEMENT PRACTICES, ON-SITE)
- D. SECTION 106-732. ZONING PERMIT
- E. SECTION 106-2857. EXEMPTIONS FROM SITE RUNOFF CONTROL AND DRAINAGE PLANNING/DESIGN.
- F. SECTION 106-2861. RETENTION/DETENTION FACILITIES
- G. SECTION 106-2865. ON-SITE SINGLE FAMILY LOT, BEST MANAGEMENT PRACTICES (BMP) (ADDING NEW SECTION).

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

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2011.

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: May 9, 2011

Second Reading:

Public Hearing:

Third and Final Reading:

## **Sec. 106-7. Exemptions of development types.**

The following development types are exempt from certain requirements of this chapter as follows:

- (1) *Exemption 1: Single-family development and places of worship on lots of record.* Any single-family development or place of worship sited on a lot created through recording of a subdivision, prior to the effective date of the ordinance from which this chapter derives, and conforming to the applicable zoning at the time of creation is exempt from minimum lot size (area and dimensions) standards and setbacks for its respective zoning district (this does not apply to setbacks from the OCRM critical line). Where single-family development or places of worship on lots of record cannot meet the setbacks for their respective zoning districts, these lots shall adhere to the following minimum setbacks:
  - a. Single-family development: front—25 feet; side—10 feet; rear—10 feet.
  - b. Places of worship: front—50 feet (major thoroughfare); ½ ROW (all other roads); side and rear—20 feet with a 10-foot buffer.
- (2) *Exemption 2: Planned unit developments (PUDs).*
  - a. A PUD, including conditional use PUD, approved prior to July 1, 1999, is exempt from this chapter if:
    1. The PUD has more than 50 percent of the lots platted and recorded, e.g., "lots of record," or more than 50 percent of the utilities and infrastructure for the entire project completed as of January 1, 2010; or
    2. The PUD is deemed a "low-impact" development, which develops less than 25 residential dwelling units, or sells less than 25 lots per year and/or less than 10,000 square feet of commercial area and the rates provided herein are not exceeded. The entire project must be completed as of January 1, 2010.
  - b. Notwithstanding the above, all PUDs, including conditional use PUDs, are subject to current tree and landscaping standards, fire safety standards, engineering and stormwater management standards, environmental quality standards, parking standards, fee adjustments, and impact fees unless otherwise provided for in a development agreement or in an ordinance that created or amended a particular PUD. On-site stormwater BMPs will be required for new dwellings if approved PUD stormwater management standards do not include current runoff volume controls. In no case will the imposition of storm water volume controls for lots of record result in the lots becoming un-buildable. The Zoning Administration shall be empowered to make this determination at his or her discretion without recourse to the Zoning Board of Appeals for hardship.

*(Note: The remainder of Sec. 106-7 is unchanged.)*

Sec. 106.8. Exemption from subdivision review.

*(Note: The remainder of Sec. 106-7 is unchanged except subparagraph (2)—see below)*

- (2) *Minor subdivision exemption.* These subdivisions shall be exempt from certain review requirements that larger subdivisions must comply with. Individual homes in these subdivisions are required to meet on-site stormwater requirements (Section 106-2865) unless the subdivision waives exemption. All other appropriate standards of this chapter shall be adhered to. The ZDA shall review and approve minor subdivisions complying with the specific requirements explained as follows:

Sec. 106-18. Definitions

Best management practices, on-site means mandated individual dwelling stormwater practices determined by the amount of impervious surface on lot. Used when not covered in a community or regional stormwater management for both volume and quality.

Sec. 106-732. Zoning permit.

A zoning permit shall be required prior to receiving a development permit, when applicable, or a building permit for all uses permitted by right. This permit ensures the proposed development complies with this chapter's standards and has any other required permits for access, water, sewer, or other required permits. Unless a subdivision has been approved as meeting current stormwater volume requirements, on-site dwelling best management practices (Sec 106-2865) will be required under this section.

Sec. 106.2857. Exemptions from site runoff control and drainage planning/design.

- (a) Exemptions from site runoff control and drainage planning/design are as follows:
  - (1) Any maintenance, alteration, renewal use or improvement to an existing drainage structure as approved by the county engineer which does not create adverse environmental or water quality impacts and does not increase the temperature, rate, quality, or volume or location of stormwater runoff discharge;
  - (2) Developments where adequate drainage exists ~~of~~ for four or fewer than four residential dwelling units that are not part of a phase of a larger development, not involving a main drainage canal, however, homes in these areas will meet on-site requirements under this exemption;
  - (3) Site work on existing one-acre sites or less where impervious area is increased by less than two percent;

- (4) Site work on existing one-acre sites or less where impervious area is increased by less than two percent, and any earthwork that does not increase runoff and/or eliminate detention/retention facilities and/or stormwater storage or alter stormwater flow rates or discharge location(s);
  - (5) Agricultural activity not involving relocation of drainage canals; or
  - (6) Work by agencies or property owners required to mitigate emergency flooding conditions. If possible, emergency work should be approved by the duly appointed officials in charge of emergency preparedness or emergency relief. Property owners performing emergency work will be responsible for any damage or injury to persons or property caused by their unauthorized actions. Property owners will restore the site of the emergency work to its approximate pre-emergency condition within a period of 60 days following the end of the emergency period.
- (b) Golf courses are required to comply with the latest version of the county's manual for stormwater BMPs and all site runoff volume and water quality control and drainage planning and design requirements; however, both golf courses and private lagoons shall be exempt from the flood control requirements of section 106-2859 subject to clear demonstration by the design engineer that no damaging flooding will occur during the 100-year/24-hour storm and that all other safety concerns are addressed.

Sec. 106-2861. Retention/detention facilities.

(a) *Design criteria for developments.* Retention/detention facility design criteria for developments are as follows:

- (1) *Peak attenuation.* The peak discharge as computed from the design storm for post development shall not exceed the peak discharge for the design storm for predevelopment or existing conditions.
- (2) *Total retention.* Developments which are unable to secure a positive outfall for discharge shall retain all runoff resulting from the design storm as computed for the developed condition. As an alternate, the design engineer can comply with section 106-2859.
- (3) *Water quality control.* All proposed development and redevelopment shall comply with the latest version of the county's manual for stormwater BMPs.
- (4) *Total volume control.* Facility design criteria will control and retain total volume by retention and other methods so stormwater runoff levels will not exceed predevelopment levels. On-site volume controls, where applicable, will be applied as stated in Sec. 106-2865.

(Note: The remainder of Sec. 106-2861 is unchanged.)

Sec. 106-2865 – On-site Single Family Lot, Best Management Practices (BMP)

- (a) Where stormwater runoff is not addressed in an approved community runoff volume control system, construction of new or single family homes that are renovated in excess of 50% of their taxable appraised value, will need to employ and utilize on-site stormwater run-off volume control BMPs.
- (b) The actual BMPs to be utilized can be either determined from Stormwater Utility's On-lot Volume Program (Attachment in BMP Manual and web-based program) or other volume practices as described in Beaufort County Best Management Practice Manual. Both manual and web-based program will be available on the County's web site.
- (c) Required practices will be sized based on impervious surface on the property and can be reduced by employing practices that reduce impervious surface like:
1. Pervious driveways
  2. Pervious walkways
  3. Smaller roof surface
- (d) In no case will the imposition of storm water volume controls for lots of record result in the lots becoming un-buildable. The Zoning Administration shall be empowered to make this determination at his or her discretion without recourse to the Zoning Board of Appeals for hardship.

2011 /

TEXT AMENDMENT TO THE BEAUFORT COUNTY COMPREHENSIVE PLAN, APPENDIX L. BUCKWALTER PARKWAY ACCESS MANAGEMENT PLAN, WITH A NEW FIGURE 5 THAT ALLOWS THE INSTALLATION OF A TEMPORARY LIGHT AT PARKER DRIVE AND A MEDIAN CROSSOVER MODIFICATION WITH THE UNDERSTANDING THAT THE TRAFFIC LIGHT WILL BE REMOVED WITH THE CONSTRUCTION OF PHASE 5B OF THE PARKWAY. WHICH SHALL BE REMOVED UPON COMPLETION OF PHASE 5B OF THE BUCKWALTER PARKWAY, AND THE MEDIAN OPENING AT PARKER DRIVE WILL BE CLOSED UPON COMPLETION OF PHASE 5B, AND PHASE 5B ALIGNMENT SHALL REMAIN AS IS, AND AS PART OF PHASE 5B CONSTRUCTION, TWO ADDITIONAL RESIDENTIAL ACCESS POINTS WILL BE SIMULTANEOUSLY BUILT TO PROVIDE THREE RESIDENTIAL ACCESS POINTS FOR ADJACENT RESIDENTS.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson Howell, Staff Attorney

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

First Reading:  
Second Reading:  
Public Hearing:  
Third and Final Reading:



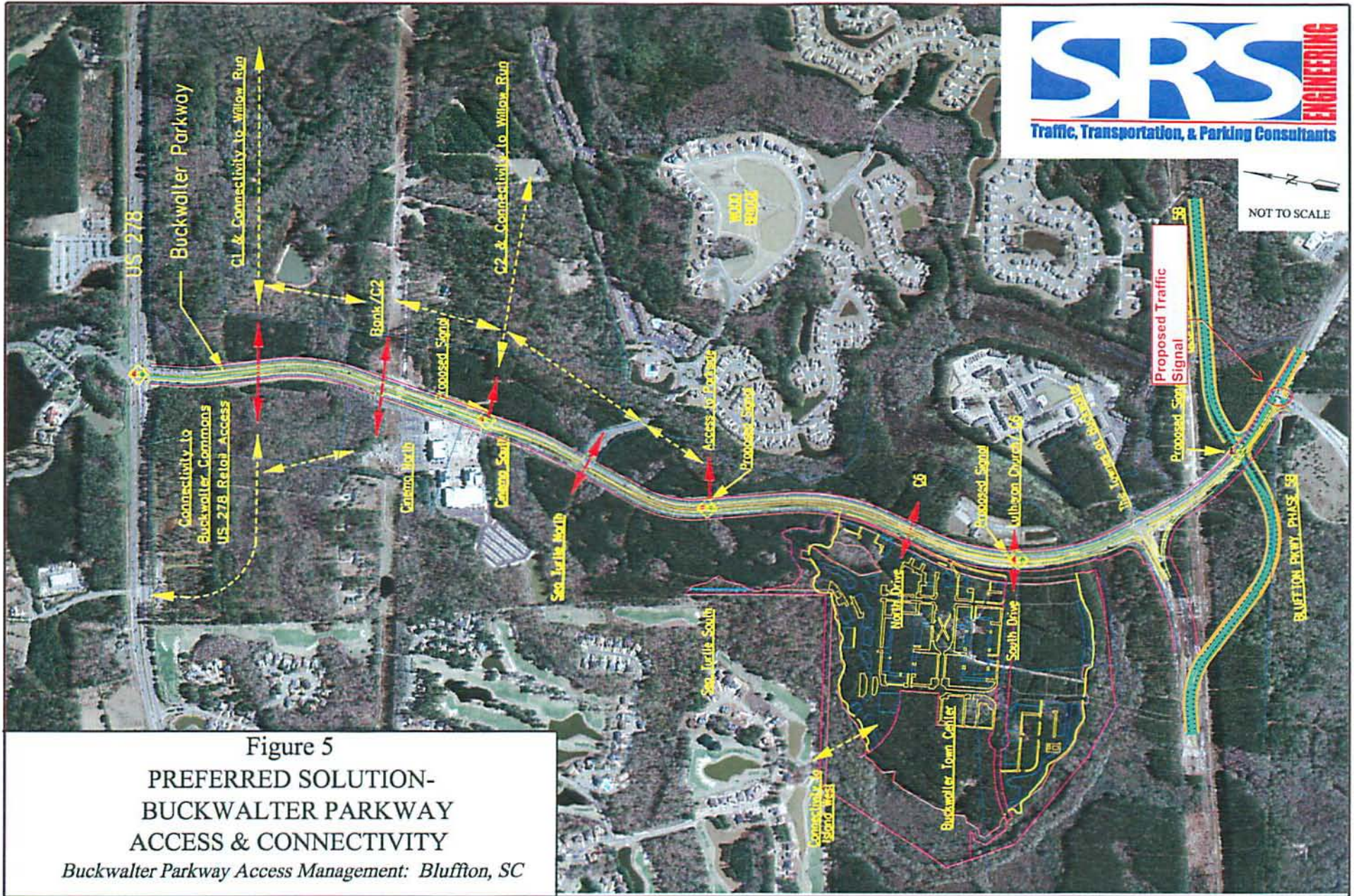


Figure 5  
 PREFERRED SOLUTION-  
 BUCKWALTER PARKWAY  
 ACCESS & CONNECTIVITY

*Buckwalter Parkway Access Management: Bluffton, SC*



2011 /

RIVERPORT MULTI-COUNTY PARK

AN ORDINANCE TO ESTABLISH, PURSUANT TO SECTION 4-1-170 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, A MULTI-COUNTY INDUSTRIAL/BUSINESS PARK, TO BE KNOWN AS THE RIVERPORT MULTI-COUNTY PARK, IN CONJUNCTION WITH JASPER COUNTY, SOUTH CAROLINA, SUCH PARK TO BE GEOGRAPHICALLY LOCATED IN JASPER COUNTY, SOUTH CAROLINA; TO PROVIDE FOR A WRITTEN AGREEMENT WITH JASPER COUNTY AS TO THE SHARING OF THE REVENUES AND EXPENSES OF THE PARK; TO PROVIDE FOR THE DISTRIBUTION OF REVENUES FROM THE PARK AMONG TAXING ENTITIES HAVING JURISDICTION OVER THE PARK; TO PROVIDE FOR A FEE IN LIEU OF AD VALOREM TAXATION; AND OTHER MATTERS RELATED THERETO.

WHEREAS, Beaufort County, South Carolina ("Beaufort County") and Jasper County, South Carolina ("Jasper County") (collectively, the "Counties"), as authorized under Article VIII, Section 13(D) of the South Carolina Constitution and Section 4-1-170 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), propose to establish jointly a multi-county industrial/business park (the "Park"); and

WHEREAS, in order to promote the economic development of Beaufort County and surrounding areas, including Jasper County, Jasper County and Beaufort County have agreed to include in the Park properties now or hereafter comprising RiverPort (the "RiverPort Property"), as further described in Exhibit A to that certain Agreement for the Establishment of Multi-County Industrial/Business Park (RiverPort) to be entered into by the Counties as of such date as may be agreed to by the Counties (the "MCP Agreement"); and

WHEREAS, the Park shall be known as the RiverPort Multi-County Park; and

WHEREAS, the Counties have agreed to the specific terms and conditions of such arrangement as set forth in the MCP Agreement; and

WHEREAS, the Counties now desire to establish the Park to include the RiverPort Property.

NOW, THEREFORE, BE IT ORDAINED BY THE BEAUFORT COUNTY COUNCIL AS FOLLOWS:

**Section 1. Establishment of Multi-County Park; Approval of MCP Agreement.** There is hereby authorized to be established, in conjunction with Jasper County, a multi-county

industrial/business park to be known as the RiverPort Multi-County Park and to include therein the RiverPort Property. The form, provisions, terms and conditions of the MCP Agreement now before this meeting and filed with the Clerk to County Council be and they are hereby approved, and all of the provisions, terms and conditions thereof are hereby incorporated herein by reference as if the MCP Agreement were set out in this Ordinance in its entirety.

The MCP Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall not materially adversely affect the rights of Beaufort County thereunder and as shall be approved by the officials of Beaufort County executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the MCP Agreement now before this meeting.

The Chairman of County Council, for and on behalf of Beaufort County, is hereby authorized, empowered, and directed to do any and all things necessary or proper to effect the establishment of the Park and the execution and delivery of the MCP Agreement and the performance of all obligations of Beaufort County under and pursuant to the MCP Agreement and to carry out the transactions contemplated thereby and by this Ordinance.

**Section 2. Payment of Fees.** SLF III-Hardeeville, LLC and any other industries/businesses located in the Park will pay a fee in lieu of *ad valorem* taxes as provided for in the MCP Agreement. The fee paid in lieu of *ad valorem* taxes shall be paid to the Treasurer of Jasper County. That portion of the fee allocated pursuant to the MCP Agreement to Beaufort County shall, upon receipt by the Treasurer of Jasper County, be paid to the Treasurer of Beaufort County in accordance with the terms of the MCP Agreement. Payments of fees in lieu of *ad valorem* taxes will be made on or before the due date for taxes for a particular year. Penalties for late payment will be at the same rate as late tax payment. Any late payment beyond said date will accrue interest at the rate of statutory judgment interest. The Counties, acting by and through the Treasurer of Jasper County, shall maintain all liens and rights to foreclose upon liens provided for counties in the collection of *ad valorem* taxes. Nothing herein shall be construed to prohibit Jasper County from negotiating and collecting reduced fees in lieu of taxes pursuant to Title 4, Chapter 29 or Chapter 12, or Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended, or any similar provision of South Carolina law.

**Section 3. Sharing of Expenses and Revenues.** Sharing of expenses and revenues of the Park by Beaufort County and Jasper County shall be as set forth in the MCP Agreement.

**Section 4. Distribution of Revenues to Taxing Entities.** Revenues from the Park shall be distributed to and within the Counties as set forth in the MCP Agreement.

**Section 5. Governing Laws and Regulations.** The ordinances of the City of Hardeeville, South Carolina (the "City") and Jasper County, as applicable, concerning zoning, health and safety regulations, and building code requirements will apply for the entire Park. Henceforth, in order to avoid any conflicts of law or ordinances, the City Code of Ordinances and the Jasper County Code of Ordinances, as applicable, will be the reference for regulation or laws in connection with the Park. The Beaufort County Code of Ordinances shall in no way apply to the Park.

**Section 6. Savings Clause.** If any portion of this Ordinance shall be deemed unlawful, unconstitutional or otherwise invalid, the validity and binding effect of the remaining portions shall not be affected thereby.

**Section 7. General Repealer.** Any prior Ordinance, the terms of which are in conflict herewith, is, only to the extent of such conflict, hereby repealed.

**Section 8. Effectiveness.** This Ordinance shall be effective after third and final reading

DONE IN MEETING DULY ASSEMBLED \_\_\_\_ DAY OF \_\_\_\_\_, 2011.

BEAUFORT COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman of County  
Council, Beaufort County, South Carolina

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to County Council  
Beaufort County, South Carolina

First reading: May 9, 2011  
Second reading: \_\_\_\_\_, 2011  
Public hearing: \_\_\_\_\_, 2011  
Third reading: \_\_\_\_\_, 2011

2011/

**BEAUFORT COUNTY ORDINANCE FOR REGULATION OF  
TOWING FROM PRIVATE PROPERTY IN BEAUFORT  
COUNTY**

**ARTICLE IV. TOWING AND WRECKER SERVICES**

**Sec. 70-70. Purpose.**

The purpose of this article is to provide adequate control over wrecker service operations within the unincorporated private property sections of Beaufort County to ensure:

- (1) The general health, safety and welfare of the public.
- (2) That wrecker services are conducted in such a manner that is fair and equitable, which mutually protect the interests of residents of and visitors to Beaufort County.

**Sec. 70-71. Definitions.**

The following words or phrases, as used in this article, shall have the following respective meanings as set out in this section, unless a different meaning clearly appears from the context:

*After normal business hours*, with the exception of the wrecker service rotation program, means between the hours of 5:00 p.m. and 9:00 a.m., weekends, and state and national holidays, or those days and hours other than during which towing is made available by the wrecker business, whichever period is shorter. For purposes of the wrecker service rotation program, "after normal business hours" means between the hours of 5:30 p.m. and 9:00 a.m. seven (7) days a week.

*Motor vehicle* means any motorized device in, upon, or by which any person or property is, or may be transported or drawn upon any public highway, public right-of-way or public or private property. Motor vehicle shall not include any device propelled solely by human power to which is used exclusively upon stationary rails or tracks.

*Operator/attendant* means the person driving the wrecker or any person assisting with the operation of the wrecker or storage lot.

*Operating zone* shall mean the geographic limits of areas of Beaufort County, which are unincorporated within which a wrecker or towing service must meet criteria set forth herein to qualify to operate within that geographic area.

*Owner* means any person owning or having any financial interest in a wrecker business licensed by the county.

*Wrecker* means any vehicle built and equipped for the purpose of towing, lifting, pulling or otherwise transferring motor vehicles from place to place including, but not limited to, those vehicles that are commonly referred to as "roll-back" or "flatbed" type tow trucks.

**Sec. 70-72. Business license required.**

*Business license.* No person or business shall engage in the business of recovering, towing, removing and storing of vehicles from within unincorporated sections of Beaufort County without first obtaining a county business license by filing an application, upon a form provided by the county, with the county business license office, together with paying the appropriate license fee as set forth in this Code. Attached to the application shall be the following information:

- (1) *Business identity:* Indicate whether a sole-proprietorship, partnership or corporation. List all individuals or entities having a financial interest in the company including names, addresses and telephone numbers. If the business was in operation prior to application, provide the number of years in operation and each individual's or entity's years of affiliation or ownership.
- (2) *Business location:* Provide the street location, mailing address and telephone number of the wrecker service's primary business location and the hours of operation.
- (3) *Storage lot:* Provide the street location, address and telephone number of the wrecker service's storage lot and hours of operation. The capacity of storage shall be indicated together with the method employed to screen the stored motor vehicles from public view as well as security measures employed.
- (4) *Records and other services:* List all procedures and attach copies of forms used to keep records and any auxiliary services which will ensure delivery of a high level of service to the public.
- (5) *Vehicle identification:* Provide the year, make, model, vehicle identification number, gross vehicle weight class, type and South Carolina license plate number for each vehicle to be used in the towing company's business.
- (6) *Liability insurance:* Provide proof of automobile liability insurance in full compliance with South Carolina financial responsibility laws.

An Owner under this article shall procure and keep in full force and effect a policy of liability and property damage insurance issued by a casualty insurance company authorized to do business in South Carolina.

**Sec. 70-73. Special requirements.**

- (a) Each wrecker shall display the owner or company name and business telephone number in at minimum two-inch high letters on both vehicle doors. Temporary lettering, magnetic or otherwise, is strictly prohibited.
- (b) Each wrecker shall display a current South Carolina license plate to the extent required by South Carolina law.
- (c) Every operator shall have the appropriate level of driver's license for the vehicle that is being operated.
- (d) Each wrecker business which stores towed vehicles shall have a storage lot in close proximity to its principal place of business. It shall be the responsibility of the wrecker company for ensuring that stored vehicles and their contents are kept safe from pilferage and theft.
- (e) The tow truck company will permit the owner of personal property located within, but not attached to, the vehicle a one-time removal of such personal property from the vehicle without charge and without regard to any towing or storage charge owed on the vehicle. A reasonable timeframe shall be given of at least one hour to the tow truck company for removal of emergency items such as medicine or life affecting items. If the tow truck company has removed personal property from the vehicle, it will return it to the vehicle owner when requested without charge and without regard to any towing or storage charge owed on the vehicle. Should the tow truck operator or storage lot attendant have reasonable belief that such requested property constitutes contraband or other item(s), possession of which is unlawful, notification will be given to the appropriate law enforcement agency prior to release of the property.
- (f) Any loss, cost, damage or other expense occasioned by negligence of the wrecker company shall be the sole and entire responsibility of the wrecker company and not the county. All and total liability shall be upon the towing company from initial hook-up to a vehicle until release of said vehicle.

**Sec. 70-74. Booting.**

No booting will be allowed under the terms of this Ordinance.

**Sec. 70-75. Property Owner's Associations.**

No property owners' association rules or private covenants filed in the Beaufort County Register of Deeds Office will apply to any private roads in a subdivision, which has been dedicated under appropriate legal requirements to authorize state or county law enforcement to enforce traffic statutes under Title 56 of the Code of Laws of South Carolina 1976, as amended.

**Sec. 70-76. Non-consensual towing from private property.**

(a) It shall be unlawful to remove any motor vehicle from private property without authorization from the owner of the motor vehicle, the county, or authorized law enforcement agencies, except under the following circumstances:

(1) The property owner has proprietary ownership and discretion as to who is authorized to be on said property; and

(2) If the property owner is a commercial entity or other like entity which has shared parking spaces, the following conditions have been met:

a. The property owner, or designated manager, has posted the property with signs clearly stating that parking is prohibited or restricted;

b. The posted signs were in place and clearly visible and legible to any driver approaching the property where parking is prohibited or restricted at the time the vehicle was parked; and

c. The posted signs contain a clear warning that violators' vehicles will be towed, at the vehicle owner's expense, and contain the telephone number to call to obtain release of the towed vehicle.

(b) If a vehicle has been requested to be towed from private property where security is maintained, security shall be required to accompany the towing company to the vehicle requested to be towed and remain until the vehicle has been removed from the property.

(c) The owner of the vehicle towed from private property shall be responsible for paying all applicable towing and storage charges provided that the private property owner has complied with all of the requirements contained in subsection (a) above. If a vehicle is towed as a result of a property owner's request and the property owner has not complied with the requirements of subsection (a) above, or if the vehicle towed is shown to have been legally parked, the property owner shall be guilty of a misdemeanor and may, in the discretion of the county magistrate as provided in S.C. Code, Section 14-25-75, be required to reimburse the owner of the vehicle for all towing and storage charges which the owner of the vehicle paid.

(d) (1) A wrecker service and private property owner may enter into a written agreement authorizing towing from that property, which agreement shall be filed with the Beaufort County Sheriff's Office. Before towing a vehicle from private property without authorization from the vehicle owner, the wrecker service operator shall obtain from the property owner, or designated manager, a written authorization which shall set forth the name and signature of the property owner or his/her agent or a statement that the tow occurred pursuant to an agreement filed with the Beaufort County Sheriff's Office, the address from which the motor

vehicle is being towed, the reason for the removal, and the year, make, model vehicle identification number, state and license plate number of the motor vehicle being towed.

(2) These authorization forms shall be provided by each wrecker service providing such towing services and will be kept on file by the wrecker service for inspection by the county for not less than three (3) years.

(3) In addition, any wrecker service removing a motor vehicle from private property without the consent of the owner of the vehicle shall, within One (1) hour of its removal, telephone the Beaufort County Sheriff to verbally report the tow by providing the information on the authorization form as well as the location where the motor vehicle may be claimed by its owner.

(e) At any time a vehicle is towed without the authorization of the vehicle owner or person lawfully in possession of the vehicle (hereinafter the "vehicle owner"), the fee schedule herein shall be the maximum to be charged by any wrecker operator or company and no other fees or charges of any kind shall be required to be paid by the vehicle owner in order to recover the vehicle.

(f) No wrecker service operator shall tow a vehicle from private property without the consent of the vehicle owner unless the wrecker service shall have an operator/attendant on call at all times other than after normal business hours capable of responding to requests for release of the vehicle. The operator/attendant will be capable of and will respond to a request for release of a vehicle within forty-five (45) minutes of being called during any of these times, and shall release the vehicle upon payment of the fee as set forth in the fee schedule herein, and upon proper identification, unless the operator/attendant has reasonable belief that operation of the vehicle will be in violation of the law and in that instance will notify the appropriate law enforcement agency prior to release of the vehicle. No other fees or charges may be required, and no fees or charges shall be assessed or accrued after forty-five (45) minutes from the request for release of a vehicle.

(g) Each wrecker business shall have posted at its storage lot and at its principal place of business signs clearly indicating the procedure for release of vehicles, including the on-call number for release of vehicles, such posted signs to be in place and clearly visible and legible to any driver approaching the storage lot or place of business.

(h) If a vehicle owner returns to reclaim his or her vehicle while the tow truck is on the scene but before the vehicle is physically connected to the tow truck, the tow truck operator may charge no more than Seventy-five Dollars (\$75.00) to release the vehicle. If the owner refuses or is unable to pay, the vehicle may be towed.

(i) If the vehicle is connected to the tow truck when the vehicle owner returns to reclaim the vehicle, the tow truck operator shall disconnect the vehicle and return it to the



vehicle owner without further charge upon payment of One Hundred Dollars (\$100.00). If the owner refuses to or is unable to pay, the vehicle may be towed.

**Sec. 70-77. Maximum towing charges.**

(a) The attached (Appendix A) schedule of fees shall be adhered to in establishing the maximum that can be charged for a tow, except as otherwise provided by an authorized governmental agency having competent jurisdiction, and except when the owner/operator of a towed vehicle makes special arrangements with a wrecker service of his/her own choosing. These fees may be exclusive or cumulative in nature dependent upon the circumstances involved in the call for service.

(b) The schedule of fees shall be reviewed by the Beaufort County Governmental Committee, upon recommendation of the committee, the director of the division of public safety, or the program administrator. Adjustment of fees may be accomplished by simple resolution of County Council after public review in the event of any significant change in economic conditions affecting the towing industry, e.g., cost of fuel.

(c) Storage fees will not begin until twelve (12) hours after the motor vehicle has entered into the business' storage lot. Thereafter, storage fees shall accrue on a per day basis for any one (1) day or portion thereof.

(d) All entities engaged in a towing business shall adopt a fair business model which only utilizes and charges for the services and/or equipment necessary to accomplish the task under consideration. Those businesses that are found to unnecessarily utilize equipment in such a manner as to exaggerate towing charges will be found to be in violation of this article.

(e) Each business engaged in non-consensual (without the prior consent or authorization of the owner or operator of the vehicle) or wrecker service rotation program towing will post, in a prominent place, a placard which references this section and clearly identifies the current schedule of fees. Said placard will be no less than twelve (12) by eighteen (18) inches and clearly visible to vehicle owners who will be paying a towing bill.

(f) Each vehicle owner will be given an itemized invoice or receipt for the bill they have paid which details all charges that have been applied to the bill.

**Sec. 70-78. Emergencies or special events.**

Whenever the county determines that a state of emergency exists in Beaufort County, or during special events so designated by the county, the county administrator may request that all wrecker services engage in the towing of vehicles deemed as interfering with efforts to deal with the emergency or special event. Towing charges incurred during such times shall be in accordance with the established towing fee schedule and such charges shall remain the responsibility of the towed vehicle's owner.

**Sec. 70-79. Penalties.**

Unless otherwise provided herein, violation of any of the provisions of this article is a misdemeanor punishable in a court of competent jurisdiction of a fine of One Hundred Dollars (\$100) or thirty (30) days in jail.

**Appendix A. Schedule of Fees**

**TABLE INSET:**

<b>Description</b>	<b>Fee</b>
Carrier	\$200.00
Light-medium wrecker	\$200.00
No-tow (arrival only)	\$75.00
No-tow (attached)	\$100.00
Tow exceeding one hour	\$125.00 per hr.
Storage (per day) (after first 24 hours)	\$40.00

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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: May 9, 2011

Second Reading:

Public Hearing:

Third and Final Reading:

2011 /

AN ORDINANCE BASED ON THE REQUEST FROM THE BEAUFORT COUNTY BOARD OF EDUCATION TO AMEND THE FY 2010-2011 GENERAL FUND BUDGET TO ACCOMMODATE THE CHANGE IN STATE FUNDING SOURCES PURSUANT WITH PROVISIO 1.79 OF THE GENERAL APPROPRIATIONS ACT OF 2010.

WHEREAS, Proviso 1.79 of the General Appropriations Act of 2010 consolidated three Education Improvement Act (EIA) funding sources into one fund in the current year;

WHEREAS, the State changed the funding from EIA to general fund;

WHEREAS, the revenue allocation from the state must be reported in the general fund which also means the related expenditures must be reported in the general fund;

WHEREAS, this change requires an amendment to the School District FY 2010-2011 General Fund budget to include both the additional revenue and the additional expenditures associated with this change. Without said amendment to the budget, the appropriated amount listed in the local budget ordinance will be exceeded without authorization.

WHEREAS, the EIA funding sources combined were: Credits for High School Diploma; Principal Salary Supplement; and Middle School Initiative for a total of \$589,018.

NOW, THEREFORE, the County Council of Beaufort County hereby amends the School District FY 2010-2011 General Fund budget as follows:

Total Revenue and Other Financing Sources from \$175,270,150 to \$175,859,168  
Total Expenditures and other Financing Uses from \$175,270,150 to \$175,859,168

to accommodate the change in state funding sources pursuant to Proviso 1.79 of the General Appropriations Act of 2010.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council  
First Reading:  
Second Reading:  
Public Hearing:  
Third and Final Reading:

AN ORDINANCE OF THE COUNTY OF BEAUFORT, SOUTH CAROLINA, TO AMEND COUNTY COUNCIL STIPEND.

WHEREAS, Chapter 9, Section 4-9-100, 1982 Supplement of the *Code of Laws of South Carolina*, 1976, as amended, specified that ". . . after the initial determination of salary, Council may, by Ordinance, adjust such salary but the Ordinance changing such salary shall not be effective until the date of commencement of terms of at least two members of Council elected at the next general election following the enactment of the Ordinance affecting such salary changes at which time it will become effective for all members," and "members may also be reimbursed for actual expenses incurred in the conduct of their official duties;" and

WHEREAS, the base annual pay incorporates payment for all scheduled regular Council meetings; and

WHEREAS, a member of Beaufort County Council is authorized payment of a stipend for certain other meetings attended by said member, while acting in his/her official capacity as a member of Council, in addition to the base annual pay established for said position; and

WHEREAS, the County Council of Beaufort County deems it advisable to establish an Ordinance outlining the policy for the payment of the base annual pay and the stipend as referenced above.

A. Base Annual Pay. The members of Council shall receive base annual pay for each fiscal year as follows:

1. Council Member. Each member of Council, with the exception of the Chairman, shall receive \$11,039; and

2. Council Chairman. The Chairman of Council shall receive \$14,349; and

3. Cost of Living. Each member of Council shall receive the County's annual cost of living adjustment.

B. Council Stipend. In addition to the base annual pay received for service on Council, members and/or the Chairman may be paid a stipend of \$40 per meeting for his/her attendance at 120 meetings for the fiscal year of any Council committee meetings and other Council related business meetings.

C. Maximum Amount of Payment. Payment for the Council stipend shall be allowed up to the maximum amount authorized per fiscal year, as follows:

1. Council Member. Payment of base annual pay in the fiscal year plus stipend (120 meetings x \$40 per meeting) for the fiscal year shall not exceed ~~Thirteen Thousand Eight Hundred Thirty and No/100 (\$13,830)~~ **Fifteen Thousand Eight Hundred Thirty Nine Dollars & 00/100 (\$15,839) Dollars per fiscal year; and**

2. Council Chairman. Payment of base annual pay in the fiscal year plus stipend (120 meetings x \$40 per meeting) for the fiscal year shall not exceed ~~Seventeen Thousand Twenty-Five and No/100 (\$17,025)~~ **Nineteen Thousand One Hundred Forty Nine & 00/100 (\$19,149) Dollars per fiscal year; and**

1. A specially called (unscheduled) meeting of the County Council of Beaufort County; and

2. A specially called (unscheduled) work session of the County Council of Beaufort County; and

3. Any other business meeting at which the Council member is in attendance in his/her official capacity as a member of Council, i.e., an official meeting with an industrial prospect, an official meeting with another governmental entity, a meeting with a county committee, board, district, agency, authority, or commission, i.e., the Beaufort Memorial Hospital Board, the Solid Waste Advisory Council, the Beaufort-Jasper Water and Sewer Authority, any fire district, etc., or an organized meeting held within his/her district that he/she is attending in his/her official capacity as a member of Council. These meetings are limited to 24 districts meetings per year. This would not include attendance at parades, ribbon cutting ceremonies, or any other non-required functions; and

C. Mileage Reimbursement. Each member of Council shall be reimbursed mileage to and from their residences for all scheduled meetings, i.e., regular meetings, work sessions, public hearings; and

D. Method of Payment. Base annual pay shall be divided into twenty-six equal payments and made biweekly through the normal payroll cycle. Payment of the stipend will be made on the second scheduled pay date of each month following the month in which the stipend was claimed; i.e., for meetings attended in January, payment would be made on the second payroll check paid in the month of February, etc.; and

E. Required Documentation. An Affidavit of Attendance form must be completed and signed by the Council member, and submitted to the Finance Department in order for payment of the stipend to be made. The Affidavit provides for the recording of the date, time spent, location, and the purpose of the meeting, i.e., LCOG mileage, etc.; and

F. Dual Payment. No member of Council shall receive a stipend for attendance at any unscheduled meeting if any form of payment for attendance at said meeting is received by the member from another source; and

G. Expenses. Members may also be reimbursed for actual expenses incurred in the conduct of their official duties, *Code of Laws of South Carolina*, Chapter 9, Section 4-9-100, 1982 Supplement.

**This Ordinance shall be reviewed in two years (2013).**

This Ordinance shall become effective on the first full pay period in July 2011 ~~January~~ 2005.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: \_\_\_\_\_  
Wm. Weston J. Newton, Chairman

REVIEWED AS TO FORM:

\_\_\_\_\_  
Ladson F. Howell, Staff Attorney

ATTEST:

\_\_\_\_\_  
Suzanne M. Rainey, Clerk to Council

First Reading:  
Second Reading:  
Public Hearing:  
Third and Final Reading:

# FIRETEC

Used Apparatus Sales

PO Box 1777 - Randolph VT 05060  
Phone: (802) 728-9225 Fax: (802) 728-9200  
Toll Free: (800) 347-3832  
All Current Listings: [www.firetec.com](http://www.firetec.com)  
E-Mail Address: [firetec@firetec.com](mailto:firetec@firetec.com)

Vehicle specifications are provided to us by the seller. Firetec makes no claim as to their accuracy and all specifications are subject to inspection and verification.

Date: **May 2, 2011**  
List Number: **9709 PE-9709-113**  
Model Year: **1997** Refurb Yr: Category: **Pumping Engine**  
Chassis: **Spartan** Make: **Quality**  
Model: Lad.Type:  
Mileage: **42,806** FOB: **TX**  
Height: **9'6"** Width: **8'** Length: **29'8"**  
GVW: **24,000** Wheel Base: **174"** Box Size:  
Cab Type: **6-man Enclosed** Overall Condition:  
Color: **Red/ White** Brakes: **air**  
Rust: **Rust In One Cmpt And Small Area Around Ladders, corrosion On Running**  
Tire Size **80R22.5** Rear: **11R22.5** Tire Condition:  
Front:  
Engine Type **Diesel** HP: **325** CI:  
Engine Make **Cummins** Model: **C8.3** Hours: **4253**  
Trans: **Automatic** Speed: **4** Make: **Allison** Model: **MD 3060P**  
Pump Make: **Waterous** GPM: **1250** Stages: **1** Location:  
Tank Size: **1000** Material: **poly** Condition:  
Ladder Make: Size: Mount:  
Other Equipment: **Foampro W/poly Tank, Stack Tip Deck Gun, Booster Reel W/1" Hose, Suction Hose, Amps 8kw Hydraulic Generator, Command Light, Ladders, 5 Scba Seats, A/c, Pike Pole, Hand Light, Hose Bed Cover, Kenwood Radio, Lightbar And Siren.**  
Other Information: **Discharges: (4) 2.5", (2) 4"**  
**Pre-connects: (2) 1.5"**  
**Intakes: (2) 5" Storz**  
Repairs - Performed:  
Needed: **Some Paint On Cab Area**

Available **now**  
Photo Calc **Yes**  
Price: **225,000**  
List Number: **PE-9709-113**

Photo:



936-230-1125



Governmental Finance

P.O. Box 714  
Columbia, SC 29202  
(803) 251-1328  
Fax (803) 251-1329

May 6, 2011

Chief Buddy Jones  
Sheldon Township Fire District  
P.O. Box 129  
Sheldon, SC 29941

Dear Buddy Jones:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by Sheldon Township Fire District ("District").

- (1) **Project:** Custom pumper
- (2) **Amount To Be Financed:** \$ 56,000
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

<u>Term</u>	<u>Rate</u>
5 years	3.29%
6 years	3.39%

Payments shall be annual in arrears, unless otherwise requested. See the attached amortization schedule(s) for information on payments.

The interest rates stated above are valid for a closing not later than 30 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T and upon the condition of the property being acceptable to BB&T.

All applicable taxes, permits, costs of lawyers for the District and any other costs shall be the District's responsibility and separately payable by the District. The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rates assume that the District expects to borrow less than \$10,000,000 in calendar year 2011 and that the financing shall qualify as qualified tax-exempt financing under the Internal Revenue Code. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing.

- (4) **Financing Documents:**



BB&T proposes to use its standard form financing contracts and related documents for this installment financing. We shall provide a sample of those documents to you should BB&T be the successful proposer. This financing shall be secured by a first lien security interest in all personal property acquired with proceeds.

\* \* \* \* \*

BB&T appreciates the opportunity to make this financing proposal and requests to be notified within five days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the District of its election to do so (whether or not this offer has previously been accepted by the District) if at any time prior to the closing there is a material adverse change in the District's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the District or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to BB&T. If your board adopts this resolution, then BB&T shall not require any further board action prior to closing the transaction.

Please call me at 803-251-1328 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY

  
Andrew G. Smith  
Senior Vice President

Enclosure

**Resolution Approving Financing Terms**

**WHEREAS:** Sheldon Township Fire District ("District") has previously determined to undertake a project for one custom pumper truck, and the Finance Officer has now presented a proposal for the financing of such Project.

**BE IT THEREFORE RESOLVED, as follows:**

1. The District hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated May 6, 2011. The amount financed shall not exceed \$56,000 the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.29%, 3.39% and the financing term shall not exceed five, six years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the District are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by District officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The District shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The District hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. All prior actions of District officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2011

\_\_\_\_\_  
(Secretary)

\_\_\_\_\_  
(Chairman)

SEAL

POSITION PAPER  
LOWCOUNTRY FARMERS PROCESSING FACILITY

**Situation:**

The agricultural community has always been the framework of the southeast region of South Carolina. Many of the operating farms have lost out to socio economic pressures. Runaway development has lead to land sell-off and the lost of youth to urban areas and higher paying jobs significantly impacted the small farmers of our area. Those that remain are uniquely positioned to take advantage of the current trends of seasonally produced food with a premium on purity and sustainability in the raw and value added food business. The region has the advantage of no competition from industrial mega farms, and it is within a 100 mile radius of several large populated areas.

**Solution:**

Beginning in the early months of 2009 a group of farmers, interested citizens and community leaders began meeting to study the feasibility of a farmer's food processing facility in the greater Beaufort area. The planning group was made up of a diverse group of interested persons and represented several institutions. In addition to local farmers and interested citizens, the following groups have been consistently represented: the Extension Services of South Carolina State University and Clemson University, South Carolina Coastal Community Development Corporation, The Penn Center, the Marine Corps Air Station, DHEC, DSS, and the Lowcountry Economic Network of Beaufort County. In creating a vision and mission statement for the processing facility, the group emphasized the health of local citizens, the importance of local farmers to our history and economy, and the establishment of new jobs at the processing facility and interest from new and traditional farmers. The group asked the former Executive Director of the Lowcountry Food Bank to moderate its meetings.

**Result:**

The task force established that a processing facility that could chop and dice fresh vegetables would provide a viable local market for new and traditional farmers, giving them new economic incentives to grow food. It would also decrease the pressure on land development in the area. Among the possible crops to be grown are collards, squash, cabbage, spinach, lettuce, onions, radish, peppers, kale, turnips, mustard, broccoli, zucchini, tomatoes, melons, okra, beans, eggplants, potatoes, peas, and corn. At full operations, the processing facility should be able to operate all year with seasonal crops providing a viable economic market to local farmers.

**Impact:**

Small and mid-size farmers in the Southeast South Carolina will benefit by providing local fresh vegetables to be processed. First year operation is expected to yield over 500,000 pounds of value-added produce generating over \$750,000 in revenue. Job creation will initially be 6-8 part-time employees, and 10-12 when in full operation. On-farm jobs will also increase for seasonal workers. The creation of a farmer's cooperative has been initiated to accomplish this task.

## LOWCOUNTRY FARMERS PROCESSING FACILITY

### **Status:**

The task force did considerable analysis on cost to operate such facility. Our estimate for a new building with electrical and sewer hookups ready to use with equipment installed was approximately \$460,000. We also drew up a budget for the first two years of operation which included staff and transportation needs.

- Negotiated with the South Carolina Coastal Community Development Corporation on St. Helena to lease a room to operate saving the cost of a building.
- Received a \$5,000 grant from the Strom Thurmond Institute at Clemson University for a feasibility study and for legal services to incorporate a local farmer's cooperative.
- Local Attorney and Certified Public Accountant, who were inspired by this initiative, gave pro bono help to file incorporation papers with the Secretary of State in South Carolina and obtain a federal tax identification number, and to assist with establishing financial records.
- Submitted application to USDA in the amount of \$245,000 for an equipment grant.
- Will submit an application with the USDA for operation funding in June of this year.

### **Request of Beaufort County Government:**

1. Upon approval of the \$245,000 USDA grant, Beaufort County Government provides up front funding to expedite the purchase of equipment.
2. Beaufort County Government grant \$30,000 to retro-fit the room at the South Carolina Coastal Community Development Corporation. This would include the lowering of existing ceiling, central cooling of the room, and re-locating a cooking pot.

Thank You,

The Low Country Process Facility Task Force

SECTION C — NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. Penn Center, Inc	\$ 1,000.00	\$	\$ 1,000.00	\$ 1,000.00	
9. Strom Thurmond Institute			5,000.00	5,000.00	
10.					
11.					
12. TOTALS (sum of lines 8 and 11)	\$ 1,000.00	\$	\$ 5,000.00	\$ 6,000.00	
SECTION D — FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 245,000.00	\$ 245,000.00	\$	\$	\$
14. NonFederal	6,000.00	6,000.00			
15. TOTAL (sum of lines 13 and 14)	\$ 251,000.00	\$ 251,000.00	\$	\$	\$
SECTION E — BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16.	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTALS (sum of lines 16 - 19)	\$	\$	\$	\$	
SECTION F — OTHER BUDGET INFORMATION (Attach additional Sheets if Necessary)					
21. Direct Charges:		22. Indirect Charges: Fixed at 10%			
23. Remarks					

# APPLICATION FOR FEDERAL ASSISTANCE

<b>2. DATE SUBMITTED</b> 3/28/2011	Applicant Identifier
<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier

<b>1. TYPE OF SUBMISSION</b> Application	Pre-application
<input type="checkbox"/> Construction	<input type="checkbox"/> Construction
<input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Non-Construction

<b>5. APPLICANT INFORMATION</b>	
Legal Name: Penn Center, Inc	Organizational Unit:
Organizational DUNS: 0789086109	Department:
Address:	Division:
Street: PO Box 128 - 16 Penn Center Circle West	Name and telephone number of the person to be contacted on matters involving this application (give area code):
City: St. Helena Island	Prefix: Mr. First Name: Walter
County: Beaufort	Middle Name: Roy
State: SC Zip Code: 29920-0128	Last Name: Mack
Country: USA	Suffix:
	Email: wnmack@penncenter.com

<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> 57-0324930	Phone Number (give area code): 843-838-2432	Fax Number (give area code): 843-838-8645
---------------------------------------------------------------	------------------------------------------------	----------------------------------------------


<b>8. TYPE OF APPLICATION:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See instructions for description of letters.) <input type="checkbox"/> <input type="checkbox"/> Over (specify):	<b>7. TYPE OF APPLICANT:</b> (See instructions for Application Types) New Other (specify):
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------

<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> 10-71619	<b>9. NAME OF FEDERAL AGENCY:</b> Federal Aviation Administration
<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, State, etc.):</b> Beaufort, Jasper, Colleton, Hampton and Charleston Counties.	<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> To establish a fruit and vegetable processing (Chopping) facility that would allow farmers to expand their marketing capacity by providing value-added produce to public schools and other eating establishments. The facility would also provide job-training, job retention and employment.

<b>13. PROPOSED PROJECT</b> Start Date: 8/1/2011 Ending Date: 9/30/2012	<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant: Honorable Joe Wilson b. Project: Honorable Joe Wilson
----------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------

<b>15. ESTIMATED FUNDING:</b>	<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>														
<table border="1"> <tr><td>a. Federal</td><td>\$245,000.00</td></tr> <tr><td>b. Applicant</td><td>\$1,000.00</td></tr> <tr><td>c. State</td><td>\$0.00</td></tr> <tr><td>d. Local</td><td>\$5,000.00</td></tr> <tr><td>e. Other</td><td>\$0.00</td></tr> <tr><td>f. Program Income</td><td>\$0.00</td></tr> <tr><td>g. TOTAL</td><td>\$251,000.00</td></tr> </table>	a. Federal	\$245,000.00	b. Applicant	\$1,000.00	c. State	\$0.00	d. Local	\$5,000.00	e. Other	\$0.00	f. Program Income	\$0.00	g. TOTAL	\$251,000.00	a. Yes <input type="checkbox"/> THIS PREAPPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
a. Federal	\$245,000.00														
b. Applicant	\$1,000.00														
c. State	\$0.00														
d. Local	\$5,000.00														
e. Other	\$0.00														
f. Program Income	\$0.00														
g. TOTAL	\$251,000.00														
	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b> <input type="checkbox"/> Yes If "Yes", attach an explanation. <input checked="" type="checkbox"/> No														

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE GOVERNING BODY OF THE APPLICANT HAS DULY AUTHORIZED THE DOCUMENT, AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

<b>a. Authorized Representative</b>	
Prefix: Mr. First Name: Walter	Middle Name: Roy
Last Name: Mack	Suffix:
<b>b. Title:</b> Executive Director	<b>c. Telephone Number (give area code):</b> 843-838-2432
<b>d. Signature of Authorized Representative</b> 	<b>e. Date Signed:</b> March 28, 2011

**BUDGET INFORMATION — Non-Construction Programs**

SECTION A — BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. USDA		\$ 0.00	\$ 0.00	\$ 245,000	\$ 6,000	\$ 251,000
2.						
3.						
4.						
5. TOTALS		\$ 0.00	\$ 0.00	\$ 245,000	\$ 6,000	\$ 251,000
SECTION B — BUDGET CATEGORIES						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)	
	(1)	(2)	(3)	(4)		
a. Personnel	\$	\$	\$ 9,528.00	\$ 1,000.00	\$ 10,528.00	
b. Fringe Benefits						
c. Travel						
d. Equipment			207,772.00		207,772.00	
e. Supplies						
f. Contractual						
g. Construction						
h. Other				5,000.00	5,000.00	
i. Total Direct Charges (sum of 6a - 6h)			217,300.00			
j. Indirect Charges			27,700.00		27,700.00	
k. TOTALS (sum of 6i and 6j)	\$	\$	\$ 245,000	\$ 6,000.00	\$ 251,000.00	
7. Program Income	\$	\$	\$	\$	\$	

FY 2011-2012 BEAUFORT COUNTY SCHOOL DISTRICT BUDGET

To provide for the levy of tax for school purposes for Beaufort County for the fiscal year beginning July 1, 2011, and ending June 30, 2012; to make appropriations for said purposes; and to provide for budgetary control of the County's fiscal affairs.

BE IT ORDAINED BY COUNTY COUNCIL OF BEAUFORT COUNTY:

SECTION 1. TAX LEVY

The County Council of Beaufort County hereby appropriates the funds as detailed in Sections 3 and 4 of this Ordinance and establishes the millage rates as detailed in Section 2 of this Ordinance. The County Council of Beaufort County reserves the right to modify these millage rates at its August 22, 2011, meeting.

SECTION 2. MILLAGE

In Fiscal Year 2011-2012 and in accordance with the laws of South Carolina, the County Auditor is hereby authorized and directed to levy a tax on the following mills on the dollar of assessed value of property within the County.

School Operations	90.26
School Debt Service	26.33

These taxes shall be collected by the County Treasurer, as provided by law, and distributed in accordance with the provisions of this Ordinance and subsequent appropriations hereafter passed by the County Council of Beaufort County.

SECTION 3. SCHOOL OPERATIONS APPROPRIATION

An amount of \$175,270,150 is appropriated to the Beaufort County Board of Education to fund school operations. This appropriation is to be spent in accordance with the school budget approved by County Council of Beaufort County, and will be funded from the following revenue sources:

- A. \$116,061,002 to be derived from tax collections;
- B. \$ 52,864,379 to be derived from State revenues;
- C. \$ 400,000 to be derived from Federal revenues;
- D. \$ 200,000 to be derived from other local sources;
- E. \$ 2,962,953 to be derived from other local sources;
- F. \$ 2,781,816 to be derived from inter-fund transfers.



The Beaufort County Board of Education is responsible for ensuring that school expenditures do not exceed appropriations other than as provided for in this Ordinance. As revenues are based on projections, the Board of Education must make every effort to reduce the approved budget to allow for overestimated revenues, should this situation occur. Should the Board of Education be unable to sufficiently reduce the approved budget to allow for overestimated revenues, the Board of Education must appear before the County Council in an effort to resolve the problem. Any transfer of funds between programs as herein enacted must be in compliance with Section 7 of this Ordinance.

#### **SECTION 4. SCHOOL DEBT SERVICE APPROPRIATION**

The revenue generated by a 26.33 mill levy is appropriated to defray the principal and interest payments of school bonds.

#### **SECTION 5. BUDGETARY ACCOUNT BREAKOUT**

The Beaufort County Board of Education, as described in Section 3 of this Ordinance, line-item budgets are under separate cover but are also part and parcel of this Ordinance.

#### **SECTION 6. OUTSTANDING BALANCE APPROPRIATION**

The balance remaining in each fund at the close of the prior fiscal year, where a reserve is not required by State or Federal law, is hereby transferred to the Unreserved Fund Balance of that fund.

#### **SECTION 7. AUTHORIZATION TO TRANSFER FUNDS**

In the following Section where reference is made to "School Superintendent" it is explicit that this refers to those funds under the particular auspices of the School Superintendent requiring his approval.

Transfers of funds among operating accounts or among capital accounts within a department may be authorized by the School Superintendent or his designee, upon the written request of the Department Head. The School Superintendent, or his designee, may also transfer funds from any departmental account to their respective Contingency Accounts.

Transfer of monies/budgets between funds or programs must be authorized by the Board of Education, except amounts less than \$10,000, which may be authorized by the School Board Chairman, and/or the Finance Chairman of the respective bodies, upon the written request and consent of the School Superintendent. Transfers of less than \$5,000 may be authorized by the School Superintendent, and/or his designee.

#### **SECTION 8. ALLOCATION OF FUNDS**

The School Superintendent is responsible for controlling the rate of expenditure of budgeted funds in order to assure that expenditures do not exceed funds on hand. To carry out this responsibility, the School Superintendent is authorized to allocate budgeted funds.

**SECTION 5. MISCELLANEOUS RECEIPTS ABOVE-ANTICIPATED REVENUES**

Revenues other than, and/or in excess of, those addressed in Sections 3 of this Ordinance, received by the Beaufort County School District, which are in excess of anticipated revenue as approved in the current budget, may be expended as directed by the revenue source, or for the express purposes for which the funds were generated without further approval of County Council. All such expenditures, in excess of \$10,000, shall be reported, in written form, to the County Council of Beaufort County on a quarterly basis. Such funds include sales of products, services, rents, contributions, donations, special events, insurance and similar recoveries.

**SECTION 6. TRANSFERS VALIDATED**

All duly authorized transfers of funds heretofore made from one account to another, or from one fund to another during Fiscal Year 2012 are hereby approved.

**SECTION 7. ADDITIONAL APPROPRIATIONS**

This Ordinance provides that maximum school operations appropriations authorized for spending by the Beaufort County School District for Fiscal Year 2011-2012. The maximum school operations appropriation is set forth herein in Section 3. Any request to expend funds over the maximum school operations appropriation as provided in Section 3 must be approved by the Beaufort County Council by amendment to this Ordinance.

**SECTION 8. EFFECTIVE DATE**

This Ordinance shall be effective July 1, 2011. Approved and adopted on third and final reading this \_\_\_\_ day of \_\_\_\_\_, 2011.

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, By Title Only: May 9, 2011  
Second Reading:  
Public Hearings:  
Third and Final Reading:

2011 /

FY 2011-2012 BEAUFORT COUNTY BUDGET

To provide for the levy of tax for corporate Beaufort County for the fiscal year beginning July 1, 2011, and ending June 30, 2012, to make appropriations for said purposes; and to provide for budgetary control of the County's fiscal affairs.

BE IT ORDAINED BY COUNTY COUNCIL OF BEAUFORT COUNTY:

SECTION 1. TAX LEVY

The County Council of Beaufort County hereby appropriates the funds as detailed in Sections 4, 5 and 6 of this Ordinance. Further, that the County Council of Beaufort County hereby establishes the millage rates as detailed in Sections 2 and 3 of this Ordinance. However, the County Council of Beaufort County reserves the right to modify these millage rates at its August 22, 2011 meeting.

SECTION 2. MILLAGE

The County Auditor is hereby authorized and directed to levy in Fiscal Year 2011-2012 a tax of 47.54 mills on the dollar of assessed value of property within the County, in accordance with the laws of South Carolina. These taxes shall be collected by the County Treasurer, as provided by law, and distributed in accordance with the provisions of this Ordinance and subsequent appropriations hereafter passed by the County Council of Beaufort County.

County Operations	40.21
Purchase of Real Property Program	2.76
County Debt Service	4.57

SECTION 3. SPECIAL DISTRICT TAX LEVY

The County Auditor is hereby authorized and directed to levy, and the County Treasurer is hereby authorized and directed to collect and distribute the mills so levied, as provided by law, for the operations of the following special tax districts:

Bluffton Fire District Operations	19.67
Bluffton Fire District Debt Service	.38
Burton Fire District Operations	55.87
Burton Fire District Debt Service	5.53
Daufuskie Island Fire District Operations	30.71
Daufuskie Island Fire District Debt Service	0.00
Lady's Island/St. Helena Island Fire District Operations	31.00
Lady's Island/St. Helena Island Fire District Debt Service	1.50
Sheldon Fire District Operations	32.22
Sheldon Fire District Debt Service	2.18

**SECTION 4. COUNTY OPERATIONS APPROPRIATION**

An amount of \$96,303,492 is appropriated to the Beaufort County General Fund to fund County operations and subsidized agencies. The detailed Operations budget containing line-item accounts by department and/or agency is hereby adopted as part of this Ordinance. This appropriation will be funded from the following revenues sources:

- A. \$72,130,243 to be derived from tax collections;
- B. \$ 2,567,500 to be derived from fees for licenses and permits;
- C. \$ 7,422,875 to be derived from Intergovernmental revenue sources;
- D. \$11,226,774 to be derived from charges for services;
- E. \$ 753,000 to be derived from fines and forfeitures' collections;
- F. \$ 141,000 to be derived from interest on investments;
- G. \$ 705,600 to be derived from miscellaneous revenue sources;
- H. \$ 1,156,500 be derived from inter-fund transfers;

Additional operations of various County departments are funded by Special Revenue sources. The detail of line-item accounts for these funds is hereby adopted as part of this Ordinance.

**SECTION 5. PURCHASE OF DEVELOPMENT RIGHTS AND REAL PROPERTY PROGRAM**

The revenue generated by a 2.76 mill levy is appropriated for the County's Purchase of Development Rights and Real Property Program.

**SECTION 6. COUNTY DEBT SERVICE APPROPRIATION**

The revenue generated by a 4.57 mill levy is appropriated to defray the principal and interest payments on all County bonds and on the lease-purchase agreement authorized to cover other Capital expenditures.

**SECTION 7. BUDGETARY ACCOUNT BREAKOUT**

The foregoing County Operation appropriations have been detailed by the County Council into line-item accounts for each department. The detailed appropriation by account and budget narrative contained under separate cover is hereby adopted as part of this Ordinance. The Fire Districts, as described in Section 3 of this Ordinance, line-item budgets are under separate cover but are also part and parcel of this Ordinance.

**SECTION 8. OUTSTANDING BALANCE APPROPRIATION**

The balance remaining in each fund at the close of the prior fiscal year, where a reserve is not required by State or Federal law, is hereby transferred to the Unreserved Fund Balance of that fund.

## **SECTION 9. AUTHORIZATION TO TRANSFER FUNDS**

In the following Section where reference is made to "County Administrator" it is explicit that this refers to those funds under the particular auspices of the County Administrator requiring his approval.

Transfers of funds among operating accounts or among capital accounts within a department may be authorized by the County Administrator or his designee, upon the written request of the Department Head. The County Administrator, or his designee, may also transfer funds from any departmental account to their respective Contingency Accounts.

Transfer of monies/budgets between funds or programs must be authorized by County Council, except amounts less than \$10,000, which may be authorized by the Council Chairman, and/or the Finance Chairman, upon the written request and consent of the County Administrator. Transfers of less than \$5,000 may be authorized by the County Administrator, and/or his designee.

## **SECTION 10. ALLOCATION OF FUNDS**

The County Administrator is responsible for controlling the rate of expenditure of budgeted funds in order to assure that expenditures do not exceed funds on hand. To carry out this responsibility, the County Administrator is authorized to allocate budgeted funds.

## **SECTION 11. AUTHORIZATION OF TAX ANTICIPATION NOTES**

(A) The Council hereby finds and determines that:

(i) The monies necessary to fund this budget will come primarily from ad valorem property taxes levied against property located in the County (the "Local Taxes").

(ii) Notices for the collection of Local Taxes will be prepared and mailed by the County Auditor sometime after September 1, 2011, and the Local Taxes are payable without penalty on or before January 15, 2012.

(iii) Local Taxes represent a substantial portion of the County's revenues for its operations. Payment of the operating costs of the County, especially for wages, salaries and a number of other expenses cannot be delayed pending receipt of Local Taxes. The County's fund balance and other sources of revenue are not sufficient cash to provide for current payment of all operating costs pending receipt of Local Taxes.

(iii) The Council has been advised that the cash requirements to pay currently the costs of operation of the County during the period of July 1, 2011 to January 15, 2012, will exceed the amount of cash available.

(B) The Council intends hereby to provide for the issuance of tax anticipation notes (the "Notes") authorized by Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended, and Chapter 27, Title 11 of the *Code of Laws of South Carolina*,

1976, as amended. The Administrator, with the advice and consent of Council, is hereby authorized and directed to take such action as the Administrator deems necessary to issue the Notes without further Council action, whenever the current or projected cash position of the County requires such interim financing, subject to the following:

(i) The Administrator shall prepare schedules showing the projected cash requirements of the County and the funds that will be available to meet such requirements, including the general fund balance and receipts from all sources.

(ii) The Administrator, with the advice and consent of Council, may provide for the issuance of Notes in an amount sufficient to provide the County with sufficient cash to meet its projected needs and to maintain on hand an amount not less than 5% of the actual operating expenditures for the fiscal year ending June 30, 2011 (the "2011-2012 Fiscal Year"); provided, however, that in no event shall the principal amount of the Notes exceed 75% of the amount of Local Taxes to be levied for the 2011-2012 Fiscal Year without further authorization from the Council.

(iii) The Administrator, with the advice and consent of Council, may provide for the issuance of the Notes at one or more times and may provide for such Notes to be fully funded at the time of issuance or to be drawn against a stated principal amount over time.

(iv) The Administrator may provide for the Notes to mature at any time up to and including 90 days after January 15, 2012, and may provide for the prepayment of the Notes under such terms as are deemed desirable.

(v) The Notes may be sold at public sale or by invitation limited to local financial institutions or any particular kind of investor at the discretion of the Administrator; provided that the Administrator shall seek offers to purchase or fund the Notes from at least three sources. The Administrator shall exercise discretion in the manner of offering the Notes after considering the total amount to be funded and all costs in connection therewith, and shall endeavor to select that method of offering the Notes which is expected to provide the funding needed at the lowest total cost to the County.

(vi) The Administrator is further directed to obtain the advice of bond counsel as to the details of the Notes and the manner of offering thereof and to observe any limitations required under Federal tax laws to maintain the tax-exemption of interest thereon.

C) For payment of the Notes and the interest thereon, there shall be pledged the ad valorem taxes levied for operating purposes for the 2011-2012 Fiscal Year and the full faith, credit and taxing power of the County and the Administrator is hereby authorized to provide for such pledge and security in the Notes.

(D) The Administrator and all other officials of the County are hereby authorized and directed to take all action necessary or desirable to arrange for the issuance and placement or sale of the Notes and to enter into such agreements as are customary in connection therewith.

**SECTION 12. MISCELLANEOUS RECEIPTS ABOVE-ANTICIPATED REVENUES**

Revenues other than, and/or in excess of, those addressed in Sections 4, 5 and 6 his Ordinance, received by Beaufort County, and all other County agencies fiscally responsible to Beaufort County, which are in excess of anticipated revenue as approved in the current budget, may be expended as directed by the revenue source, or for the express purposes for which the funds were generated without further approval of County Council. All such expenditures, in excess of \$10,000, shall be reported, in written form, to the County Council of Beaufort County on a quarterly basis. Such funds include sales of products, services, rents, contributions, donations, special events, insurance and similar recoveries.

**SECTION 13. TRANSFERS VALIDATED**

All duly authorized transfers of funds heretofore made from one account to another, or from one fund to another during Fiscal Year 2012, are hereby approved.

**SECTION 14. EFFECTIVE DATE**

This Ordinance shall be effective July 1, 2011. Approved and adopted on third and final reading this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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, By Title Only:  
Second Reading:  
Public Hearings:  
Third and Final Reading:

## Committee Reports

May 23, 2011

### A. COMMITTEES REPORTING

#### 1. Community Services

- ① [Minutes](#) are provided from the May 16 meeting. Action is required. See main agenda item 17.
- ② Disabilities and Special Needs Board

<i>Nominate</i>	<i>Name</i>	<i>Position / Area / Expertise</i>	<i>Reappoint / Appoint</i>	<i>Votes Required</i>
5/23/2011	David J. Green	At-Large	Appoint	6 of 11
5?23/2011	Murray S. Weiner	At-Large	Appoint	6 of 11

#### 2. Finance

- ① [Minutes](#) are provided from the May 5 meeting. No action is required.
- ② [Minutes](#) are provided from the May 9 meeting (joint meeting with Governmental). No action is required.
- ③ [Minutes](#) are provided from the May 16 meeting. Action is required. See main agenda items 14, 15, 16, 19.

#### 3. Governmental

- ① [Minutes](#) are provided from the May 2 meeting (joint meeting with Finance). No action is required.

#### 4. Natural Resources

- ① [Minutes](#) are provided from the May 2 (2 pm) meeting. No action is required.

#### 5. Redistricting

- ① [Minutes](#) are provided from the May 13 meeting. No action is required.

### B. COMMITTEE MEETINGS

#### 1. Community Services

*William McBride, Chairman*

*Gerald Dawson, Vice Chairman*

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

#### 2. Executive

*Weston Newton, Chairman*

#### 3. Finance

*Stu Rodman, Chairman*

*Rick Caporale, Vice Chairman*

➔ Next Meeting – Monday, June 13 at 2:00 p.m., ECR

➔ Next Meeting – Monday, June 20 at 2:00 p.m., BIV #2

#### 4. Governmental

*Jerry Stewart, Chairman*

*Laura Von Harten, Vice Chairman*

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



**5. Natural Resources**

*Paul Sommerville, Chairman*

*Brian Flewelling, Vice Chairman*

➔ Meeting Cancellation – Monday, June 6

➔ Next Meeting – Monday, July 11 at 2:00 p.m., ECR

**6. Public Facilities**

*Herbert Glaze, Chairman*

*Steven Baer, Vice Chairman*

➔ Next Meeting – Tuesday, May 24 at 4:30 p.m., ECR

**7. Redistricting**

*Weston Newton, Chairman*

*William McBride, Vice Chairman*

➔ Next Meeting – Thursday, June 16 at 8:30 a.m., ECR

➔ Next Meeting – Wednesday, July 20 at 10:00 a.m., ECR

➔ Public Hearings

- May 24, 2011, 6 p.m., Council Chambers, 100 Ribaut Road
- June 15, 2011, 6 p.m., Hilton Head Island Branch Library, 11 Beach City Road
- July 18, 2011, 6 p.m., Bluffton Branch Library, 120 Palmetto Way
- August 8, 2011, 6 p.m., Council Chambers, 100 Ribaut Road
- August 22, 2011, 6 p.m., Council Chambers, 100 Ribaut Road

**8. Transportation Advisory Group**

*Weston Newton, Chairman*

*Stu Rodman, Vice Chairman*

➔ Next Meeting – August 2011

## COMMUNITY SERVICES COMMITTEE

May 16, 2011

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

The Community Services Committee met Monday, May 16, 2011 at 4:00 p.m. in the Conference Room, Building 2 of the Beaufort Industrial Village, 102 Industrial Village Road, Beaufort, South Carolina.

### ATTENDANCE

Community Services Committee members: Chairman William McBride, Vice Chairman Gerald Dawson, and members Steven Baer, Rick Caporale, Herbert Glaze, and Laura Von Harten. Member Paul Sommerville was absent. Non-Committee member Jerry Stewart attended the meeting.

County staff: Morris Campbell, Division Director – Community Services; David Starkey, Chief Financial Officer

Public: Jackie Frazier, farmer Barefoot Farm; York Glover, Clemson Extension Services of South Carolina; Walter Mack, Executive Director of Penn Center; Joe McDermont, Chairman of Gullah Farmers Cooperative Association; Archie McRee, Chairman of Subcommittee on Gullah Farmers and former Executive Director of the Lowcountry Food Banks; and William Sheldon, resident.

Mr. McBride chaired the meeting.

### ACTION ITEM

#### **1. Clemson Extension Request for Financial Assistance with the Development of a Lowcountry Farmers / School District Economic Partnership**

**Discussion:** Mr. McBride said the Clemson Extension Services of South Carolina request for financial assistance is for the development of a Lowcountry Farmers/School District Economic Partnership in the form of a processing facility.

Mr. York Glover, Clemson Extension Services of South Carolina, thanks the Community Services Committee for the opportunity to come before it. He explained for the past 15 or 20 years he worked with marketing vegetables and fruits for local farmers. Mr. Glover said he is here today to talk about marketing vegetables and fruits to a degree. Several years ago, Beaufort County Planner Billie Lindsay emailed Mr. Glover a link to “Local Food, Farms & Jobs: Growing the Illinois Economy” done as a result of legislation from the Illinois General Assembly in 2009. As a result of that study, it showed there were a lot of issues in Illinois, and that state began looking at how to get local produce, local farmers to grow food for their citizens. Basically, Illinois exported a lot of commodities out of the state while importing a lot of food for the residents to eat, Mr. Glover summarized. “Local Food, Farms & Jobs” looked at how the

state can capitalize on economic development in agriculture. As a result of the study, a lot of obstacles and strategies were shown for the state to address. Mr. Glover reviewed some of the key points: not enough farms, not enough farm labor and insufficient access to farmland, among others. Many of the items strategies to address the previously mentioned problems in the study are ones Beaufort County currently is doing, Mr. Glover said. Examples he listed are conservation easements on open spaces. Another obstacle raised in “Local Food, Farms & Jobs” is that local farms and resource centers are limited, and that is why the group today is approaching the Community Services Committee, Mr. Glover said. How can Beaufort County help the farmers and Clemson Extension develop infrastructures to assist the local farmers? He said they met in January 2009 to create a Lowcountry farmers processing facility task force made up of representatives from Clemson University Extension Services of South Carolina, Penn Center, Marine Corps Air Station – Beaufort, Department of Health and Environmental Control, Department of Social Services and the Lowcountry Economic Network. The Lowcountry Process Facility Task Force, hereafter Task Force, looked at the possibility of bringing forth a food processing facility in the Lowcountry. The Task Force appointed Archie McRee, who is the former Executive Director of the Lowcountry Food Bank of Charleston, to moderate the Task Force.

Mr. McRee said he has been a Beaufort resident for about 10 years and has since 2009 chaired the Task Force to put together a study examining the need for a vegetable “chop and slice operation” that would market local vegetables to hospitals, schools, the military bases and also individuals and restaurants. Mr. McRee said a group of very diverse people from economic development, military bases, hospitals and other areas met to begin looking at the possibilities. The Task Force received a grant from the Strom Thurmond Institute to do a feasibility study on whether the food processing facility was a viable option. He said he has the feasibility study available should anyone want to see it. Last year, a group of farmers was called together to determine if they had an interest. Mr. McRee said the short version of this is that the Gullah Farmers Cooperative Association was created. Hereafter to be referred to as Gullah Farmers Cooperative, the association had 17 farmers signed on who will grow crops for the operation. Mr. McRee informed the Community Services Committee that the Task Force researched the “chop slice operation” that would be needed and found they needed about \$210,000 worth of equipment to prepare, chop and slice local foods from local farmers. Recently the Task Force in conjunction with Penn Center completed a U.S. Department of Agriculture (USDA) grant for \$245,000, and is waiting to hear the status this month. Mr. McRee added they are optimistic they will receive the grant and this will get the vegetable and fruit processing equipment close to covering operation expenses. Mr. McRee noted to start with, a new building would be too costly. The Gullah Farmers Cooperative and Task Force decided the best approach would be to rent a facility for a few years to get the cooperative up and running before building a new building. Part of what the goal is to renovate a room at the Carolina Coastal Community Development Corporation on St. Helena Island across from Martin Luther King, Jr. Drive. Renovations would include dropping the ceiling and improvement to the refrigeration system. Mr. McRee said they are looking for funding in order to retrofit the room. Up-front this will create about six new jobs and within a couple of years create about 10 new jobs. What is more important, Mr. McRee said, is that the processing facility would provide farmers in this area with a clear, sustainable market where they can sell their products and share in the year-end profit. It will immediately elevate the

lives of some local farmers, he said. At full operation it would elevate more. Many farmers have already signed on and are creating membership shares as an investment. Mr. McRee noted one problem is the Gullah Farmers Cooperative operates with a lot of farmers who are very good at farming but do not have a lot of operational cash to begin the operation. That is where the process is after two years. Mr. McRee said the goal is to get the facility up and running by August 1, 2011 and be able to sell product to the Beaufort County School District beginning in September 2011. He pointed out the *pro forma* income statement, a part of the feasibility study, which looks at the cash flow and possible amount of product produced in the first three years of the operation. He said they operation would start part-time and as it grew would become full-time. The equipment targeted for purchase has the potential of producing about 5,000 pounds of food when running full force.

Mr. Caporale asked if it would be all vegetables, to which Mr. McRee confirmed. He asked if the 17 farmers would be the suppliers. The 17 would be the original, but other farmers may sign on to the cooperative. Mr. Caporale asked about any restrictions.

Mr. Glover said the number one restriction is whether the farmers are certified as having Good Agriculture Practices by a third-party auditor. The reason for this is because all food sold to schools must come from farmers who are certified farmers under Good Agriculture Practices.

Mr. Caporale said he would think farmers have to be certified to sell produce to anyone, not just schools. Mr. Glover answered no.

Mr. Glover explained the Good Agriculture Practices was prompted out of North Carolina and the USDA came out with federal legislation last year requiring school food to be from a certified farm. This requirement for certification does not necessarily extend to farmers at farmers markets. He did note there have been farmer training sessions to educate local farmers on good management practices such as washing hands.

Mr. Caporale asked what actually happens at the processing plant.

Mr. Glover answered that the product coming in, such as collard greens, would be sold to the school cafeterias for that day. The School District said they would need about 5,000 pounds for the day. The farmers would bring the collards into the processing facility. There the collards would be washed, chopped, washed a second time, dried and then packaged to be delivered to the schools.

Ms. Von Harten asked about the vegetables being X-rayed. Mr. Glover explained there is a metal detector for the produce.

Mr. Caporale asked if the success of this endeavor is based solely on the salesmanship, and Mr. Glover agreed. Mr. Caporale asked how many customers are available to buy the vegetables.

Mr. Glover remarked that there is a movement at the state level to encourage “farm to school” food chains. He said they have met with some of the state stakeholders and local food providers in the schools for Beaufort County, Jasper County and Colleton County. The schools

are willing to buy from the farmers if they can deliver. Beaufort County School District committed to at least four servings a month, at a minimum. All that needs to be done now is delivery to the schools, Mr. Glover said. In the feasibility study, the advice was for the development of a processing facility to go slow for the first year or two. They will not do full capacity at the beginning.

Mr. Baer asked if the room, for which they are requesting the \$30,000 for retrofits, would be where the chopping machines are located. Mr. Glover confirmed. Mr. Baer asked if the produce would be loaded into glass bottles or jars. Mr. Glover explained they would be packaged in plastic bags. “Are there health department requirements?” Mr. Baer asked. Mr. McRee said there are, and requirements set out by the State of South Carolina as well. Mr. Baer said there was a minimum of four servings per month that the Beaufort County School District committed to, and he asked what percentage of the capacity that is. It would be about 20%, Mr. Glover answered. Mr. Baer noted the proposal is to run at 25% of capacity the first year, so for the first year most of the customer base will be the schools. Mr. Glover confirmed and added that was what the feasibility study recommended. Mr. Baer asked if there was confidence in the pricing and supply numbers.

Mr. Glover asked Mr. Baer if he was asking whether the endeavor could live within those means to still be profitable. He said not for the first year, but under full production they will be able to live within the means. The margin is there, he said. The proposal for pay to the farmers is what the farmer would get right now if they took the produce to Columbia Farmers Market. It is the wholesale price.

Mr. Glaze asked for the location of the proposed processing center. The slated location for the processing center would be at the site of the Carolina Coastal Community Development Corporation on St. Helena Island.

Mr. Glover noted it does not really matter where the processing site is located. Whether in the municipality or rural area, the key is to have something in the community from which produce is distributed to customers. They are looking for a site, but instead of building a facility at this point there is an opportunity to use a room of a facility already built. Mr. Glover said construction of a new facility would be cost prohibitive for the group. They would only move to a new facility as the cooperative grows.

Mr. McBride asked the group to clearly state for the Committee what they are seeking.

Mr. McRee outlined that Task Force and Gullah Farmers Cooperative are seeking, in order to get started, around \$30,000 to retrofit a room for the purpose of a food processing facility to be used by the Gullah Farmers Cooperative Association at the Carolina Coastal Community Development Corporation on St. Helena Island, which will be rented for a couple of years. What has to happen is that the ceiling needs to be lowered and a better cooling system needs to be installed so the operation can exist in an environment around 45°F. Retrofitting the room would allow for the food processing equipment to be installed. The Task Force and Gullah Farmers Cooperative does not have the funding for the retrofitting. They feel optimistic about the



USDA equipment grant, and they will write another grant in June for operational costs, but the whole idea of retrofitting is an area that is at a hold right now, Mr. McRee said.

Mr. Caporale asked how soon the group needs to know whether Council makes the money available, and Mr. McRee answered they would like to have the room retrofitted by the first of August, so that would mean they need a month to retrofit. Mr. Caporale asked when they would hear about award of the USDA grant; any day, Mr. McRee answered.

Mr. Stewart stated the Task Force and Gullah Farmers Cooperative would make \$30,000 worth of retrofits to this room for the processing facility, but the group does not own the facility. He said the group talked about not wanting to be in the facility very long before moving into another facility. If the County puts up money, what happens to the facility modifications and retrofit after the organization ceases to be at the South Carolina Coastal Community Development Corporation. What arrangement or contract or commitment is there with the owners Carolina Coastal Community Development Corporation? Where does the County stand in that process?

Mr. Walter Mack, Executive Director of the Penn Center, said there is a two-year lease agreement with the Carolina Coastal Community Development Corporation. The Carolina Coastal Community Development Corporation is a nonprofit organization and they will house the facility. Once the Gullah Farmers Cooperative moves to another location, the retrofitted room will remain and be used for other community uses for food processing. Mr. McRee added that they do not believe it will happen sooner than two years.

Mr. Stewart said if one puts money into something one wants to know what happens after the fact. He asked who will own the equipment. Is it an organization that is set up and duly authorized as a business?

Mr. McRee said the Gullah Farmers Cooperative Association is established with the South Carolina Secretary of State. They were incorporated in March 2011, according to the Secretary of State website. The Gullah Farmers Cooperative is *bona fide*, he said.

Mr. Stewart asked if there will be employees and expenses, or if it will be simply the farmers. Mr. McRee said immediately the people who process the food will be separate employees; it will be about four or five people. Mr. Stewart asked if there will be taxes, accounting, a business plan that will be reviewed by an outside party, income and cash flow statements, etc. Will the School District or others who wish to buy produce be able to enter into contracts that they will buy a certain amount?

Mr. Glover said they will go before the School Board on May 17, 2011, and the answer to Mr. Stewart's question is yes. The School District is committed to buying from the local source.

Mr. Stewart said he feels based on his experience in business that someone will need to review a business plan to see this stands up and can be scrutinized.

Mr. Glover stated Mr. Stewart asked a question about the ownership of the equipment. If the USDA grant is approved, for which the application was submitted by Penn Center, Penn Center would own the equipment and then lease to the Gullah Farmers Cooperative.

Mr. Stewart said before he approves this matter he wants to see a business plan and a better review by either the Small Business Administration, the Lowcountry Economic Network or some other party.

Mr. Glover said they met with the University of South Carolina-Beaufort Small Business Center and the center prepared a draft business plan.

Ms. Von Harten pointed out the South Carolina Coastal Community Development Corporation is the group that trains others in the community on how to put together business plans and how to conduct business. This is a project in the works for years, so it is not like the group is “going about this willy-nilly.” These are some of the small business development experts in the community working on this project. As far as the money requested for the retrofit, it is an investment in the community, a community owned building owned by the Community Development Corporation. Those retrofits will benefit the community into perpetuity. The facility was established to create value-added agricultural products, so this retrofit would be in-line with the original mission for the USDA grant for the facility. Business incubators are already there such as the DHEC-approved kitchen. This addition of the cold storage processing facility will complement existing infrastructure. Once the Gullah Farmers Cooperative is out of the facility, there are plenty of others who need the facility. Ms. Von Harten said there is no community cold storage in the area, yet that is something many communities have. Any retrofit the County funds is an investment in the community in something already there that has demonstrated some success.

Mr. Baer stated he is not hostile to the project and he thinks it is a good thing. He agreed with Ms. Von Harten, but added that he also agrees with Mr. Stewart. A *pro forma* was provided but there is no fully formed business plan. For example, the group will need initial money from the start to pay some of the salaries. Where does that come from?

Mr. Glover explained that money would come from an USDA operations funding grant, still to be applied for in June.

Mr. Baer acknowledged the outline, but said he thinks they should see a two-page business plan before risking County monies. He said he is sympathetic to moving the project along once the Committee sees a business plan. He asked if the funding comes out of the economic development funding.

Ms. Von Harten said the new trend is economic gardening so that would be appropriate.

Mr. Caporale said economic development funding certainly would be an appropriate source. Mr. Caporale added that he agrees with Ms. Von Harten, then pointed out the Comprehensive Plan addresses the issue of economic development as it specifically relates to development of agricultural resources already in the county. It is well within line of the vision set out in the Comprehensive Plan. He said he spoke with the Planning Department about the open

land around the county for which the County has easements. Recently, the Council got a list of land that could be leased by the County for agricultural purposes. For example, it could be leased by farmers who do not have enough land. He explained they now know the County has land available to be used in such a program. Meanwhile, he said he thinks the only obstacle, other than getting the grants, is putting a business plan together to satisfy the Community Services Committee.

Mr. Glover mentioned that a lot of the agriculture production is on St. Helena Island and there is a belief once the endeavor is underway the Grays Hill community, with some of the County property and conservation easements, could provide a good outlet for partnership with the local military bases. The intent would be to sell local produce to the military and he said he thinks there is a potential for a good relationship there. As an example, Ft. Bragg, North Carolina started working with local farmers to put together a proposal for food. Mr. Glover explained the military's view is that farming and the military are compatible. Ms. Von Harten interjected that it was food security. Mr. Glover acknowledged that was one aspect, but another is that they prefer agriculture to houses being built around a base. Another matter Mr. Glover addressed was the Gullah Farmers Cooperative expanding and eventually moving. He said there is another element not discussed – if they leave what else could be done on the site. He suggested its use as a hub in the organic food production process. The retrofit investment is not a waste of funds; there are other elements of the agricultural process that could move into the space if it is vacated by the Gullah Farmers Cooperative.

Mr. Caporale stated there are a growing number of people who are concerned about from where their food comes.

Mr. Dawson said he thinks this is an ideal and worthy project for the area and the region. He said he thinks the County should fund the requested amount to support the project.

Mr. McBride said he would like to hear from Mr. Starkey on the financial part because there are two parts to the request.

Mr. Starkey first spoke on the request that Beaufort County grants \$30,000 for a retrofit of the room at the South Carolina Coastal Community Development Corporation. The retrofit would include the lowering of existing ceiling, central cooling to the room and relocation of the cooking pot. He asked the Community Services Committee to recall Deputy Administrator Mr. Bryan Hill's presentation before the Finance Committee on May 16, 2011. Mr. Hill then noted that the County's outside contributions went from \$9.1 million to \$7.2 million. This \$30,000 contribution would be part of the \$7.2 million total marked for outside contributions because that is all the General Fund can afford to divvy out to various organizations at this point. If it is Council's will to produce the \$30,000 for the retrofit it could happen. However the coming "ball of wax" is a lot smaller than the current year. Approving the \$30,000 would take from another organization's allocation.

Mr. Caporale asked if the \$30,000 would come out of the \$150,000 already earmarked for economic development.



Mr. Starkey answered that it could, and he added the \$7.2 million has not yet been fully divvied out to all the organizations. Again, if Council deems this project worthy of doing, it would be pulled from the \$7.2 million knowing not as many organizations will be getting as much money as they did in previous years due to the harsh economic times.

Mr. Caporale asked if the reduction calculated the reduction in County Council member expenses approved May 16, 2011 in Finance Committee. Mr. Starkey answered that it will, but it may not necessarily yield the \$30,000.

Mr. McBride asked Mr. Starkey to address the second portion of the request. The second part of the request is that Beaufort County provides the upfront funding to expedite the purchase of processing equipment by Penn Center for the processing facility, upon approval of the \$245,000 USDA grant.

Mr. Starkey said if he understands correctly the County would provide an advance on the \$245,000 and then be reimbursed. He said he does not see it necessarily being a harsh cash flow problem. At this point he said he is sure they can make it work. He asked Community Services Committee members to keep in mind that the General Fund actually goes into the negative as of September. So if there was some disaster in that time, it would affect cash flow. That is the only really significant issue he said he sees. Other than that, the General Fund is in the negative from September to November.

Mr. Dawson said he earlier held it is a worthwhile project for the region to produce homegrown food, process and also deliver to local businesses. How the staff or where the staff finds funding for the project is up to them. He said he thinks it is worthy of the Community Services Committee to approve.

#### Motion 1

It was moved by Mr. Dawson, seconded by Mr. Caporale, that the Community Services Committee approves and forwards to Council for approval a request that Beaufort County, South Carolina provides a \$30,000 grant to retrofit the South Carolina Coastal Community Development Corporation room on St. Helena Island, South Carolina for the purpose of the room's use as a food processing facility for the Gullah Farmers Cooperative Association, contingent upon the United States Department of Agriculture awarding a \$245,000 equipment grant to Penn Center, Inc.

Mr. Baer said as much as it pains him he will abstain from the vote for two reasons. First, he said there needs to be a more fully formed business plan. Second, he wants to understand the contingencies on the USDA operations grant to be applied for in June and the \$245,000 USDA equipment grant.

Mr. Caporale asked if the motion could be amended to include the receipt of a business plan, and a stipulation that any funding provided by Beaufort County would be contingent upon receipt of the grants.

Mr. McRee said everyone agrees that the Task Force would rescind the request for \$30,000 if they do not receive the USDA grant for \$245,000 because they would then not need the room because they could not afford the equipment. Obviously, there is no need to retrofit a room if there is no equipment.

Mr. Baer said there are three missing pieces. 1. The \$245,000 USDA equipment grant 2. The USDA operations grant 3. A business plan. If those three are satisfactorily handled, Mr. Baer said he would vote in favor of the project, but he could not without understanding the links and “what ifs.”

Mr. Glaze asked if this would make a substantial profit. What are the goals? Mr. Glover answered that the Gullah Farmers Cooperative will not make a lot of money, and will probably operate on an 80:20 relationship. Most of the money generated will return to the farmers, and that is what the Cooperative is about. There will be a business plan as that request is a good one. Mr. Glover added the Task Force will work toward one. The operating grant may not be approved immediately because the application will not be submitted until June. If the \$245,000 is allocated for equipment, the idea is that the USDA will not leave the Gullah Farmers Cooperative hanging so would therefore also approve the operations grant.

Mr. Glaze asked if the Task Force contacted prisons, and Mr. Glover noted that in addition to hospitals, colleges, etc. will be part of the marching orders once the endeavor is running fully.

Mr. McBride reviewed the motion. He said it is that the Community Services Committee makes a favorable report to Council recommending approval of the \$30,000 to the project for a processing facility retrofit with the understanding that it is contingent upon approval by USDA for a \$245,000 equipment grant.

Given some confusion by Committee members, Mr. Dawson restated his motion. He said the motion was to approve the request for \$30,000 for the retrofit, contingent upon the approval of the USDA equipment grant for \$245,000.

The vote was: FOR – Mr. Dawson, Mr. Caporal, Mr. Glaze, Mr. McBride, and Ms. Von Harten. ABSENT – Mr. Sommerville, ABSTENTION – Mr. Baer. The motion passed.

#### Motion 2

It was moved by Ms. Von Harten, seconded by Mr. Dawson, that the Community Services Committee approves and forwards to Council for approval the loan of \$245,000 to Penn Center, Inc., as submitter of the application to the United States Department of Agriculture for a \$245,000 equipment grant, as upfront funding. Further, approval of the loan by Beaufort County, South Carolina is contingent upon the approval of the United States Department of Agriculture \$245,000 equipment grant and submission of a business plan for the food processing facility for the Gullah Farmers Cooperative Association.

Mr. Baer asked what the historic knowledge is of how long it takes from the USDA grant approval to cash arrival. Mr. Starkey stated his understanding is that once the grant is approved,

the recipient has to spend the monies first then the recipient submits for reimbursement. In that, the recipient has to buy the machinery, submit it to the USDA and thereafter USDA would give the monies “within a reasonable amount of time.” That can vary from 24 hours to a month or more. He cautioned the money does not need to be expended prior to award of the USDA grant. That is the key stipulation: one does not want to start expending monies prior to that grant, he said. Two reasons for that are that the money may not be awarded and sometimes the grant will not honor until the grant has been granted. Whatever the Council decides the big thing is to make sure the grant is approved, Mr. Starkey said.

Ms. Von Harten restated her motion. Beaufort County loans \$245,000 to Penn Center, Inc. if the grant from the USDA is approved subject to the submittal of a business plan for the Gullah Farmers Cooperative Association.

Additionally, Mr. Starkey recommended having a memorandum of understanding between the County and Penn Center stipulating the \$245,000 loaned would be repaid to the County.

The vote was: FOR – Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride and Ms. Von Harten, ABSENT – Mr. Sommerville, ABSTENTION – Mr. Baer. The motion passed.

**Recommendation:** Motion 1: Council approves a request that Beaufort County, South Carolina provide a \$30,000 grant to retrofit the South Carolina Coastal Community Development Corporation room on St. Helena Island, South Carolina for the purpose of the room’s use as a food processing facility for the Gullah Farmers Cooperative Association, contingent upon the United States Department of Agriculture awarding a \$245,000 equipment grant to Penn Center, Inc. Motion 2: Council approves the loan of \$245,000 to Penn Center, Inc., as submitter of the application to the United States Department of Agriculture for a \$245,000 equipment grant, as upfront funding. Further, approval of the loan by Beaufort County, South Carolina is contingent upon the approval of the United States Department of Agriculture \$245,000 equipment grant and submission of a business plan for the food processing facility for the Gullah Farmers Cooperative Association.

## **2. Consideration of Reappointments and Appointments**

### **Discussion:**

#### Foster Care Review Board

Mr. Morris Campbell, Division Director – Community Services, asked to delay the consideration of filling vacancy on the Foster Care Review Board until further research has been done as far as the Department of Social Services actual needs and concerns. He asked to come back at the next meeting for the Foster Care Review Board recommendations. The Community Services Committee members all consented.

#### Disabilities and Special Needs Board

Mr. Campbell said the Disabilities and Special Needs Board recommends two people for appointment to the Board – Mr. David Green and Mr. Murray Weiner. Mr. Campbell stated the Board reviewed and thinks these candidates will add positives to the Board. He said both live south of the Broad River and will balance the Board in terms of gender representation.

It was moved by Mr. Caporale, seconded by Mr. Baer, that the Community Services Committee recommends to Council nomination of Mr. David Green and Mr. Murray Weiner for appointment to the Disabilities and Special Needs Board. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Dawson, Mr. Glaze, Mr. McBride and Ms. Von Harten. ABSENT – Mr. Sommerville. The motion passed.

**Recommendation:** Council nominates Mr. David Green and Mr. Murray Weiner for appointment to the Disabilities and Special Needs Board

DRAFT

## FINANCE COMMITTEE

May 5, 2011

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

The Finance Committee met on Thursday, May 5, 2011 at 3:45 p.m., in the Executive Conference Room, Administration Building,

### ATTENDANCE:

Finance Committee members: Chairman Stu Rodman, Vice Chairman Rick Caporale, and members Brian Flewelling, William McBride, Paul Sommerville (telephonically), and Jerry Stewart attended. Committee member Steven Baer was absent. Non-committee member Gerald Dawson was also present.

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

Media: Richard Brooks, *Bluffton Today* and Kate Surrey, *Beaufort Gazette / Island Packet*.

School District: Shawn Alfred, School District; Julie Bell, School Board member; Earl Campbell, School Board member; Tonya Crosby, Chief Financial Officer; Ronald Speaks, School Board member; Lorrie Mock, School District; Valerie Truesdale, Superintendent; Fred Washington, School Board Chairman; Phyllis White, Chief Operational Services Officer; George Wilson, School Board member,

Councilman Gerald Dawson gave the invocation.

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

### ACTION ITEMS

1. **Discussion of School District Budget**
  - **Enrollment History and Projections**
  - **Teacher and Staff History and Projected Head Counts**
  - **Other Foundational Budget Items**
  - **Collections History**

**Discussion:** Chairman Stu Rodman introduced Beaufort County School Board Chairman Fred Washington to speak before the Committee. Mr. Washington stated these are hard times we are facing. When it comes to the fiscal responsibility of the School Board, the Board relies heavily on State funding. Comprehensive tax reform is something we all need to be concerned about. It impacts us. We need to do something about tax reform. He emphasized that we need to encourage the legislature to look at tax reform in a comprehensive manner. He presented the



Committee with a handout about the overview ROAR (Reduce Our Awful Tax Rates). He asked Council to look at the handout presented and become involved in the movement. While we work locally to resolve things, we are also trying to work on a state level to get things changed. He also presented the Committee with a handout called A Call for Action for Early Childhood Education. There are things we have been trying to do, working with other agencies, to bring about improvements in young children before they begin school. We spend too much money on remediation. We spend too much money on catching-up. We have too much failure because children do not come prepared. We are trying to get the state involved. This is an area where not only the state, but local county and non-profit agencies can help play a role. The District is stressing partnerships. Money is important, but it is also limited. We have to get those resources that we do have, working together, in concert, for common goals. A lot of those goals impact the education system. The District is asking the agencies that deal with at-risk families, the delegation, the Governor, and members of the General Assembly to look at Judge Thomas Cooper's ruling that says that the State is not doing enough to prepare children to enter school. We invest so much, because someone else is not. The State is not doing it. We have to invest if we want our children to succeed. There are opportunities locally that we can utilize to share resources. He informed the Committee that he was reading about some of the challenges had – one of which was the Senior Citizen Center in dale. One question that came to his mind when talking about facilitates and space is, have we ever thought of an inter-generational center of having seniors and young children possibly together. It is a model that has been used successfully elsewhere. Is that something we could look at? Working together we could possibly save some resources, but get better outcome. Another issue, the County is looking for space in Bluffton. Have we thought about using a facility that the School District has that we could work together on? He stated a long time ago he thought the Joint Initiative Committee would help unearth those types of issues that would lead to financial savings. The District is looking at partnerships and working together to save money, but to not diminish the outcomes achieved over the last three years.

Mrs. Phyllis White, Chief Operational Services Officer, presented the Committee with a PowerPoint presentation on the School District's FY2011/2012 preliminary budget. In 2007 the School District lost \$16 million in state revenue, Education Finance Act (EFA) per pupil funding. Beaufort County has the only school district that does not receive EFA funding. Also, Act 388 was imposed and provides an incentive for taxpayers to switch from 6% to 4%. The District has also had the loss of revenue due to a recent reassessment and a decrease in local revenue due to poor tax collection rate. She presented a graphical display of EFA and other state funding for the general fund collections. Mrs. White also displayed the effects of the reassessment which provided for a \$1.3 million shortfall of collections in FY2009 and \$2.5 million shortfall in collections for FY2010. The projected FY2011 collection rate has a shortfall of \$10.8 million for collections as of March, and projected year end collections could be short \$4.9 million. She presented a five year comparison of the tax collection history. She presented year end results for FY2010 and projected year end results for FY2011 which are as follows:

Description	FY 2009-10		FY 2009-10		
	Approved	Budget*	Audited	Variance*	
Local Taxes	\$	113.6	\$	111.1	\$ (2.5)
Other Local		0.9		1.5	0.6
State		55.0		56.4	1.4
Federal		0.4		0.9	0.5
Total Revenue	\$	169.9	\$	169.9	\$ -
Total Expenditures		171.4		171.1	0.3
Use of Fund Balance	\$	(1.5)	\$	(1.2)	\$ 0.3

Description	FY 2010-11		FY 2010-11		
	Approved	Budget*	Projected	Variance*	
Local Taxes	\$	116.1	\$	111.2	\$ (4.9)
Other Local		0.2		1.1	0.9
State		55.8		55.8	-
Federal		0.4		0.7	0.3
Total Revenue	\$	172.5	\$	168.8	\$ (3.7)
Total Expenditures		175.3		175.0	0.3
Use of Fund Balance	\$	(2.8)	\$	(6.2)	\$ (3.4)

\*millions

The District's preliminary operating budget for FY2011/2012 is \$175,270,150. It is flat over the previous year. The District was given the directive by the Board to bring in a flat budget which has been done. It is preliminary because there are still things that are not decided upon by the State. These things include teacher step increase, changes in state revenue and local revenue. The public needs some input. The last public hearing will be held May 10<sup>th</sup>. The budget is scheduled to be certified by the Board on May 17, 2011. Mrs. White presented the Committee with historical expenditures to show how the District has decreased spending over the years. Why does the budget increase yearly? The State dictates a lot of the increases. A 1% teacher salary increase is what gets the District the most, and the benefit costs increase. A 1% teacher cost of living increase, costs the District \$1 million. FY2009 had a large budget increase due to a 3.85% teacher salary increase. Also there are contractual increases, a charter school contract, maintenance/custodial/safety contracts, increase cost of utilities, fuel costs and enrollment increases. What is in the preliminary FY2011/2012 that needed to be absorbed? There was an increase in operating costs which totaled \$5.5 million. The most significant increases are as follows: (i) Mandated state benefit increases - \$2 million; (ii) Mandated teacher step increase - \$1.4 million; (iii) Operational contract increases - \$.8 million; (iv) Utility increases - \$.3 million; (v) Workers' compensation - \$.3 million; (vi) Substitute teachers - \$.2 million; and (vii)

Riverview Charter School - \$.1 million for additional 38 students. With fuel, food, utilities and contractual costs increasing dramatically, the District's goal of achieving a flat budget was ambitious but met. A no-increase budget means that cuts were necessary to absorb anticipated increases in FY 2011-12. The District has been forced to reduce continuously over the past three years. These cuts included the following actions:

- Eliminating more than 169 positions since 2010 despite an increase in enrollment of 205
- Reducing coaching positions in math, science and literacy
- Increasing class sizes in grades K-12
- No cost of living increase for employees for the past three years
- Eliminating International Baccalaureate program at three schools
- Reducing 10% in non-salary District-level departmental budgets
- Reducing energy consumption (kwh usage lower than 2006)
- Freezing administrator step increases
- Reducing athletic and academic stipends
- Reducing athletic and supply allocations to schools
- Renegotiating contracts with vendors
- Reducing contract days

Mrs. White stated the District is still increasing in enrollment. The District's external auditor cautioned the Board that if we continue to cut at the District level staff we are compromising our internal controls. She presented the Committee with a graph demonstrating the seven-year enrollment comparison which showed both actual and projected, based on a 45 day count. There was an increase from prior year actual of 320 in FY2010, 56 in FY2011 and are anticipating 113 for FY2012. She presented staffing decreases with the Committee. 169 positions have been eliminated in the last three years. She also presented the efficiency ratios which demonstrate that the District is serving more students with fewer people. The efficiency ratio is increasing.

Mrs. White introduced Dr. Valerie Truesdale, District Superintendent, to review future concerns with the Committee. One of the major concerns is whether or not we will be able to sustain the positive momentum in academics with all of the challenges we have in economic reality of where we are. We look at two major ways of assessing student achievement – national level and South Carolina level. On nationally norm referenced test, MAP, one grade (grade 5) was above the national average in 2007 in mathematics. In 2010, all six grades 3-8 were above the MAP national average. On college admissions tests, the SAT average increased 30 points to 1416 although as a district, we are still below national average of 1497. The national average on ACT is 21; Beaufort County's graduating seniors' composite in 2010 was 20.7. At federal level, schools are measured by making Adequate Yearly Progress (AYP). The District has grown from 4 schools meeting AYP in 2008 to 13 in 2009 to 16 schools meeting all federal measures in 2010. Beaufort County School District has an extremely large number of objectives to meet because we are so diverse: there are 33 objectives. The percent of objectives, called the compliance index, has grown from meeting 63% of objectives to 91% in four years. South Carolina grades schools as Excellent, Good, Average, Below Average or At Risk. Beaufort County has improved from 50% of schools in 2007 to 90% of schools in 2010 with rating of



average, good or excellent. Only one school is still rated At Risk; two are rated Excellent. The District's rating has improved from Below Average in 2007 to Average in 2010. Duke Talent Identification Program (TIP) students qualifying in middle school as high potential scholars has increased 65% in three years. The state recognizes schools for improved academic achievement by Gold, Silver and Closing Achievement Gap awards. Beaufort County has increased from 7 awards in 2007 to 22 awards in 2010. A learning school is an orderly school. By training staff in all schools to set high expectations for positive behavior, out of school suspensions have decreased 53% in three years. Council knows that the majority of our County is poverty. We have moved from being 52% free and reduced lunch children to 55% in recent years. Children of poverty come about two years behind other students. When you have at-risk four year olds, we take criticism from the community for educating our at-risk four year olds. We are only allowed to educate four year olds if they are at risk – developmentally delayed, only have one parent in the home, come from poor backgrounds, etc. There are 800 of those children. The literacy coaching model has had to be drastically reduced. The current reality the District is working with is the reality of Act 388 and the reality of the 2008 economic recession. Our present reality is not what it was five years ago. It is where we are today. Today, the District is asking for Council's support as we move into further discussions of the budget. The District has purposely not gone into the "weeds" of the budget today because there are two major pieces still on the table; one of which is the mandatory step increase. Currently, the budget does include a mandatory step increase – 1.5% which equates to \$1.3 million. There are several other pieces that will be known within the week. After we meet with the Board on May 17, we will go from a preliminary budget to a Board approved budget.

Mr. Wilson stated some of the District's successful comes from extended days. The District received some federal funds due to the poor economy, and used some of those monies for extended days. The District did not want to put it into the basic budget because that would lead to problems later. It had a major impact in our academic performance. He thinks the District could be compared to any school district in the State and the academic performance our district has had in the last four years will not be found.

Mr. Washington stated we have to deal with the hand that has been dealt to us. Four years ago he stated before taking action we must analyze and give professional staff an opportunity to assess academically what is best for our students. He stated he will never make a decision in haste where it could adversely impact learning. You only get a chance once to educate a child. Economic development has always pointed to our school district has a weakness in terms of attracting industry. We believe that a good education system leads to a good economic climate. If you do not have one, you cannot have the other. We are committed to removing the star next to good education as being a barrier for economic development in this County. We have committee ourselves to do things that lead to improvements in students. He challenges anyone to show where there is waste in the District's resources in doing that. The District is not perfect, but the efficiency ratio goes beyond the teachers/staffing, but is what other results we are achieving with what we have. The District cannot do this by themselves, but looks at the State, County and the general community who have an impact on children and families to help re-instill the culture of learning among our at-risk families.

Mr. Flewelling stated he does not see a budget being presented today. The District is asking for about \$175 million, but there is no information provided as to how the District intends to spend it. He asked that the information be sent to him.

Mrs. White stated when she met with the Finance Chairman, this meeting was organized for Council to be provided with the background information, then have first reading, by title only. The Board has yet to approve the presented budget. It is preliminary. There will be changes. The requested information will be sent, once the Board approves the budget. She stated she will provide Council with the preliminary budget, and the final will be sent following approval on May 17.

Mr. Dawson stated we talk about the increase in students in the classes; what are we talking about in regard to increasing the class size. Mrs. White stated the District's class size of kindergartners went from 23:1 to 24:1, grades 1-3 went from 21:1 to 22:1, grades 4-5 went from 23:1 to 24:1, grades 6-8 went from 20.5:1 to 21.5:1, and grades 9-12 went from 19.5:1 to 20.5:1. Mrs. White stated the only school that has a low teacher/student ratio is Riverview at 19:1. They are all at 19:1. Dr. Truesdale stated those are staffing ratios. It is the checkbook by which money is allocated to a school. If there is an AP class of 7, another class will be pushed up to over 30. The numbers presented are the numbers used to calculate the number of teacher the school receives. Classes over 30 students get monitored closely.

Mr. Stewart stated it seems each ratio went up by one student. If you take the number of school x the number of grades x the number of classes per grade, it would seem it would be a larger number. Mrs. White stated it eliminated 35 teaching positions by taking it up by one.

Mr. Stewart stated he is comparing the number of students being put in each class, over all of the classes, over all of the school, and coming up with a greater number than the number of students projected for enrollment increase.

Mr. Washington attempted to clarify ratios. The ratio of students allocated by changed. It does not translate into an increase in enrollment. The District is saying that the number of students expected will remain the same, based on projections, now we are dividing up how the teaching assignments are allocated by a higher number. If we had a lower ratio, we would require more staff. Increasing the ratio makes it so less staff is required.

Mrs. White informed the Committee that there are special education students where the ratio is not applied. Some special education students are at a 1:1 ratio.

Mr. Caporale stated his curiosity about the current wisdom in regard to class size. He stated research he has seen stated class size was most important in K-5 area (elementary school) and less critical in other areas. Dr. Truesdale stated in earlier grades the smaller the class size, the better. Typically if there is a kindergarten class of 22 or 23, that is a finite number. When you allocate the resources to a high school at 20.5, very few classes are going to hit that number. There will be many that are in the 15/16 range and many that are well about 28/29 range. The numbers presented are the allocation; the formula by which the administration allocates the

resources. In the earlier grades you will see that if a class size is suppose to be at 22, they will be pretty much at 22. When you get to 24/25 students, the school will be asking for another teacher for that classroom. Staffing allocations very much approximate the size of the class in the elementary level. At the middle school and high school level, the staffing allocations do not necessarily approximate the size of the class.

Mr. Washington stated when you look at the ratio with higher numbers in the high schools, there may be an assumption that everyone is at a certain level, functioning, and motivated, but if there are people that need special attention it becomes difficult to give that attention. You will also see studies that say unless you give those at a certain level additional support and help, they will not progress. They become the disrupters and the problems.

Dr. Truesdale stated students who have not met state standard in English and Math have a second class to bring them up to where they need to be.

Mr. Caporale stated there were \$100,000 increased costs for Riverview; how with 38 additional students? Dr. Truesdale stated the charter school law specifies the formula.

Mrs. White stated it is much more for the additional 38 students, but there was a change in composition of their students. They did not spend their entire budget for this year. Even though we do not receive EFA funding, we have to fund them on the weighted EFA student. They are funded as if they 378 students, not 304 they actually had. Mr. Washington added they get more per pupil than the District.

Mr. Caporale asked the District to share the criteria used to eliminate the IB Programs (International Baccalaureate). Dr. Truesdale stated Port Royal Elementary School Improvement Council made the decision, along with the school leadership and the teachers to discontinue the IB Program at Port Royal. There were a lot of things they believed they needed to focus on because they were not meeting the state standard with the degree of precision that they should. The IB Program, to some teachers, is difficult to do and to hit the state standards. The decision at Battery Creek High School was the result of a comprehensive study, commissioned by the Board last summer. Each summer the Board decides what areas they want to study for effectiveness, efficiency and efficacy the relationship between the dollars invested and the results. In the IB Program analysis it was determined that the Battery Creek Program was not reaching as many students as it could, for the money. A decision was made, with the School Improvement Council, the community, the parents, the teachers and the students who were involved in it, that they wanted to play to their strengths. Their biggest strength is ROTC. It will become a military magnet school. Colonel Jack Snyder will help with that next year.

Mr. Caporale inquired as to the high schools that obtained IB. Dr. Truesdale stated Hilton Head Island High School, the middle school on Hilton Head, and the IB elementary school.

Mr. Washington stated one thing he has learned in attending the justification for the IB at Hilton Head was that we need to make sure all of our programs have rigor in them. There will be training and opportunities for everyone to incorporate some of the principles of IB, but may not have the special assignment, etc. that go with that. Rigor should not be compromised.

Mr. Caporale asked about the projected spending, from all sources and all accounts. Mrs. White stated in the current year \$175 million. Mr. Caporale asked for all expenditures. Mrs. White replied \$290 million for capital, general funds, special revenue, and debt. Dr. Truesdale stated that information will be sent to Council.

Mr. Flewelling expressed his confusion about weighted students versus un-weighted students. He also asked whether the number projected for FY2012 is weighted or un-weighted.

Mrs. White stated the District never provides weighted pupil units. The numbers are actual number. The only time that the state uses weighted pupil units is the EFA Funding formula. We do not receive EFA. The standard student to educate is a third grader which has a weight of 1, vocational is 1.24, special education student has a weight of over 2, an high school student has a higher weighting, etc. She can provide Council with the chart out of the funding formula that shows the weighting. It is the states interpretation as to the level of difficulty to educate a student.

Dr. Truesdale stated this year the Education Oversight Committee has made a recommendation which is moving its way through the House and the Senate, that would add weight for poverty and for Latino children. That is a new weighting that has been introduced. That is a recognition of our different reality we have had in South Carolina.

Mr. Flewelling wanted to know if the class size previous discussed is on a weighted pupil basis. Dr. Truesdale replied no. She also stated Beaufort County is not involved with weights at all, because it is a funding mechanism. Riverview is the only exception.

Mr. Stewart inquired as to the amount anticipated for local taxes for the coming year. Mr. Starkey replied we are anticipating the value of the mill to be flat. Depending upon how millages are set, essentially we would be talking about the same amount as this year.

Mr. Stewart stated if expenditures are held flat/constant at \$175 million then the District is asking to raise millage for the addition \$6.2 million in order to balance the budget. Mrs. White stated the number is not \$6.2 million, but there is a tax rate increase.

Mr. Stewart wanted to know the percent of increase and the amount allowed by state. Mrs. White stated they are asking for a 3% increase. The State allows 3.35%.

Mr. Stewart inquired about the schools with the excess classrooms. Is the District still considering closure of schools? Mr. Washington one thing the Board asked administration was what does it take for the District to continue the academic progress we have been making and not to regress. What is the bottom line number? Mr. Washington stated \$175 million was the amount given. This coming school year we will not going to close school. We are definitely looking at FY2013 to take some action. We need to do that before October. The District would need OCR's approval and give parents a one year notice. There will be intense discussion among the Board between now and August. That is something the Board will have to decide. The Board is doing, this year, in anticipation of some things, is identify where we have enough vacant space in a



school where we could close off portions. The Board is committed to doing that in this coming year. Schools with less than 75% capacity, the District is looking to see which pieces can be closed off and the savings that would be realized in doing so.

Dr. Truesdale mentioned another thing the District is doing is making sure good use of space is being provided. For instance: head start needs to close its Lobeco site because the building is in disrepair, so they will be using classrooms at Davis Elementary.

Mr. Stewart stated even if some rooms or wings are closed, that is far less of a savings than closing completely. Mr. Washington stated he sees progressive steps that need to be taken. There are opportunities for other services that Council could provide, that could be coordinated and worked.

Mr. Wilson stated when looking at the 6,000 extra seats; the empty seats South of the Broad River that can be utilized comes to the elementary schools. If we shut down an elementary school in Bluffton, we take our capacity up to 99%, which gives no flexibility. Some schools are very tight, while others are not. It does not make economic sense to shut down/build up. North of the Broad River there are some schools that can be shut down, however the unfortunate part is that the majority of the schools that have the excess capacity are the extremes; St. Helena and Whale Branch. How far are we going to move elementary kids? Unfortunately some of these schools are in the wrong place. He stated he is a big advocate that we should shut down one or two schools. The Board has to make sure that the educational flow is not destroyed. The Board was close last year. We have to educate people. In looking at the clusters, there is some movement that can be done. Most of the empty seats are north of the Broad River.

Mr. Washington stated the District's excess capacity is in elementary and middle schools. Our challenge lies in the elementary and middle schools, particularly north of the Broad River. Mr. Rodman commended both the Board and school administration for what they have done in the area of academic results. This presentation was a useful document to show what was changing and what the District did. He asked that questions that require analysis be sent to Rick Caporale who he has assigned as the repository. We have the budget the District put forth. At the same time we have the County looking at holding its millage rate flat and probably taking on the order of \$6-7 million of the operating budget. He envisioned that we go down a path that takes this budget as the baseline of what's suggested and in parallel say if in fact the millage rate were to be held flat, the impacts it would have on the District. Having those two pieces in front of us is what we need to move forward with the process. He believes that part of the discussion needed between the two alternatives, would be looking out into the future as to the 3-4 year outlook is. There may be some opportunities to dip slightly, for one year or two years, into the fund balance and make it back up when the TIFs come off. He distributed to the Committee the draft ordinance for proposed FY2012 and FY2011 budget for the District. What do we want to put on the table for Council consideration?

Dr. Truesdale stated as opposed to title only, it is the purview of Council, but if we know for certain the numbers will change is creates pause to mislead our public. Chances are the numbers will be less.

Mr. Stewart wanted to know if there will be some movement to not have the full step increase. Dr. Truesdale stated there are two big pieces in question; the step increase and Senator Davis trying to negotiate a concession for Beaufort County. If it should prevail then there is an opportunity for probably \$500,000-\$700,000 that might come to Beaufort County. Those should be resolved within a week. She stated she would hesitate to put a number before the public because it is hard to change it after the fact.

Mr. Stewart stated Senator Davis spoke to Council Monday evening where he wanted to take some of the monies for EFA, and allocate them. If the numbers he put out were correct it was somewhere around \$2 million. Mrs. Truesdale stated the word this morning was that it did not look promising.

Mr. Stewart asked if the District's intention to reduce the step increase in the proposed budget if it was not mandated by the State. Mrs. Truesdale stated it will be the will of the Board.

Mr. Washington stated the Board will take action in accordance with what the state says. He also stated regarding other monies that may come from Senator Davis; the Senator has been working hard but the EFA piece is not going to go anywhere this year. Also, he stated he is hesitant about anticipating any other income in the future. When something concrete comes down, the Board will make a decision.

Mr. Stewart stated money has been taken out of the budget in coaching positions and other various things; if additional dollars are received will it be left in the budget or not. Mr. Washington stated if the \$1.5 million flexibility comes before the Board, the Board will probably keep the same budget. When information comes in, the Board will make a decision based on the facts that come in. He stated he will never make a false promise to Council intentionally.

Mr. Rodman stated another approach is to take the ordinance we have and layer in the millage rates if they were held flat versus what is being requested, then below would be how those numbers would change. If we were to do that and use the ordinance as a vehicle to highlight two alternatives, is that something the Committee has to vote on?

Dr. Truesdale stated neither number is right. Why would you put up two sets of numbers up, all of which are wrong? Mr. Rodman stated the \$175 million is the number on the table at this point in time.

Dr. Truesdale inquired as to the advantage of doing so rather than bringing this issue forward as title only? Mr. Rodman stated it gets us started in the process of where we are going.

Mr. McBride stated he does not recall County Council passing a County or School District budget by anything but title only.

Mr. Kubic stated the only objection he has with an ordinance coming up as title only is that the media views it as a method by Council to rush legislation through. If it has been historically accepted over years, Council should proceed.

It was moved by Mr. McBride, seconded by Mr. Caporale that the Committee approves and recommends Council approves the School District Budget, by title only. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman and Mr. Stewart. TELEPHONIC – Mr. Sommerville. The motion passed.

Mr. Sommerville wanted to know if the school closings was a public recommendation by staff. Mr. Washington stated the Board did not ask for a recommendation from staff, but that is coming soon. They were only asked to do the analysis.

Dr. Truesdale thanked the Committee for the opportunity to provide background knowledge.

**Recommendation:** Council approves the School District Budget, by title only

DRAFT

## FINANCE AND GOVERNMENTAL COMMITTEES

May 9, 2011

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

The Finance Committee met on Monday, May 9, 2011 at 2:30 p.m., in the Executive Conference Room, Administration Building.

### ATTENDANCE:

Finance Committee members: Chairman Stu Rodman, Vice Chairman Rick Caporale, and members Steven Baer, Brian Flewelling, William McBride, Paul Sommerville and Jerry Stewart attended. Non-committee member Gerald Dawson was also present. Weston Newton, as Council chairman, is a voting member of each Committee and attended the meeting.

Governmental Committee Members: Chairman Jerry Stewart and Committee members Rick Caporale, Gerald Dawson, Brian Flewelling and Stu Rodman attended the meeting. Vice Chairman Laura Von Harten and Committee member Herbert Glaze were absent. Non-Committee members Steven Baer, William McBride and Paul Sommerville also attended. Weston Newton, as Council chairman, is a voting member of each Committee and attended the meeting.

County Staff: Tony Criscitiello, Division Director – Planning and Development; Bryan Hill, Deputy County Administrator; Gary Kubic, County Administrator; Suzanne Larson, Public Information Officer; David Starkey, Chief Financial Officer,

Media: Richard Brooks, *Bluffton Today*; Joe Croley, Hilton Head Association of Realtors; and Kyle Petterson, *Beaufort Gazette / Island Packet*.

Public: Leilani Bessenger, resident; Jason Gardner, Beaufort Regional Chamber of Commerce; and Ann Ubelis, Beaufort County Tea Party.

Telephonic Participants: Jody McInerney, Charleston Appraisal Services and Ray Murphy, R.L. Murphy and Associates.

Finance Chairman, Stu Rodman chaired the meeting.

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

### ACTION ITEM

#### **1. Beaufort Commerce Park Appraisals**

**Discussion:** County Administrator Gary Kubic gave an overview regarding the Beaufort Commerce Park (Park) and where we are today relative to the matter. Mr. Kubic stated in



previous discussions regarding the Park, staff and Council, had discussed the opportunity to obtain an appraisal of the property. As a result of that discussion, he was directed by Chairman Newton to solicit and obtain an appraisal report on the Park. He, in discussions with the County Attorney, decided it would be more prudent to obtain two appraisals so we would have a comparison as an internal procedure for the County to look at. We have received both reports; one is from Charleston Appraisal Services and the other from R.L. Murphy & Associates. Those have been made available. The process today is to incorporate the observations of each author of each report and for them to answer any questions we may have as to the methodology, assumptions, actual values and the overall essence of their report. This action is independent of the discussions with the property owner, Lowcountry Economic Network (LEN), and the five participating banks. We are doing a research and development exercise. He does not want to leave Council with the impression that administration is making any recommendations at this point. This meeting is simply to disclose the two reports and all opportunity for discussion and dialogue.

Mr. Caporale asked for the costs of the appraisals. Mr. Kubic replied \$3,500 each, totaling \$7,000.

Mr. Rodman stated the property is owned by LEN. We are here to understand what took place in the appraisal process. It puts us in a position so if we need to understand this further, react or make some decisions relative to the Park then we can do so in the future. He envisions that in terms of moving forward that we would wait to hear from LEN as to what might be the next step in their prospective.

Mr. Jody McInerney, Charleston Appraisal Service, participating telephonically addressed the Committee. We estimated a value of the Park with the sales comparison approach. It uses the most comparable and most recent sales to look at the property and estimate its value based on those particular sales. Sales were located from 2005, 2006, 2007, and 2008 to compare to it. Its value was estimated based on those sales, but in the current economic environment we are not convinced that the price of those sales indicate for the property could be achieved at this time. We imagined a discount would be necessary in order to entice the buyer to step up to the plate. It was discounted for current economic conditions, estimating that full recovery meaning that the level of sales and the level of prices may not be where they were from 2005-2008. It may not be achieved until three years from now. In looking at the Park and its history; its sales history prior to the Greater Beaufort-Hilton Head group purchasing it and its sales history since then and said that a prudent buyer would require a greater discount than the three years, so it was pushed to five years. Fee Simple Value was estimated and discounted at a rate of five years which is where the appraised value of \$1,640,000 was derived. The discount rate used was 12%.

Both Mr. Caporale and Mr. Sommerville thanked Mr. McInerney for being very clear in his explanation.

Mr. Flewelling asked Mr. McInerney to speak about the comparables used. Mr. McInerney spoke in regard to Land Sale No. 1 (page 44 of the report). This is the sale of the tract from Greater Beaufort-Hilton Head Economic Partnership purchased the property from Beaufort

Industrial Park, Inc. in 2006. It sold for approximately \$16,740 per acre. Since that time, there have been three sales within the Park. There was a sale of an approximate 28 acre parcel, a sale of a 1.56 acre parcel, and a sale of a 2 acre parcel. They ranged anywhere in value from \$31,000 an acre to \$35,000 an acre. The interesting thing about the Park is that there is a deed restriction on it that requires that it remain zoned Industrial Park. The reconciled value after looking at all four of the sales and what they indicated, a price per acre was come up with of approximately \$20,000 per acre for the Park, which was then discounted 12% for five years. Land Sale No. 2 (page 46 of the report), was of a tract of land on Stanley Road which was purchased for the Rural and Critical Lands Program, by the Trust for Public Land. This parcel indicated a value of \$16,711 per acre. The parcel is unique in that it is cut up. It has wetland fingers throughout it that tend to segment highlands. Its utility is not quite as good as we see the Park as being. Land Sale No. 3 (page 48 of the report), is a parcel in the Seabrook area that sold in 2007 to the School District. It sold for \$17,272 per acre. Land Sale No. 4 (page 50 of the report), is similarly located in the Seabrook area and sold in 2005. It was 57.98 acres of highland which sold for \$20,000 per acre. The sales were compared to the Park and ended up adjusting each which is shown on page 54 of the report.

Mr. Flewelling stated part of his concern was that the properties were not closely related. The second one was purchase of development rights by the Open Land Trust, the third was a purchase by the School District, and comparable number 4 was purchased for residential use. The report says that the highest and best use is limited residential subdivision recreation. Mr. McInerney stated what was looked at was if one were to strip the deed restriction away from the Park and take the existing building out of there. He stated they are not convinced the its highest and best use would be industrial. He believes its highest and best use would be to hold for speculation and possibly recreation use. Recreational use is pushed to the side and not that reasonable of a use, because of the surrounding residential development and because of the existing buildings in the Park. Sale 4 of limited residential development. In the comparison process we looked and seen that the Park is zoned industrial which in most circumstances would be a benefit because there are more allowed uses. The problem is that history has shown there is no demand for industrial property in the area.

Mr. Rodman clarified what Mr. McInerney was saying which was that the actual were taken, adjustments were made and three of them came back to roughly \$20,000 an acre and the other came back to \$18,000. Those comparables where then discounted back at a rate of 12%, over five years, that brought the appraisal to be \$1,640,000. Mr. McInerney concurred with his clarification. He also stated he has spoken with Hagan Marse, Industrial Broker in Charleston, S.C., who said during his listing period of about a year, he only had one person considering locating in the Park, but no other offers. There was a lack of demand. It might be something in the future is something could be put together by the Marine Corps Air Station; some type of user that needed to be proximate to the Air Station, it would be the Golden Egg, however no one has come forward with that need since about 1980.

Mr. Sommerville stated in his calculation he comes up to \$1,525,000, not \$1,640,000. Mr. McInerney stated he puts in a future value of \$2,890,000, for a period of five years and a

discount rate of 12% and coming up with \$1,639,863. He is using annual compounding. It would have some impact on the number if one was using beginning or end period discounts.

Mr. Flewelling wanted to know if there are any comparables from the region, not just from the County. Mr. McInerney replied no.

Mr. Ray Murphy, R.L. Murphy, R.L. Murphy & Associates, spoke before the Committee. There was about 178 acres of undeveloped land in the Park. We tried to estimate what may be the typical size parcel might sell for. After talking with a few people, including the owners, 10 acres was the number derived. The sales comparison approach was used to estimate the retail value of 10 acres. That left 17 to 18 parcels. We had to figure out how long it would take to sell 17 or 18 parcels at a retail value for the 10 acres. That was the most inaccurate part of the appraisal, because there has been nothing happening in the area. It was easier to estimate the value of the land than to figure out how long it would take to sell out the Park. One year was the estimate. The theory behind that was that County Council does not want to get into the real estate business and would want to see what one buyer would take. The theory is that you take that investor and figure out how much he could sell the parcels and the length of time it would take that investor to do so. The investor is going to back out because of the cost of holding the parcels (taxes, maintenance, etc.) and the cost of sale (commissions). The cash flows would be set up into periods, then a discount rate is estimated. Entrepreneur profit is also taken out, because the investor is going to want to make some profit on the deal. That figure is discounted to present value. Theoretically that is what one buyer could pay for the whole tract of land, sell of individual parcels of 10 acres each, and make a profit.

Mr. Rodman inquired as to the discount rate used. Mr. Murphy stated 10%.

Mr. Rodman asked what amount the final price of a 10 acre parcel was figured at. Mr. Murphy replied \$26,500 an acre for usable land.

Mr. Rodman summarized saying that the firm took the 178 acres, broke them into 17 to 18 parcels, coming up with \$26,500 per acre, which was then discounted back at 10% present value. Mr. Rodman inquired as to the comparables used.

Mr. Murphy stated they surveyed all of the industrial parks in all of the counties surrounding Beaufort County to include Colleton, Barnwell, Hampton, Jasper, etc. Comparable sells were derived from those counties. Some of those counties however give the property away. Beaufort may or may not be similar to some of these other industrial parks in some features, but in some ways they all compete with one another. Some have advantages and some do not. Basically the price of land in these industrial parks is pretty low.

Mr. Baer wanted to know if they discounted for land not usable. Mr. Murphy replied they took out the amount of land that was used in the drainage. He stated there was 178 acres, 159 of highland and 138 usable which was the difference between the highland and what was usable which was the drainage system.

Mr. Baer stated that is only 13 or 14 parcels. Mr. Murphy stated they were basing it on the first figure he saw. There were seven periods that were annual periods.

Mr. Rodman stated it was not one parcel per year, but instead were taking the number of parcels and assuming a 7 year sell out. Mr. Murphy stated it was 2 parcels a year, so there were 20 acres selling a year with the last period having 18.68 acres. It started out as 138.68 acres and went down 20 acres a year, until it got to 7 years, which then there was 18.68 acres left.

Mr. Rodman stated it sounds as if the number used in the calculation was 138 to 140 acres, not 178 acres. Mr. Murphy concurred. Mr. Baer said that would be 14 parcels.

Mr. Sommerville stated he is assuming they did not consider any other uses besides industrial. Mr. Murphy replied no. The tract is deed restricted.

Mr. Rodman stated he figures a big part of the difference between the two appraisals was most likely the discount rate. If they were ran at the same discount rate they would probably merge closely. He also stated relative to us going forward, he views that we do not need to take any action today. We could report to the Council Chairman as to the two methodologies and he would envision that council would defer it to the LEN as to the following steps they view.

Mr. Sommerville stated a lot of people do not understand that we are faced with a lot of things to deal with that have time constraints. Sometimes those are real and sometimes they are perceived. We get a lot of things than have to be dealt with by time certain so we move it along and have three readings and a public hearing which is plenty of opportunity to catch things. A good example is the process started with the Park because of the time constraints put on by the bank. In the process we found out things that we did not know when we started. We found out the reasonable appraised value of the property. He believes the banks still think there is a possibility that we might buy the property for \$2.5 million. He does not believe there is any chance in the world that we will buy the property for that amount. The banks need some sort of clarity that we will not buy it for that amount. He thinks we need to clear the deck in the event someone else interested could come forward. His inclination would be to recommend to Council denial of the ordinance on third reading.

It was moved by Mr. Sommerville, seconded by Mr. Flewelling that the Committee denys and recommends Council deny the purchase of the Beaufort Commerce Park on third and final reading.

Mr. Kubic wanted to know if the motion means that the ordinance that has been moved from first to second would be acted on or that it be tabled. Mr. Sommerville stated he debated to make a motion to deny the ordinance or to table it. The problem with tabling it is that it leaves the question of what our intention is. If our intention is to never approve purchasing this property at \$2.5 million then it makes more senses to kill it than it does to leave it dangling in perpetuity. The motion he made was for deny the purchase for \$2.5 million.



Mr. Rodman briefed Council Chairman Weston Newton, who had just arrived, as to discussion with the appraisers and the motion on the table.

Mr. Newton inquired as to why Mr. Sommerville would want to deny rather than table. Mr. Sommerville replied that he would like to send a clear message to the banks that we will not pay \$2.5 million for the property. He feels that tabling the motion would not send that message. Also, this clears the deck for any interested party to pursue.

Mr. Newton stated if this is brought forward as a committee recommendation tonight against third reading, it would come forward as a recommendation of denial. If the motion to deny does not gain a majority support then procedurally where does that leave the matter in front of Council? Pastorally it is still a matter that has had two readings.

Mr. William McBride, as Parliamentarian, stated if this passes at Council it kills the ordinance and are back at square one for any future action, if any. If the motion does not pass by Council, then it will be scheduled for some future date to be back before Council for consideration of third and final reading.

Mr. Caporale sees no downside of taking this vote today.

Mr. Baer stated two weeks ago it was stated that if the price was different than \$2.5 million it would have to start from the beginning anyway. Mr. McBride stated it would have to go back to second reading, because it was brought forth on first reading as title only.

Mr. Rodman stated if we wanted to not totally start over but send it back for it to be redone for second reading, what would be the best way to handle that? Would it be to postpone the item until a date certain? Mr. McBride stated it could be postponed if the intent is not to completely kill it at this point. If you are trying to send it to the bank or send a clear signal to the bank that they are not cooperating, you would be best to vote it down.

Mr. Stewart thinks that we have to realize that the LEN purchased the property and entered into a note with the bank. The LEN owns the property and the banks hold the note on the property. There was a commitment for a certain amount of debt service and pay down on that note for a period of time by the LEN. As Mr. Sommerville mentioned, there was a time when we started in this process because it had become apparent that the LEN would no longer be able to service the note as originally negotiated, in which LEN's choice was to find another buyer for the property. They began looking for a potential buyer of the property and spoke with several groups, of which one was the County. We thought it was something that was of value and interest to retain for economic development and for the reasons we entered into the agreement initially. Council agreed to have the County Administrator negotiate with the banks and negotiate a lower price. The bottom line is that the deal would have to be between the County and the LEN, which still owe approximately \$2.5 million on the property. The LEN has to sell the property for the \$2.5 million and/or if it sells it for less would have to make up for the difference out of its own resources of which over time the LEN no longer has any resources. Either the County acquire the land for \$2.5 million or if it acquired it for less the banks said they would not

agree to anything less than the \$2.5 million. That is the price that is on the table unless the LEN can somehow make up the difference. Going through the appraisal process certainly showed that the value is not at the \$2.5 million. It is a business decision of Council to say that is not a reasonable decision to be making. He believes the banks get that message. The LEN realizing that made a prudent business decision on their part. They said they will not be able to service the note and went back to the banks, offered to give the note back. They would give the land in-lieu-of payment on the note. The banks have decided they did not want to go in that direction. They were not willing to take the note back and own the land. Instead they have proceeded with repossessing the property and have asked for summary judgment which means if they repossess the property, sell it on the courthouse steps for something less than \$2.5 million they can still look back to the LEN to make up the difference between the \$2.5 million and whatever they sell it for. The reality is that LEN has no resources and will go into default. Basically, if the LEN dissolves and ceases to exist, there is no place for the banks to go for summary judgment. It is a business decision that has been made. The LEN has done what they've had to do. They took on a commitment that they were not able to meet. They have done what they had to do legally in order to notify the banks and gave them the option to either take the note back and/or repossessing the property. He believes the banks are now under the understanding that the County is not going to come and take over the \$2.5 million. That is a prudent decision this County is making. Everyone has to understand that we are strictly looking at it from a business decision on both sides and by both parties. If Council decides not to go forward with the purchase for \$2.5 million, it says that the banks will go forward with whatever mechanisms they have. If they repossess it the County or any other private/public entity has the right to go forward to the banks and try to negotiate a deal for whatever price. As long as the LEN owns the property it is in limbo until such time as the banks repossess it. If the County decides it does want to go forward and try to renegotiate with the bank at a lower price, then tabling it as opposed to killing it gives us the opportunity to go back at second reading for the renegotiated price.

Mr. Caporale stated it seems as if a small negative to table. Restarting the process will only take two weeks additional. He says the motion seems reasonable. Killing the ordinance seems equally reasonable. He stated we know the banks have asked for a summary judgment, but doesn't that have to be granted by the court. He stated what appears to be on the table is the demise of the LEN. That is not necessarily a bad thing if it puts them in a better position financially and allows them to pick up their operations sometime in the future in some other form.

Mr. Stewart stated if the LEN is demised, they are gone. There will not be another network and they will not be re-established in some other form. They have to cease to exist, totally.

Mr. Baer stated we can start another economic development. Mr. Stewart stated yes at some point.

Mr. Caporale concurred and said we could do it with the same people and under the same terms. He still is awaiting an answer in regard to the summary judgment.

Mr. Newton stated a summary judgment is procedure of whether judgment is decided at a summary stage versus a trial. What Mr. Stewart is calling a summary judgment is really a deficiency judgment. A deficiency judgment has statutory provisions that may serve to mitigate the amount that may or may not be applicable in this case. It is not discretionary with the court.

Mr. Baer stated he agrees with Mr. Sommerville. We need to send a clear message that we are not haggling here, but that we are not interested. Perhaps someday later we might be, but we will then start at ground zero.

Mr. Stewart stated he wants a clear discussion as to the animal that is in misery. It is not the LEN, it is the fact of the deal of whether or not to purchase the Park or not. That is what we are dealing with. There is too much of the assumption and association that because buying the Park is a bad deal, that the LEN is also bad.

Mr. Baer clarified that this real estate deal at a price far beyond what it is worth is the thing that has to be put out of its misery.

Mr. Flewelling stated there has been a lot of confusion in blending these two issues together. They are very distinct issues. There is the purchase of the property for \$2.5 million which he is under the impression is a bad deal. The County's involvement with the LEN is a separate issue that we should be discussing at some point. It is worthy of discussion. It is worthy of constant discussion. It is something we should always be evaluating on at least an annual basis in regard to how effective they are and what they are doing.

Mr. Dawson believes Mr. Sommerville has made the correct motion. He will support the motion.

Mr. McBride feels this motion to be best for the County. He is also concerned about the dispersion of putting this County in, in the event that financial conditions change as to the amount that the banks will accept for the Park.

Mr. Rodman stated his personal preference would have been to take it back to first reading to by a couple weeks.

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

**Recommendation:** Council deny on third and final reading the purchase of the Beaufort Commerce Park.

## **INFORMATION ITEM**

### **2. Off Agenda Discussions**

**Discussion:** Mr. Flewelling informed the Committee that in discussion with the School District they said they would provide the detailed budget documents, which have yet to be received.

Mr. Newton stated the proposal on the agenda tonight for the School District's budget, first reading by title only; was that a Finance Committee recommendation? Members of the Committee concurred.

Mr. Newton stated he has seen some indication that there was no recommendation that came from the Committee while he also saw other that said it came forth as first reading by title only. His Council packet contains a budget ordinance from the School District that has dollar amount included.

Mr. Caporale said there was a motion that we move the budget to full Council by title only. Mr. McBride said he was the maker of the motion.

Mr. Newton just wanted to clarify the motion. What is first reading by title only? Was it first reading by title only with no millage increase? Mr. McBride stated it was for first reading, by title only.

Mr. Newton stated they will continue discussion relative to the issue in the Caucus Session, because he will not vote in favor of that motion. We all got beat up last year when we approved a budget that had an expenditure number in it, at first reading by title only while weeks later there was discussion relative to us approving their expenditure and not approving the revenues that go along with it. This notion of first reading, by title only, helps us move the ball forward, but perhaps the clarification of it being first reading, by title only, with an expressed understanding of not tax increase, clarifies what we unanimously said at the Retreat.

Mr. Rodman said there is nothing stopping us from reaching that conclusion at tonight's Council Meeting. Mr. Newton added in absence of that conclusion he suspects some on Council will vote against first reading, by title only.

**Status:** Information only.



## FINANCE COMMITTEE

May 16, 2011

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

The Finance Committee met on Monday, May 16, 2011 at 2:00 p.m., in the Executive Conference Room, Administration Building

### ATTENDANCE:

Finance Committee members: Chairman Stu Rodman, Vice Chairman Rick Caporale, and members Steven Baer, Brian Flewelling, William McBride, and Jerry Stewart attended. Committee member Paul Sommerville was absent. Non-committee member Gerald Dawson was also present. Weston Newton, as Council chairman, is a voting member of each Committee and attended the meeting.

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

Media: Richard Brooks, *Bluffton Today*; Joe Croley, Hilton Head Association of Realtors; and Kyle Petterson, *Beaufort Gazette / Island Packet*.

Public: Tonya Crosby, School District, Chief Financial Officer and Phyllis White, School District, Chief Operational Services Officer.

Finance Chairman Stu Rodman chaired the meeting.

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

### ACTION ITEMS

#### 1. Amendment to School District FY 2011 Budget Ordinance

**Discussion:** Mrs. Phyllis White, Chief Operational Services Officer for Beaufort County School District, reviewed this item with the Committee. An amendment to the School District FY 2011 Budget Ordinance is required due to some funding changes by the State. The proviso of 1.79 was approved in this calendar year, which changes funding from the tradition Education Improvement Act Funds (Special Revenue Funds) and is being sent through the General Fund. It is not any additional money. It is categorical money. It is earmarked for certain types of use. The School District is only moving the revenue into the General Fund because of the proviso and the expenditures that have already been established will move with it. It is basically taking from one pot to another pot. The School Board approved it on April 19<sup>th</sup>.

It was moved by Mr. Stewart, seconded by Mr. Caporale that the Committee approve and recommends Council approve an amendment to the School District FY 2011 Budget Ordinance to accommodate the change in State Funding sources pursuant to Proviso 1.79 of the General Appropriations Act of 2010. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Rodman, and Mr. Stewart. ABSENT – Mr. Sommerville. The motion passed.

Mr. Rodman stated tomorrow night the School Board will be certifying their FY 2012 budget. He asked Mr. Caporale, who was appointed as liaison to handle organizing questions and responses relative to the School District's budget, how he is handling the task and inquired as to when the detail of the budget will be received by Council.

Mr. Caporale stated the questions he had received were forwarded to Fred Washington, School Board Chairman, and Valerie Truesdale, School District Superintendent. The District has responded to the question with exception of one. There are no other questions pending.

Mrs. White presented Council with the current year budget book that includes a narrative. It is the same document that is submitted to the Government Finance Officers Association (GFOA) and is award winning. It gives a lot of detail on special revenue and how it needs to be used. Not a lot changes year to year on special revenue.

Mr. Caporale inquired about the Insight Program and wanted to know if everyone has access to it. Mrs. White stated it is on the State website, but 2010 has not been released because the State has to wait on all of the other school districts to report their year-end audit. The School District asks for the information early. 2010 has not been posted.

Mr. Caporale wanted to know if looking at the data and insight provides any insight or value, rather than looking at the Comprehensive Annual Financial Report (CAFR). Mrs. White replied no. It has all of the funding lumped and in categories that may or may not make sense. She stated the Tier sheets presented in the past were the line item budget. The District did not do that again this year because it is an exceptional amount of work. If Council was interested in ball-parking how much things cost in particular areas, it is presented in the most laymen's terms in the Tier documents.

Mr. Rodman stated the concept of asking questions of the District can continue, but should be done sooner rather than later. Also, relative to second reading, we will have to key off wherever the District ends up after tomorrow night's meeting. His hope is to receive in concept Plan A (expenditure level and 3% tax increase) and Plan B (impacts holding to a no tax increase).

Mrs. White stated her understanding was that the Board needed to meet first to come up with the two plans.

**Recommendation:** Council approves an amendment to the School District FY 2011 Budget Ordinance to accommodate the change in State Funding sources pursuant to Proviso 1.79 of the General Appropriations Act of 2010.

## 2. Sheldon Fire District – Request to Purchase Engine Pumper

**Discussion:** Mr. Bryan Hill, Deputy County Administrator, reviewed this item with the Committee. This is a request by the Sheldon Fire District for the purchase of an Engine Pumper. A U.S. Department of Agriculture (USDA) Grant was going to be done, but it did not come to fruition. They then went off and found a fire truck that would be able to deal with the needs that they have in the Sheldon area, as well as not increase their millage rate on the debt side. This was approved already, but it was felt that it should come before the Finance Committee. It will be financed over 6 years, for an amount of \$56,000. It does not impact the District's millage or debt service.

It was moved by Mr. Caporale, seconded by Mr. McBride that the Committee approve and recommends Council approve Sheldon Fire District's request to purchase an Engine Pumper to be financed for \$56,000, over a six (6) year period. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Rodman, and Mr. Stewart. ABSENT – Mr. Sommerville. The motion passed.

Mr. McBride wanted to know why this was not included in their original budget request. Mr. Hill replied that it was. Council approved the purchase of the truck, but it was approved at a significantly higher rate because there was going to be a USDA Grant to supplement funds and help them purchase a brand new truck. When that grant was no longer available, they decided to buy a used truck instead.

**Recommendation:** Council approve Sheldon Fire District's request to purchase an Engine Pumper to be financed for \$56,000, over a six (6) year period.

## 3. County FY 2012 Budget Proposal

**Discussion:** Mr. Gary Kubic, County Administrator, presented the Committee with opening remarks on the County's FY 2012 Budget Proposal. Mr. Kubic stated over the years he has never looked at a budgetary process in the sense of it being a bunch of line items and a bunch of numbers. His view is that a budgetary process is similar to a thought process. That Council as a board, and himself as an administrator, begin by a simple selection and development of set of criteria that is felt to be appropriate and deemed as necessary. By statute we have dates. July 1, is the beginning of the new budget. If you take a look back a year ago, the appropriation passed was predicated on revenue projections that totaled approximately \$104 million. We started last year with an appropriation level of \$104 million. When you take a look at what is going to happen in the projections June 30<sup>th</sup>, the actual amounts are about \$98 million. An appropriation is the beginning, but what really matters is staying within the revenue. That is a collection process that occurs every day. We must match the collection process to the rate of expenditures to make sure that we stay within the revenue collected. This year is no exception, except for the fact that when we talk about what set of criteria, as an administration, we are working with, we have established that we will have a no millage increase. What is significant about a no millage increase? It is not the fact that we are talking just about operational mills, but also debt. There are two component parts in the debt side of the equation. (1) The unvoted debt that is a result of our

collaborative efforts and determination of what we want to do, in which money is then borrowed. (2) The voted debt, which specifically includes the Rural and Critical Lands Program. The upcoming presentation in a combination of both no operational increase and no debt increase, even though part of the debt millage requirement was voted on by the taxpayers. That means that the voted debt is not impacted. As a result of our economic principle set forward, we are reducing dollars available on the operations side in order to ensure there will be no property tax increases. Administration also indicated in the process that we will not use any general reserves. The amount of money we have accrued, over time, remains untouched. When you look at those two basic principles, staff brings forward today a budget that does not have a tax increase, but one that does have consequences. Staff has tried to have a real, rational understanding. Essentially we expect millage values, in terms of what 1 mill is worth, to remain the flat. This also holds true for FY 2013 and possibly FY 2014 having a decrease. We are faced with a decision that goes beyond FY 2012, but targets FY 2014 and begs to question if during the period of time between now and two years out and whether or not we can use money wisely to transition into a purposeful distribution of what scarce resources we have. He stated what he likes to look at in the presentation of FY 2012 is the view of it being an opportunity because substantively what we are doing in the FY 2012 budget is a series of steps, which tries to develop a reasonable level of services and not raise taxes. A lot of Council has asked via email what we are doing about the CIP. If we establish a role that says we are not going to have any increases on the debt side, which is our CIP Program, then are we going to stop the Program? In essence, the answer is "yes", with three exceptions. (i) We have a County Courthouse that is failing and in need of a major renovation. We also have about \$6 million plus towards that renovation, but that is not the full price tag. (ii) We have also agreed to build a St. Helena Branch Library. We have several grants and other programs which provide initial seed money, but it too will not satisfy the entire program. (iii) We have a Coroner without a facility. He is currently working out of a trailer as a result of a previous arrangement where the former coroner also had duality by using funeral home to substitute as coroner facility. We plan on looking ahead to see what would happen to our debt requirement if we postpone the amount of borrowing until January 2012. If we borrow through a note through FY 2012, we have to figure out when the interest and principles requirements be due. That is the target date that must be incorporated into the first principle and interest addition which impacts debt millage increases in the out years. By doing that technique and in looking at all three exceptions, if we use the revenue available for the first two projects and borrow for the third or wrapped up all three in FY 2012, we would have a requirement in the year of 2013 of .17 mills for the Courthouse, .22 mills for St. Helena Branch Library, and .04 for the Coroner facility. Add those changes up, add it to the effect over the years, and borrow the additional Rural and Critical Lands Program funding (\$10 million). But do it after 2012 which will require an addition .51 mills. What drops in the millage rate and what is added as a result of the four items, will give us a rate of 4.43 to 4.57. That amount is essentially where we are today.

Mr. Caporale asked if the schedule was predicated on waiting until 2013. Mr. Kubic stated it is predicated on borrowing it as a note January 2, 2012.

Mr. Baer wanted to know if the reason the number stays the same is because some debt has been paid? Mr. Kubic stated yes. It is taking the game and reapplying it but not changing the current position on millage. The presentation will show that in this year's budget FY 2012, we



are taking \$700,000 and putting it towards debt. In order to accomplish that, the numbers we are using to achieve a no mill increase on both debt and operations. Also, we are dropping the debt reserve by \$700,000 - \$1 million. The achievement of no use of general fund is accomplished but that does not mean that we are not using fund balance available on the debt side to accomplish this mission. He stated he looks at this as an opportunity, or a beginning point and would like to stress to Council that Administration is at a point where a reasonable level of service is established, but we now have to change our target. As indicated to Council before, his real concern for the schools, the county, the municipalities, Public Service District's (PSD's), and fire services is the potential change in the value of a mill post-reassessment. All you have to do is look at the revenue coming in from the Master in Equity and you will find that it is one of the lead revenue collectors in our county today. We have a tremendous problem with the surplus of commercial property and residential property and foreclosures. His assumption is that the economic indicators are going to be basically the same through FY 2012 and FY 2013 to establish a conservative position for the County. We can always add additional revenue to that equation. It is a lot easier to have a choice as to where that additional money would go, rather than taking money from somewhere.

Mr. Bryan Hill, Deputy County Administrator, presented the Committee with a PowerPoint presentation on the FY 2012 budget. The FY 2012 Budget objectives include no ad valorem millage increase, no use of general fund reserves, no cost of living adjustment, and to absorb debt increase for both general fund transfer and debt reserve transfer. We took an approach to absorb debt increase. We have Rural and Critical Land purchases and real property purchases. Lines have been added within the budget to absorb those. There is a general fund transfer of about \$500,000 for Rural and Critical and \$300,000 for real property. Approximately \$700,000 - \$800,000 is coming out of our general fund budget this year. Council has requested a no mill increase. The proposed budget contains an operating millage of 40.21, which is the same as that of the previous year. The proposed budget contains voted debt of 2.76 mills and non-voted debt of 4.57 mills, which both are the same as that of the previous year. Funds will be transferred from the general fund budget (no reserve) to maintain the debt. Mr. Hill presented the Committee with a chart titled "Revenue" that showed the County's taxes and fees brought in through the County budget. The total revenue in FY 2009 was \$100,120,721, in FY 2010 was \$99,189,536, projected for FY 2011 is \$98,507,891 and proposed FY 2012 is \$96,303,492. That total change since June 30, 2009 is \$3,817,229. The change from 6% to 4% has basically eroded our collections. Mr. Hill presented the Committee with a pie charts showing the revenue sources and their percentage of overall revenue. The current revenue structure includes the following components: property taxes, state aid, business license, foreclosure fees, register of deeds, Parks and Leisure Services (PALS) and building codes. Our state aid in FY 2008 was \$6.9 million and today we have budgeted \$5.3 million. He then presented the trends relative to revenue for five years. Business license had a dip in FY 2010, but has otherwise remained flat. Master in Equity in 2008 brought in \$389,173 in fees for foreclosures. As of 2009 that amount doubled. As of 2010 it was at \$1,336,819. Currently we are at \$986,510, but that is only through quarter number three. That number, he feels, will exceed that of 2010. It is a very unfortunate factor and a needed item to be addressed going forward. Register of deeds revenue has remained flat. PALS revenue has slightly gone up, mostly due to the population increases. Permits in 2008 were \$1,856,654 and this year will probably be \$365,000. The number computed for FY 2012 of

\$400,000 seems like a safe number. This is why we are trying to ensure that in FY 2014 we have a dedicated plan in place.

Mr. Caporale revenue chart is explainable in the revenue trends diagram. Mr. Hill stated yes they are in different categories. Mr. Hill stated in the budget presented, the detail was given. The first 11 pages will show the swing. He will provide the information in a condensed format.

Mr. Caporale stated the number he has been quoted on business license fees was \$.75 million to \$1.25 million. This is actually higher. Mr. Hill stated last year it was 1% and this year it is looking like 1.2% of total revenues.

Mr. Caporale stated if revenues this year are \$98.5 million, and of that \$1.45 million is business license fees that is 1.5%. Mr. Hill stated staff started the budget at \$104 million. FY 2011 numbers are budget numbers, not actual because we have not closed. Right now we are on course to get the \$1.45 million. He will have better numbers in about one month. Business license collection period is May and June.

Mr. Kubic stated besides the actual numbers, an important thing to extrapolate is that we picked these areas to show, by trend, that the lines are not going up. You see some flattening out. That is not a good indicator when you compare the cost of food, hospitalization, amenities and us not hiring many people. What can we point to that would tell us that business license in FY 2014 will be \$2 million. That is the challenge we are trying to figure out. What do we see out there that is positive? Right now we are not. The conclusion we are making is that we need to plan for what could be worse; which is the effect of reassessment on the value of the mill. Keep in mind that in prior years we had tremendous amount of growth on the value of the mill. We absorbed a lot of the changes and increased expenses, because of that economic engine being very favorable on appreciation. Keep in mind that we have a new library coming on board, etc. that we are committed to and we are putting in models to figure out how we are going to make it work out, and are making assumptions that property tax increases in the out years is the same problem we have with property taxes today. We are making certain assumptions that we think we will hear from Council, but we also know that our buildings are getting older and we are not ordering any equipment, etc. For how long? The critical points are what we are going to try to pathway.

Mr. Hill reviewed with the Committee the current budget challenges, which included such things as maintaining public safety levels, a group health insurance increase of 6%, increased costs of fuel to \$4 per gallon, a 5% increase in utilities, and adjusted agency contributions. Group health insurance was \$7,500 per employee in FY 2010, \$7,933 in FY 2011, and is \$8,400 for FY 2012. We budgeted \$3 a gallon in FY 2010, \$3.50 per gallon in FY 2011, and are proposing \$4 a gallon for FY 2012 for fuel. He hopes to shave some savings off of fuel. Agency contributions were \$9,197,696 in FY 2010, \$9,150,696 in FY 2011, and staff proposes \$7,442,808 for FY 2012.

Mr. Kubic stated this is our target number. Staff is not making any presumptions as to who receives what portions of that money. The outline emphasizes how we got to our level. This area has had an 18% drop.

Mr. Baer stated in the detailed budget there is \$150,000 budgeted economic development. He wanted to know if that was for economic development or the Lowcountry Economic Network (LEN). Mr. Hill replied economic development.

Mr. Baer stated that could be an in-house department or anything else the Council decides on. Mr. Hill replied in the affirmative.

Mr. Hill presented the Committee with a pie chart that demonstrated the allocation of County dollars as follows: Public Safety 44%, General Government 22%, Public Works 15%, Cultural 7%, Education 4%, Public Health 4%, Contributions 3%, and Public Welfare 1%. He also presented the Committee data showing revenues versus expenses. In FY 2009 expenses were \$100,120,700 while revenue was \$98,740,020. In FY 2010 expenses were \$99,189,530 while revenue was \$101,680,300. Projected for FY 2011, expenses are \$98,507,890 and revenues \$98,453,630. Proposed for FY 2012, both expenses and revenues are \$96,303,490. A recap of the budget challenges are as follows:

	<u>FY 2011</u>	<u>FY 2012</u>
• Salary and Wages	64.0m	60.0m
• Purchased Services	20.0m	17.7m
• Supplies	5.0m	4.5m
• Capital Purchases	1.9m	1.7m
• Contributions	9.1m	7.4m
• Education	<u>4.7m</u>	<u>4.0m</u>
Budget	104.7m	96.3m

Mr. Hill stated on July 1, 2010 the County had a proposed budget of \$104.7 million. It has been revised as of May 16, 2011 to \$98.5 million and will continue to be revised between today and June 30<sup>th</sup>. The proposed budget for FY 2012 is going to be \$96.03 million.

Mr. Caporale stated Mr. Kubic made the comment that the decisions that have been made so far in regard to the budget have consequences. There are a certain number of consequences that one can see from looking at this presentation. Are there others that Council might be interested in? Mr. Kubic stated the consequences that are immediate as a result of this budget is the \$700,000 from general fund to debt in that it is not being applied to general services. The unknown consequences are things such as roofs that need to be replaced, A/C that need to come on-board, types of equipment needing replacement, etc. The reason for that is to provide a pathway of potential items from which we want to ensure are online for public services, then are pumped into this economic model we refer to all the time and crank out hypothetical millage requirements based on hypothetical mill values. We may reach a point in time, in the out years, when everyone realizes that we have adjusted the reasonable level of services to a point where we are at the floor. We will then need to figure out how we are going to raise additional funds. By being more proactive in the out years, we can anticipate that with more clarity and can begin to ask tougher questions in the moment. It is the model that becomes so critical. It also challenges us in the sense that our partners are probably facing similar issues. We may not be

talking about it collectively as to how we are addressing it, but it is time that we regroup county-wide and to see if there are possibilities of consolidation or redefining how we deliver.

Mr. Caporale pointed out that salaries and wages have decreased from the current year budget to the proposed FY 2012 and wanted to know if there is a consequence in doing that. Mr. Kubic replied yes, productivity. There is a consequence that we have been dealing with; no cost of living adjustments. That is reality. In return we did not demand a higher employee contribution in this budgetary process. We are working. He stated he is trying to preserve jobs. We dropped funding in this current fiscal year by quite a bit. We are not replacing a lot of people. The challenge is: can we do more, but then you reach a point where you cap off in productivity.

Mr. Caporale wanted to know how a reduction in education was achieved. Mr. Kubic stated by taking the amount of cost difference we wanted to achieve and applying it by percentage.

Mr. Caporale inquired as to what education means in this context. Mr. Kubic replied TCL, USCB, Beaufort Memorial Hospital and some smaller organizations.

Mr. Caporale stated of all the homework staff presented Council with and the suggestions Council returned, clearly staff did use some of those. Mr. Kubic stated he used them in the sense of a strategy. He has severely cut the rate of expenditure of this county to bare minimum. He stated he has shut off all non-essential hiring with the caveat that it be reviewed by himself on a case by case basis. He stated he is having staff recalibrate some of the proposed changes with particular emphasis on convenience centers. We have recently completed our survey and are looking at our daily counts. Sunday is the most expensive day to be open. We are the only county that even offers the service on Sunday, but the numbers of citizens using that service on Sunday is high. There are reasons why mayors do not get re-elected: (i) When it snows you have to plow the street; (ii) When it is trash day, you pick up the trash; and (iii) When it comes Spring time you better have money for potholes otherwise you are not going to be there. Those are the things people touch base with. He says he is trying to touch base with what the taxpayers really want from us in terms of maintaining some of those daily services. He has asked staff to rethink the aspects of the January 24<sup>th</sup> letter sent to Council.

Mr. Caporale asked if Council should assume that any of the changes proposed in the January 24<sup>th</sup> memo have been implemented inside this budget. Mr. Kubic replied no. He promised the chairman that when he decides that one or two or a combination are going to be put in place, Council will be informed, we will run a 3-5 day campaign on our County Channel to tell people what the change will be, then we will implement it.

Mr. Baer congratulated staff for bringing the budget down in tough times. He wanted to know if the reduced library hours and the PALS pools have or have not been incorporated in the budget. Mr. Kubic stated since the letter has gone out on January 24<sup>th</sup>, none of the suggestions have been implemented. He did say he is looking at a 40 hour week for libraries. He asked staff to recalibrate and look at the new surveys for activities at the convenience centers. He asked



them to also look into why Sunday hours are the most expensive. What they are saying is that Hickory Hill is closed. He has asked staff to explore ideas of the County getting their own trucks, a surplus of containers, create a staging area, and take them off site on Monday. They are running new costs on that. In regard to the pools he has not had an opportunity to get the last briefing. Mr. Campbell has met with the representatives of the YMCA to see if there are opportunities in combination that we could focus in regard to the pools. We spend \$1.2 million and collect a small amount. It is not a question of whether or not it is close to being a viable revenue to expenditure program. We have to look at whether or not it is the best program for the \$1.2 million. Is it producing results? What if we took half of the \$1.2 million and dedicated it to a more vigorous summer program where we could maybe partner with the School District and provide remedial math and training. That is an issue as well. We are vetting that out.

Mr. Baer stated the libraries are dear to his heart and he is receiving feedback from constituents who think the programs are being decimated and the book purchases seem to be going down. Mr. Kubic replied that books are based on impact fees. We try to buy collections through impact fees, and we are not getting impact fees.

Mr. Baer stated it sounds like the fund balance is going to stay the same on the general fund side. There is \$455,000 in revenues that could be being collected from the airports with very modest fees. Every year he stated he brings this up. It is about the amount of money that would be saved from libraries and PALS cuts. Mr. Kubic stated he does not set the fees, he just collects them.

Mr. Baer stated administration sets the airports fees. Mr. Kubic replied that he cannot set a fee by himself. He does not have that authority.

Mr. Baer stated Council can help. Council can set the fees for the airports. Mr. Kubic stated that is correct.

Mr. Baer stated currently the commercial side is paying much more than its fair share and the private side is paying almost nothing. Also, \$1.66 million of our fund balance is compromised because of the airports IOUs which are not being paid back. If we had a fee schedule at the airport that was reasonable, we could begin to pay those IOUs back. Under Government Accounting Standards Board (GASB) rules that compromised fund balance will begin to show up under a new classification. Mr. Starkey stated that is correct. The one thing about the airport fees that needs to be addressed is that it is a separate fund. Those airport fees would be recognized within that fund, which then in turn would be a cash flow benefit to the general fund. It would not produce extra revenues for the general fund.

Mr. Baer stated it would improve the fund balance thereby lessening the burden on other users/contributors to the fund balance, within the general fund.

Mr. Starkey added that GASBY 54 will start stipulating how much of the fund balance is restricted, unrestricted, etc.

Mr. Baer stated we have to begin dealing with that issue this year. It is not an onerous amount of fee. He looked at the 240 pages sent and sees we charge fees for pools of \$30,000 and basketball of \$20,000, etc., but yet we are not collecting fees on a very wealthy set of our population that is using resources that the taxpayers have paid for.

Mr. Rodman stated there are two things we have to go through; (i) consider going forward by title only, at first reading, and (ii) have a discussion about how Council would like to use the next couple of weeks to address the detail of the budget.

It was moved by Mr. Flewelling, seconded by Mr. Caporale that the Committee approve and recommend Council approve the County's FY 2012 budget, by title only.

Mr. Caporale asked of that \$60 million in salary and wages, how many open positions are being funded. Mr. Hill stated about three. He stated he has gotten rid of all of the open position that were funded in the last three years. Mr. Kubic wanted a line of 40 open positions to help balance, and finally we just took everything out. That is how we were capable of systematically dropping our appropriation over the last year.

Mr. Caporale commented that is probably the toughest and best decision made in this budget process.

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

Mr. Newton wanted to know the point of doing it by title only. Mr. Rodman stated his understanding, when talking about the School District's budget, that we typically go through the process that way. He does not have a concern either way himself.

Mr. Newton stated there have been concerns raised procedurally about the way we do the budget. If we know we are going to do certain things, or that we are not going to do certain things, or that we are committed to a particular course of action such as no use of reserves, and no millage increase, why wouldn't we put that out at this time.

Mr. Rodman said that it makes sense and inquired how to go about that procedurally. Mr. McBride stated the motion on the table could either be amended or rescinded.

It was moved by Mr. Caporale, seconded by Mr. Flewelling that the Committee rescinds the previously voted on motion to approve the County's FY 2012 budget, by title only. The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, and Mr. Stewart. ABSENT – Mr. Sommerville. The motion passed.

It was moved by Mr. Newton, seconded by Mr. Flewelling that the Committee approve and recommend Council approve the County's FY 2012 budget as prepared with no millage increase for operations or debt, and no use of reserves.

Mr. Dawson stated in the original presentation for the recommended budget cuts included pools, convenience centers, reduction in library hours and the closing of two community centers – the Scott Community Center and the Dale Community Center. He argued from the onset that we consider not closing those centers, but instead do a reduction in hours. Perhaps close each three days out of the week and leave operational for two. That would allow us to still provide some service to the seniors and the community without shutting them out totally. He asks that it be kept on the table for consideration.

Mr. Rodman stated his understanding is that we would as we go between first and third reading. We would revisit all of those types of items.

Mr. McBride stated on the previous motion he abstained. He realizes that it is difficult economic times, but a few years back Council did not have any capital items in the budget because the instruction was no millage increase. It came back to haunt us. We were at a point where we routinely rotated replacement of capital items in a timely fashion. He has concerns about eliminating all of our day to day capital needs in the budget we are about to pass.

Mr. Stewart stated he too has several concerns. He is concerned from the public safety side by not replacing the capital equipment and is afraid we are straying from that maintenance cycle. He also sees in the budget that we are cutting places such as TCL and USCB. We have not asked them to come in and talk before the Committee. We have given them no opportunity to tell us what that means to them or what it is going to do to their budgets. One is economic development which is another outside group trying to recycling and deal with how it is going to move in the future with little guidance from Council as to what is expected from them. We talked about the model and the fact that residents expect a certain level of service. There is a floor that one ultimately is going to reach. If the revenue keeps going down, we are going to reach that floor. Then the only recourse would be to either go below the level of services residents expect or raise taxes. Where are we in respect to hitting that floor? From his perspective we are getting close and he is very concerned as to how much more we can continue cutting. Are we going to get to that floor and need to do something and increase revenues before the economy turns around? Would it not be more prudent to do this over a period of time, anticipating that we are going to need to, and spread that need over a period of time?

Mr. Kubic stated the answer depends on how well we organize ourselves in the next 24 months to ensure that we have reached efficiency. Efficiency in the services we are providing has to be determined. That is a moving target in public safety, because you need certain fixed amounts. An example would be the number of ambulances that have to be running on a 24 hour basis in order to provide the coverage. Other things include changes in roadway maintenance; how often do we want to see the gateways cut, etc. His concern is that we need to pay careful attention to the large capital investments that we currently have. Buildings are not cheap items to replace. When looking at how we need to design a CIP, there will be decisions relative to roofs versus boat landings. We begin to set up the strategies from which those formulas are derived and apply them to come up with an outcome. He said he has seen communities go pretty low in terms of service delivery. We will be talking about it in a more aggressive fashion. He stated he is nervous about the overall economic capabilities in this County from a national point of view

and its impact on us locally, particularly in the housing and commercial market. If you assume that we have \$1.7 million for 1 mill today, and in 2014 it drops to \$1.5 million, it would mean an \$8 million swing. That is dramatic. Everything has a compromise of sorts. Everyone has a point of view from which to argue. He said he is personally hopeful, because he views it as an opportunity. There are some things that we have not traditionally explored, because we have not had this type of push. We have the full capability to figure this out. Meetings that are more meaningful are those that are more controversial. Hard debates are what makes meetings successful.

Mr. Baer says he reads this as two words; build efficiency and build fund balance. If we do those two things we will survive FY 2014.

Mr. Kubic mentioned one thing we have not put into this budget is the fund balance policy.

Mr. Caporale stated when Mr. Kubic or Mr. Hill stands at the podium and tells us we are about to make a serious mistake and feels the same warning needs to come from our constituents. He stated he personally has not heard anything from the cuts we have talked about. He is not hearing his constituents complain about potentially shortening hours at convenience centers or libraries. Logically, there are some safety bells that will set off alarms when we have gone too far. Mr. Hill asked the question at a recent meeting of whether or not our conversation regarding critical services had gone far enough. He stated afterward he shot him an email that said the discussion had not even been started. Well we have started it now. It is the beginning of the conversation. He stated he would not worry so much about whether or not we are going too far, because there are people all over the County that will tell us when we have.

Mr. Rodman stated the issue we are looking at is in regard to expenses and is over the last three years going from \$100 million to \$96 million. We are just entering into a lot of opportunities to continue down that curve. Until we start going through some of the pain that we are now going through, you do not typically look into those. He would like to continue this march.

Mr. Caporale stated he is aware of certain dissatisfactions. He has not heard anyone in his district complain about shortened hours at the libraries, or convenience centers. He pointed out that we spend \$44 million on the Sheriff's Office. Mr. Hill corrected him saying that it is 44 % for Public Safety. It is not just Sheriff's Office.

Mr. Caporale stated that number is amazing, because he has been here 25 years and has never called for a policeman or an ambulance, and has only called for fire once.

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman, and Mr. Stewart. ABSENT – Mr. Sommerville. The motion passed.

Mr. Rodman stated we will have first reading for the budget on May 23<sup>rd</sup>. That will leave us with four weeks until third reading and two intervening Mondays for discussions relative to



the County's budget. He felt that it would make sense for staff the present Council with a "delta" which shows the plus and minuses required in taking us from last year's budget to this year's budget. At the end of the day, each member of Council could cast its vote on items in the budget as it moves forward.

Mr. Caporale says Council can argue anything they want in the budget. Mr. Rodman agreed saying the budget could be voted up or down.

Mr. Flewelling believes Council has complete authority to direct administration to improve or decrease a particular line item within the budget.

Mr. Caporale wanted to know if there is \$7 million in debt reserve. Mr. Hill replied that is correct.

Mr. Caporale asked Mrs. White how much debt reserve they have. Mrs. White replied it is 5% of debt payments, which is roughly \$2.5 million.

Mr. Caporale stated the numbers seem significant. The School District's debt is \$435 million and ours is \$235 million, but yet the County has 2.5 times as much in debt reserve.

Mr. Kubic asked that Council keep in mind that the most important thing about the County's budget is what are we seeking to do. It is not what are we buying. It is what are we seeking to do. As we approach the next 24 months are we going to discuss a recovery strategy or are we going to say whatever the real estate market will be we will accept it? What are we going to do about the surplus of inventory on commercial? Do we have a recovery policy? Beyond the operation and debt budget there is another aspect: Where will the reinvention dollars come from. How will we promote our County to make it the exceptional County that we all believe and know that it is? That is an entirely new dimension that we do not generally talk about because most governments sit around and wait to see how much revenue is collected. There is an aspect to what we do to becoming proactive in that. Are the global investors looking for second homes? Do we have any markets that we fund or offices that we participate in Dubai, Tokyo, Montreal, etc.? He stated it is clear to him that the surplus of inventory in structures is real. What are we doing to change it? Can we come up with creative programs for first home buyers on our own? Can we figure out a way to convince the State legislature that if we have a sales tax referendum currently for roads and the penny is about to sunset, do we put another referendum and apply it toward other programs for reinvention – beach renourishment, marinas, libraries, and economic development? Those are the types of things that we have to create. Imagine that sales tax and our ability to put it toward other uses/purposes. What if the community said they know the federal government will not help us and that the state government will not help us, but this revenue generation for roads produces \$150 million over a five-six year period. If our finance guys can leverage \$150 million, it is approximately \$300-\$350 million in total. Can we be the county in the State beating everyone because we are willing to do that? This idea is not unique. We have two-three other counties in the State already pursuing it. They know that they cannot find new alternate forms of revenue. Do we expect the federal government to give us more grant money with a trillion-dollar deficit? Do we believe the state is going to give us all of the grants, being

Beaufort County is known as the riches county? If it is not going to come from the federal government and is not going to come from the state government, where is it going to come from? If we do not want to raise ad valorem taxes, then we are talking about fees and business licenses, etc. We need to begin to look at whether or not we can do these kinds of things. There will be a lot of opposition to using a sales tax referendum for other areas, but is it a possibility to explore and debate? Where is the reinvention money going to come from?

Mr. Baer stated he wishes we had an office of economic development within the County. It could be environmental tourism, finding ways to stimulate the housing market, office of tourism that sends brochures, etc. He stated he has always felt that we need that in the County. Maybe an employee doing that is a good way to use some of that economic development money built in the new budget.

Mr. Kubic stated he views that concept as managing by looking out the window. It is a cliché, but all successful organizations have people who do nothing but think. He stated we have all of the fishing in the world. Why don't we have the major lure manufacturing CEO's and their offices recruited to put their office structures here locally. We have to change the enthusiasm and be creative.

Mr. Stewart stated it is a cause and effect. You have to set the environment to cause the effect you want to happen. You cannot do that unless you have evaluated what it is you want. We have talked about it, but have not talked about it on a scale. You have to identify and focus down on what is wanted. We talk a lot about a lot of global things, but we never focus.

Mr. Kubic believes Council needs to challenge all of the real estate folks and anyone involved in selling a home or commercial building to produce an inventory. This would allow us to begin to focus our economic strategies toward that end. He does not know if that exists. Why is it not readily available to Council as decision makers? He stated in his neighborhood, half of the people have a negative equity position, which means they owe more than what their house is worth. If at half of what they borrowed, it will take 14 years at a rate of 8% appreciation each year to break even. If you bought it when you are 50 and continue your payments, at 64 you may finally break even. There are no investment opportunities in the house. Do we accept that? Is that what we want? He stated when he came down here he bought a house for \$300,000, that is selling now for \$180,000. He stated he is not happy with that. He stated if he cannot come before the podium with passion that he lost \$120,000 by taking this job, then he is not worth his weight in addressing Council on this County budget. There are a lot of people in his same state of affairs.

Mr. Baer stated three years ago we spent \$623,000 on economic development. Last year we spent \$293,000. Those are all higher than the \$270,000 he was expecting. He asked that it be researched. Mr. Stewart stated the additional is the waterline to the Gray property which was part of the condition of selling it. The County is in the process of trying to recover though, because they never filled their obligation. He stated he is unsure of the \$293,000.

Mr. Rodman stated the folks who sit on the election boards view themselves as a different situation than our typical volunteers in regard to their time involvement. They receive some type of stipend from the State. The State ended up cutting that to zero. Some counties have paid for a portion of that stipend. It would be interesting if staff came back to tell us what that dollar amount item looks like.

Mr. Caporale wanted to know if they receive mileage. Mr. McBride replied yes.

Mr. Caporale wanted to know if they lost that too. Mr. Kubic replied no. We have had the question and responded back to the Board of Elections that they need to pursue it at the state level and not the local level. No one is questioning their dedication and no one is questioning the amount of hours, but we are reluctant to get into an atmosphere where the state makes a cut and we replace it with local dollars.

Mr. Caporale wanted to know what would happen if the individuals decided to stop volunteering. Mr. Kubic replied we will get new volunteers.

Mr. Newton stated the Board of Elections is appointed by the state. The County has numerous boards in which we appoint members to, none of which receive stipend or mileage. We are fortunate for our volunteers. The Board of Elections is appointed by our delegation and were compensated by the state. How do you tell hundreds of people appointed by County Council that we appreciate their service, but that since the state is taking away fund from folks who serve on the Board of Elections we are going to step up and replace it, even though your service still is not worthy of a stipend by the County government. He views it as a state problem.

Mr. McBride stated the appointees of the Board are not even recommended by County Council.

**Recommendation:** Council approves the County's FY 2012 budget as prepared with no millage increase for operations or debt, and no use of reserves.

#### **4. Text Amendments to Council Stipend as it Relates to Meeting Attendance**

**Discussion:** Mr. Rodman presented the Committee with a chart relative to stipend. He had received from staff data relative to stipend for 2009 and 2010, which averaged to more than 13 stipends per month. Basically if we were to cap ourselves at 14, 12, or 10 a month it would be a savings. He believes historically there was an ordinance that was at 10 a month or 120 a year. That was changed a couple of years ago.

It was moved by Mr. Flewelling, seconded by Mr. Caporale that the Committee approves and recommends Council approve text amendments to cap County stipend at 120 meetings per fiscal year.

Mr. McBride felt the cap was low. We have more meetings now than we did before. He feels it should be capped at 200 meetings per year. That would give a potential of an additional \$8,000 that each Councilmember could earn, in addition to their basic salary.

Mr. Rodman stated that would be higher than we are averaging now.

Mr. McBride stated everyone does not get what they can get now.

Mr. Rodman added we are averaging roughly 160 meetings per year.

Mr. Newton stated this issue came up and he raised it at the end of the Retreat because of budget transfers having to be made relative to the allocation and appropriation to the County Council account for salary, stipends, and mileage. As we have continued through this budget discussion, and in keeping our eye on the challenges of reappraisal, in order to do this we need to put a meaningful limitation. After we had that cap of 120 meetings a year we went to different structure where we had more committee meetings than we do today. We are going into a budget cycle where there will be a no cost of living adjustment, among challenges we are facing. His concern is that anything less than the 10, 12 or 14 figures presented, does not show commitment by Council to participate in the cuts.

Mr. McBride stated he was on a subcommittee where we looked at other elected officials salaries. He stated he was shafted on that committee. He was told that the other elected officials salaries would be adjusted then County Councils' would be done in the spring. Neither Chairman, nor the Vice-Chairman wanted the subcommittee to make recommendation in regard to County Council's salary. It did not happen. The committee never met again that spring. Everyone else's salary was adjusted, but County Council's salary was not. Whatever gets put into effect today will remain in affect forever. The desire will not be there to change it. He could not even get discussion with the subcommittee to find out what other County Councils' are getting paid on the table.

Mr. Baer stated we are asking staff to be frugal and efficient and Council should do the same. He is comfortable with 120 meetings per year.

Mr. Rodman wanted to know if this would be done by fiscal year or calendar year. Mr. Flewelling stated fiscal year and would be effective July 1<sup>st</sup>.

Mr. McBride stated the stipend policy has not been abused by most members of Council. It has been abused, but not by most members.

Mr. Dawson stated that being said he thinks it would be prudent for the Chairman of Finance and the Chairman of Council to look at those who are abusing the current stipend policy in place and see if we can rectify and bring it under control before we move to the point where we arbitrarily go with the 120 meetings per year.



Mr. Rodman stated if you take the reduction as a percentage of the combination of stipend and salary, it is a 10% cut.

Mr. McBride suggested that a sunset revision be put on the motion so that it can be reviewed again.

As agreed upon by the maker and seconder of the motion that the Committee approves and recommends Council approve text amendments to cap County stipend at 120 meetings per fiscal year, which will be reviewed in two years.

Mr. Newton stated the 10% number mentioned by Mr. Rodman in doing this plan, and wanted to know the number if 144 meetings per year cap were implemented. Mr. Rodman said it would be roughly 8%. The idea when this was first suggested was to help administrative staff deal with their transfer, to make sure when did not have any excesses and to make sure Council is participating in the same level of adjustments that we are asking of everyone else.

Mr. Rodman asked if the maker of the motion wanted to amend to 12 a month, or 144 a year. Mr. Flewelling stated he wants to stay at 10 a month, or 120 a year.

The vote was: FOR – Mr. Baer, Mr. Caporale, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman and Mr. Stewart. OPPOSED – Mr. McBride. ABSENT – Mr. Sommerville. The motion passed.

**Recommendation:** Council approves text amendments to cap County stipend at 120 meetings per fiscal year which will be reviewed in two years.

## GOVERNMENTAL COMMITTEE

May 2, 2011

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

The Governmental Committee met on Monday, May 2, 2011 at 4:00 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, SC.

### ATTENDANCE

Governmental Committee Members: Chairman Jerry Stewart and Committee members Gerald Dawson and Brian Flewelling attended the meeting. Vice Chairman Laura Von Harten and Committee members Rick Caporale, Herbert Glaze and Stu Rodman were absent. Non-Committee members Steven Baer, Bill McBride and Paul Sommerville also attended.

County Staff: Josh Gruber, Beaufort County Attorney; Ladson Howell, Beaufort County Attorney; Gary Kubic, County Administrator; William Winn, Division Director – Public Safety.

Media: Joe Croley, Hilton Head Island Association of Realtors; Kyle Peterson, *Beaufort Gazette/Island Packet*.

Legislative Delegation: Senator Tom Davis.

Public: Ed Blakely, Stratford Land, a land investment company; Andy Brown, Carolina Auto Towing; Wayne Cairn, owner of a towing truck company; Craig Calbert, Development Transport Towing; Emerson Dixon, Beaufort County resident; Ted Felder, Felder and Associates with Stratford Land; Carol Freeton, towing operator; Brian Hulbert, Town of Hilton Head Island attorney; Gary Humphrey with Dukes Muffler and Towing; Bruce Kline, Chief Lady's Island/St. Helena Island Fire District; Lamar Mercer, Thomas and Hutton Engineering representing Stratford Land; Tim Ogden, Beaufort County Fire Chiefs Association; Harry Rountree, Chief Burton Fire District; George Simpson, Sun City resident; Kim Statler, Lowcountry Economic Network;

Mr. Stewart chaired the meeting.

### ACTION ITEMS

#### 1. Riverport MCIP With Jasper County

**Discussion:** Mr. Stewart said this is a multi-county industrial park (MCIP) with Jasper County, and he said there is another MCIP for Cypress Ridge going through Council right now. This MCIP is for Riverport. He said many representatives are present to give insight on the

project. 99% of the revenue from the MCIP goes to the host county and 1% to the partner county, Beaufort County.

Mrs. Kim Statler, Executive Director Lowcountry Economic Network, said this is very similar to Cypress Ridge MCIP and it is the legal designation of the MCIP. The property is located in Jasper County, and within the City of Hardeeville. This MCIP document is only the document that establishes that legal mechanism by ordinance for the creation of the MCIP. The primary reason to do this is so as LEN works to attract companies to locate on that property they have the legal designation in place making it competitive with other properties with that status. Mrs. Statler said they have been very excited about the property as it is next door to Georgia, along the Savannah River and next to the Port of Savannah, not to mention Interstate 95. It would actually be closer to the Port than some properties in Georgia. Mrs. Statler introduced Ed Blakely who works for Stratford, Lamar Mercer with Thomas and Hutton, and Ted Felder who is working with Stratford now.

Mr. Blakely gave a presentation about Riverport and the company developing the site, Stratford Land. He said Stratford Land Company is a land acquisition company based out of Dallas, Texas. To date, in eight states from Arizona to the Southeast Coast, Stratford invested more than \$1 billion in land. All of the acquisitions are paid for with cash raised from investors. None of the assets, including Riverport, have any debt on the property. Investments in South Carolina approach \$120 million with Riverport being the largest of those assets in the state. This MCIP designation will open the door for businesses who will locate in Riverport to qualify for all South Carolina Department of Commerce employer incentives. These are essential in order for Stratford to compete for the large companies that are the large job providers. Mr. Blakely said a group of people is reaching out globally, looking for companies to locate and there is a shot at the large employers. By becoming a part of the Riverport MCIP Beaufort will also become an active member in the process with a seat at the table, creating a true regional outreach for job creation and raising living standards. Plus, there are monetary benefits to being a MCIP member. Mr. Blakely reviewed some background on the area. Stratford purchased the Riverport property in March 2008. The master plan was put on the property in 2009. Planned Development District (PDD)/Development Agreement (DA) amendments occurred in October 2009. Phase I included 342 business park permits was ready in 2009. Given the proximity to the Savannah Port there is a great chance to make a business park, not a residential area. All of the permitting activities have been completed. There are contractors on the property this week doing some of the initial land work. About a year ago, Stratford engaged the services of Jones Lang LaSalle out of Long Beach, California as an international brokerage firm for port-related matters. A surprisingly number of the large global players see Savannah, like it, like the efficiency and the markets served. Stratford is pushing through the wetlands permit and today are working to get the MCIP fully approved – Beaufort County and City of Hardeeville. Mr. Blakely said they anticipate breaking ground in mid-2011, pending the MCIP full approval. Mr. Blakely then walked the Governmental Committee members through several maps showing the Riverport location relative to the Savannah Port and other important transportation corridors, and then the master plan. The Riverport MCIP is a 5,136-acre park with 1,700 acres of business park/light industrial and 900 acres of commercial village. Another 2,536 acres remain residential or civic uses to be removed from MCIP. Mr. Blakely briefly went over the estimated job creation over the course of

building out. Road construction is expected to create 3,602; building construction 7,047 jobs. On the 17 million-square feet of industrial facilities, 900 acres of commercial and two adjacent neighbors, the small corner of Jasper County is expected to provide 24,118 permanent / ongoing jobs.

Mr. Mercer said they have been working on a Phase I area that is fully permitted – 340 acres – and additionally they are working on a Phase II area bringing it to 500 acres of ready sites. As part of doing that, they worked with the City of Hardeeville to put together a municipal improvement district that consists approximately 1,200 acres encapsulating Phase I, II and III with the idea of going out to the municipal bond market in the very near future and obtaining approximately \$22 million of infrastructure funds to put the park in place. MID will be used obviously for assessments in the park area. There will be a binding levy of special assessments on the real property to provide a secure source of revenue, and the anticipation is to utilize the special assessments to support a City of Hardeeville assessment bond, with the proceeds from bond offering going to fund capital improvements. Mr. Mercer briefly spoke on the CSX railroad spur line that they hope to reengage with heavier gauge rail. Mr. Blakely then reviewed the planned improvements. The list of initial capital improvements are: 1. Exit 3 – Riverport Parkway North Interchange Justification Report / NEPA Permitting - \$0.97 million, 2. Riverport Parkway South Design / Permit \$0.17 million, 3. Phase 2 Road / Drainage / Earthwork / SCDOT access - \$1.1 million, 4. Phase 1A Road / Drainage / Earthwork / SCDOT Access - \$5.73 million, 5. 500,000 gallon elevated water tank - \$1.8 million, 6. Phase I Water / Sewer System - \$3 million, 7. Phase 2 Water / Sewer System - \$0.7 million, 8. Fire Station - \$3.56 million, and 9. Other improvements - \$3.7 million. The total is \$21 million. Stratford Land began working with the City of Hardeeville in 2009 for the bid process. The first part of this year to the middle of the year they worked through the funding process, and establish the MCIP district and are working on design and permitting with the anticipation that Phase II will be fully designed by the middle of 2011. Construction should begin on Phase I and II with infrastructure construction sometime in 2011. While this is going on, any prospects that come along in the late part of this year can begin building.

It was moved by Mr. Flewelling, seconded by Mr. Sommerville, that the Governmental Committee forwards to Council for approval an ordinance to establish, pursuant to Section 4-1-170 of the Code of Laws of South Carolina 1976, as amended, a multi-county industrial/business park, to be known as the Riverport Multi-county Park, in conjunction with Jasper County, South Carolina, such park to be geographically located in Jasper County, South Carolina; to provide for a written agreement with Jasper County as to the sharing of the revenues and expenses of the park; to provide for the distribution of revenues from the park among taxing entities having jurisdiction over the park; to provide for a fee in lieu of ad valorem taxation; and other matters related thereto. The vote was: FOR – Mr. Dawson, Mr. Flewelling and Mr. Stewart. ABSENT – Mr. Caporale, Mr. Glaze, Mr. Rodman and Ms. Von Harten. The motion failed due to lack of quorum.

**Recommendation:** Council needs to vote in order to bring forward the matter of an ordinance to establish, pursuant to Section 4-1-170 of the Code of Laws of South Carolina 1976, as amended, a multi-county industrial/business park, to be known as the Riverport Multi-county Park, in conjunction with Jasper County, South Carolina, such park to be geographically located in Jasper County, South Carolina; to provide for a written agreement with Jasper County as to the sharing of

the revenues and expenses of the park; to provide for the distribution of revenues from the park among taxing entities having jurisdiction over the park; to provide for a fee in lieu of ad valorem taxation; and other matters related thereto. The recommendation is for approval.

**2. Ordinance / Beaufort County Ordinance for Regulation of Towing from Private Property in Beaufort County – Mr. Ladson Howell, Staff Attorney**

**Discussion:** Mr. Stewart said this was brought forward at the April 4, 2011 Governmental Committee meeting and as a result of that meeting there is a new draft before the Committee. Last meeting, the recommendation was to look at the boot section and eliminate, and also to specify if the tow occurs in a gated community with services that call for the wrecker service those who call should be present at the tow. He said he thinks the Committee members have had a chance to review the proposal. The key issue tonight is looking at the fee structure — the maximum fee allowed. Mr. Stewart noted there are several representatives present from the towing industry.

Mr. Howell pointed out that the changes requested by the Committee at the last meeting were made. The primary change specified that no booting would be allowed in Beaufort County under the towing ordinance. Specification was made to the security issue. In places where security is present, those who call must accompany a tow truck operator to the scene for the protection of the driver and the property owner. Lastly, the most important item is dealing with the appropriate fees. He introduced Mr. Andy Brown, who is a long-time automobile repair and towing operator in the County. He has a great deal of expertise in the industry. Mr. Brown is here as are some of his colleagues to offer input on the matter. The first matter to review is tow on private property when the tow truck is requested to make a tow from private property where there is no agreement, and the owner of the vehicle arrives just before the operator hooks up the automobile. A distinction to be made is if the operator has already hooked up the automobile and therefore gone to the trouble, but then the owner shows up wanting the vehicle unhooked. Mr. Howell asked for Mr. Brown's input on the fee for the arrival of the property owner with no hookup and the fee for the tow truck driver who already hooked up.

Mr. Brown said based on the last report that the prices seem reasonable. He said he is unsure about how everyone else feels, but the “no tow” for \$75 and if the vehicle is hooked up for \$150 seem reasonable.

Mr. Stewart noted the heavy wrecker and vehicles weighing more than 36,000 pounds gross weight because those are special circumstances — a bus or semi truck.

Mr. Wayne Cairns, owner of a towing truck company, said he does not like being regulated particularly because towing businesses are the only ones being targeted. The prices are pretty fair, he offered. He said he usually will charge for a no hookup fee what it would cost for him to pick up the car and tow back to the destination. The fees are fair but he suggested not setting them at a certain price. For example, if Mr. Cairns leaves his shop and goes to Polk Village it is only one mile from his shop, but he could also get a call to go to Fripp Island. He said it should not be charged the same for such differences in distance.



Mr. Sommerville asked if tow truck operators have to pay to enter some of the private communities such as Fripp Island. Mr. Cairns answered there are a few neighborhoods that do charge such as Harbour Island, which charges the person calling the tow truck operator. Some of the communities on Hilton Head Island however charge \$10 to \$20 for a wrecker to enter the property.

Mr. Stewart asked whether the maximum value set forth in the fee schedule would cover the businesses. Mr. Cairns answered that he thinks \$300 maximum is sufficient, but he does not charge that much.

Mr. Flewelling reviewed that the Committee discussed \$75 for arrival of the truck, but no hook up and \$150 for hook up, but no tow. He asked if this was correct and Mr. Howell confirmed. Mr. Flewelling said he knows Mr. Cairns is ambivalent about the show up, but no hook up; he asked if Mr. Cairns would still respond if someone calls. For example, a business calls and there is a risk of showing up and not being able to get the full \$200 out of the transaction. Would \$75 cover the cost to get out to the site?

Mr. Cairns explained the fee would cover the costs to reach most of Beaufort County. To address the possibility of showing up and there no longer being a vehicle to tow, Mr. Cairns explained he normally gets the police case number before he shows up.

Mr. Brown said Mr. Cairns had a good point about the mileage. Perhaps on the no tow scenario, the \$75 would have to be set so the first 10 miles are free then \$2.50 per mile after that.

Committee members tossed around the idea of a price per mile. Mr. Stewart pointed out that would prompt arguments of how many miles. Mr. Flewelling suggested just bumping the fee up to \$100 for arrival but no hook up scenarios.

The towing industry representatives agreed with the price increase to \$100 as it would cover more of the costs. Mr. Howell said he would change the price to \$100.

Mr. Howell said this brings the Committee to the table at the end of the ordinance for description of services. “Light-medium wreckers generally for other types of tows, are those good figures at \$200 fee?” Mr. Howell asked. He also noted tows exceeding one hour would be charged at \$125 per hour and \$35 per day for storage fees.

Mr. Brown said he would like to get \$40 per day for storage fees because of insurance rates.

Mr. Gary Humphrey, another towing truck operator, asked if this is just for vehicles being towed that are nonemergency. Mr. Howell confirmed. He said one thing not taken into account is when towing a vehicle sometimes there are no keys and they take a greater amount of time. For example, if someone has a parking brake set with front-wheel drive it is a complicated tow. There is more work entailed than just hooking up a vehicle in someone’s yard. Add to that

the weight of the tow truck on the yard with a septic tank, sprinkler system or landscaping. It is not cut and dry, and Mr. Humphrey said the Committee is not seeing the whole picture tow truck operators have to deal with.

Mr. Brown said the fee for tows exceeding one hour should help with that. It is \$125 per hour.

Towing truck operators suggested various complex scenarios that would mean the fees set out would not cover the costs. Mr. Howell pointed out that on some occasions it may be inequitable for the operators, but on the majority of occasions, hopefully, the ordinance will make them equitable so it works out in the long run that they make a bit of money.

Mr. Stewart said if there is a dispute there is a mechanism to resolve.

Mr. Howell said this will protect towing truck operators from the unruly person who owns the vehicle. It will be a win situation in that respect.

Mr. Stewart said he had a question related to the section on non-consensual towing from private property (a) (1) “If the property owner is a commercial entity or other like entity which has shared parking spaces, the following conditions have been met . . .” He specifically pointed out the condition that signage be posted on the property. He asked if this applies to a gated community. The community is making the decision it will tow if a vehicle is illegally parked and it is the association that will call. Does a gated community need to post that if improperly parked the vehicle may be towed?

Mr. Howell answered that portion of the ordinance applies to those communities with no parking signs that are going to enforce them. He said he suspects the vast majority of the cases are the property owner associations (POA) without defined no-parking zones. The ones covered here are the ones that are unregulated roads owned by the POA, but the community is not gated. That presents a challenge.

Ms. Carol Freeton suggested adding in clarification that the owner has only one time to get belongings out of the vehicle because that is the state law.

Mr. Howell said state law provides that the owner has only one occasion to get property, but he said he wonders if Beaufort County can be a bit more reasonable because that is a point of contention at times. The owner may want to get something out of the car that is very important such as medicine or things of that nature. The intended goal is to give a bit of equity in the owner getting essential items. Often, the tow truck companies are closed and the owner cannot get their items. He asked if the tow truck owners are available for the one time. Is there a phone number to reach people so the vehicle owner can get their property? Representatives said most people are on-call 24 hours per day, seven days per week.

Ms. Freeton asked if there would be allowances for the fees to increase with inflation as the years pass. Mr. Howell said he thinks all ordinances are a work in progress, and yes, that is a

good idea. He said when reaching a stage of the fees not covering the costs, the industry representatives should come to Council to notify them the fees are no longer fair and the ordinance should be revisited.

The present Governmental Committee members consented to forward to Council for first reading approval the second draft of an ordinance for regulation of towing for private property in Beaufort County with changes to Appendix A. Schedule of Fees. No tow (attached) to \$100, and Storage (per day after 24 hours) to \$40. There was no vote due to lack of quorum. PRESENT – Mr. Dawson, Mr. Flewelling and Mr. Stewart. ABSENT – Mr. Caporale, Mr. Glaze, Mr. Rodman and Ms. Von Harten.

**Recommendation:** Council approves, on first reading, the second draft of an ordinance for regulation of towing from private property in Beaufort County with changes to Appendix A. Schedule of Fees. No tow (attached) to \$100 and Storage (per day after 24 hours) to \$40.

## **INFORMATIONAL ITEMS**

### **1. Issues Currently Before the Legislature**

**Discussion:** Senator Tom Davis gave the Governmental Committee members a brief update on some of the matters before the South Carolina Legislature. The Senate is in the second week of debating the budget, which is likely to get second reading by the end of the week or early next. It will then go back to the House, which will review the Senate's changes to the budget and send back to the Senate with any changes. If there is non-concurrence then there would be a conference committee of members from both branches of the legislature. The budget coming out of that would then be submitted to each the Senate and House and submitted to the Governor, who has five days to issue veto.

Mr. Stewart asked what the difference is between the Senate and the House versions of the proposed state budget.

Senator Davis said, remarkably this year there are not as many differences as were in the past. There has been a big push from the Senate to exercise Rule 24, the points of order which does not allow under budget provisos to change permanent law. This is a rule that is honored in the breach most times. He explained what happens is that they come up with hundreds of provisos that do, in fact, change general law. Last week, the Senate spent challenging 50 or 60 provisos on points of order, which were sustained. He said he expects that will continue this week. For Beaufort County, the most significant budgetary issue is in regard to \$61 million of new education money that is being appropriated this year above and beyond last year. There was an effort made in the Senate Subcommittee to take the \$61 million and have it allocated entirely under the Education Finance Act (EFA) formula. Of course, Beaufort County does not get any EFA dollars. Senator Davis said this was changed in the Senate Finance Committee to call for \$45 million of the \$61 million to be distributed essentially on a per capita basis. Senator Davis said he estimates that is about \$1.6 million of additional money coming to Beaufort County if that can be held in, which has a good chance of being done. There are other areas Beaufort



County may pick up, for example some EFA money for the first time in four or so years. Senator Davis then referenced the imputation of index of tax-paying ability amendment he was working on. He explained that the EFA formula essentially allocates dollars, about 35-40% of state funding pursuant to EFA formula, which distributes funds predicated on every county's aggregate assessed property tax base. The higher the assessed property taxes, the less money the county receives. The logic for this is that a high assessed property tax base means state money is not needed because the county has the ability to take care of itself. Those on the coast – Charleston, Georgetown, Horry and Beaufort – argued the index of taxpaying ability allocation under EFA no longer makes sense because counties are not allowed to tax 4% property. What logic is it to count against those counties on an EFA allocation the aggregate 4% assessed property tax base on the theory that the county can tax that property in order to take care of itself, when it is known through Act 388 that right was taken away? This argument got traction and made its way into the budget. Unfortunately, even with the imputation approach because Beaufort County had a reassessment in 2007, they are now looking at 2008 values. EFA is always three years in the rear. Beaufort County is one of the only counties with a fresh set of updated values for its commercial properties and industrial properties. So, if using 2007 assessed values Beaufort County would have gotten about \$1 million in EFA funds, but since assessed values went up so much in regard to 6% and 10.5% property the county is back to zero again. He said he persuaded the Senate that this is inequitable and they will probably give Beaufort County about \$6,000-\$7,000 of EFA money anyway as a "pity allocation." Senator Davis said based on the way he reads the budget right now, Beaufort County will get about \$600,000 in EFA and about \$1 million for the per capita allocation (per pupil) on the \$45 million. There is an amendment up for the remaining \$16 million to have it distributed on a per pupil basis as opposed to EFA. There are only four counties benefiting from that so Senator Davis said he did not hold out too much hope. He concluded the topic by saying he hoped they could get the budget passed with the proviso in regard to the EFA funding.

After the budget, the next item for consideration by the Senate will be the conference report on the Voter ID bill, Senator Davis explained. There was a House version of the Voter ID bill that simply called for an obligation to present a picture ID when voting. The Senate's version of the Voter ID bill had that component plus a 15-day early voting period component. The conference committee met a week ago and came up with a Voter ID bill; it was passed by the House and the Senate will take it up after the budget. The question then becomes if there are enough votes in the Senate to defeat a filibuster of that bill. After the Voter ID bill is taken up, the Senate moves onto a Tort Reform bill. Basically, its main feature is a cap on so-called punitive damages. There are two types of damages: compensatory and punitive as a result of negligence. Punitive damages are not designed to compensate the victim but to punish the bad behavior, Senator Davis explained. The business community pushed to have punitive damages capped to lend a bit more certainty to the business environment. The proposed cap would be three times the actual damages, or \$300,000, whichever is greater. The trial bar took the position that is prohibitive and the jury system should be trusted, and there should not be legislative interference. The real debate on that bill centers on the exception to the cap. When is behavior by, or when are the tort fees so egregious that the person does not deserve the benefit of that cap? Both sides agree if someone intentionally causes harm they ought to not enjoy the benefit of a punitive damage cap. What are other exceptions to the cap – driving drunk or under the influence

of drugs? Acting with reckless disregard? The fourth item before the Senate would be a bill dealing with the Department of Administration, which would take many of the functions performed by the Budget and Control Board's executive functions done by the Ledger Control Board. Those would be assigned to a cabinet agency under the Governor. This would then bring the Senate next into discussions on redistricting.

Mr. Stewart asked if the Assessable Transfer of Interest (ATI) bill was on the agenda, and Senator Davis said no, not at this time.

Mr. Kubic thanked Mr. Winn and his staff for their work during the weekend for the Marine Corps Air Station Beaufort Airshow. There were about 80,000 people who attended Saturday and 70,000 people on Sunday. He said all the public safety workers did a good job, and the community enjoyed themselves. He pointed out there was some income with restaurants reporting they were all full, as were hotels.

**Status:** No action necessary by Committee.

**2. Update – Public Safety Division: Timeline and Review of Issues Relevant to the Emergency Medical and Fire Support Study – Mr. William Winn, Division Director, Public Safety**

**Discussion:** Mr. Winn gave an update to the Governmental Committee on matters brought up during the CRA Emergency Medical and Fire Support Study. The Governmental Committee members' packets included several sheets outlining the progress of implementing recommendations out of the CRA study. Basically there are three areas of focus, Mr. Winn explained. Those are:

1. Consolidate the Fire and EMS desk to allow single dispatch. Mr. Winn explained they are going through the development of standard operating procedures and training dispatchers. They hope to implement during May in a training fashion. Once completed, they will begin looking at the electronic changes necessary to make that happen.
2. Look at the "move up" procedures for EMS. This is when certain ambulances are tied up, the others move around to compensate. This was discontinued in areas, as recommended by CRA, of northern Beaufort County as part of a test to see how this works and to give more experience in handling EMS calls. Mr. Winn said they have not done anything in the southern portion of Beaufort County.
3. They have been working with the Fire Districts and EMS in improving response times. Mr. Winn said they are putting the pre-emption service on U.S. 170, which will allow improving some of the response times in that particular area. He said they have worked with the fire departments to improve their turn-out times with each fire chief going back to the respective districts to implement.

Overall, Mr. Winn said they are taking time to analysis how to do the recommendations in order to make sure the County meets all the other requirements. They are being very careful,

and maybe slower than some people like, because they are aware of the ripple effect, he said. As all the recommendations are implemented they want to make sure they do not create more problems, he summarized.

Mr. Stewart thanked Mr. Winn for reviewing the Public Safety Division's progress on implementing recommendations from the CRA study. He said there are a lot of moving parts and issues that need to be brought forward and dealt with that will happen over an extended amount of time. He asked Mr. Winn to come back monthly or quarterly to give a status update.

Mr. Winn pointed out an item that will come up soon. The fire districts, their charters and ordinances creating the districts will need to be reviewed. The necessity for the review is that the County cannot do much in terms of recommendations from the CRA study and EMS until those matters are resolved. He said they are working with attorneys to review those ordinances. Once that is addressed Mr. Winn said this matter will be brought before the Governmental Committee.

Mr. Stewart noted he saw a draft of the proposed ordinance sent from the Bluffton Fire District. He asked when that would be ready. Mr. Winn said once they have attorney review and staff collaboration with the fire departments to put together a draft agreement those will come forward, but he said there is not a date at this time. The three to address are Fripp Island, Bluffton and Sheldon.

**Status:** No action necessary by Council. Mr. Winn will give periodic updates on implementation of recommendations out of the CRA study.

### **3. Ordinances – Burning Ordinance – Chief Rountree, President, Beaufort County Fire Chiefs' Association**

**Discussion:** Chief Kline said this is informal and he said he emailed the Governmental Committee today draft ordinances. The first in the package is things to consider. In regard to getting input from the Governmental Committee members as they go forward drafting the ordinance, one item they want to consider is location. There are two ways to handle location. It can be handled by distance or by zoning.

Mr. Flewelling interjected to speak on the justification of this and why it is necessary. He said he was approached by a constituent regarding potential health problems because of burning. The constituent's wife was repeatedly exposed to smoke inhalation inside their house during a controlled burn by a neighbor that was very close to the property line, and hence close to his house. He said the constituent asked him to look into the matter and Mr. Flewelling said he talked with Chief Rountree and other fire chiefs about the matter. He said he thinks there can be reasonable limitations on burning. The County will not be controlling every fire that is in the County, and of course it does not apply to municipalities that have their own regulations. In unincorporated Beaufort County, within areas that are subdivisions or planned unit developments (PUDs) or otherwise residential areas as opposed to rural areas with more land between homes, it is important to consider neighbors in such matters. In tightly packed residential areas, just like

with the towing regulations, when the neighbors do not cooperate with health issues there needs to be some ordinance to help protect the health and safety of constituents and citizens.

Mr. Stewart said he too has had two or three complaints so Mr. Flewelling is not the only one. Several people have contacted him voicing their concern. Mr. Stewart added he appreciates the people who want to burn, but in the Midwest where he grew up they always had to get a permit to burn. The reason is if someone starts a grass fire the fire departments know how to respond. Also if a neighbor calls asking what is going on down the street, the fire department can respond that they issued a permit for burning.

Chief Rountree said additionally in his jurisdiction they suffered structure fires starting from a small pile burn in someone's backyard that was left unattended. By the time the blaze was put out it damaged five pieces of property, lawnmowers, wooden fences, etc. There was nothing they could do, Chief Rountree said. They contacted South Carolina Forestry Commission, and the ranger did the best he could but there was nothing with teeth to back them up. Chief Rountree answered that this person should have been ticketed in response to a question from Mr. Sommerville. Chief Rountree said with an ordinance in place, something saying an individual did not meet certain safety requirements, the Sheriff's Office could help enforce. It is not just a clean air issue even though that is from where the majority of complaints arise, especially in a residential area. One of the reasons for this ordinance is the fact that homes are burning to the ground because people are not paying attention, not following certain simple rules before beginning to burn.

Mr. Stewart added if a person has a permit, there is documentation saying the person must stay with the fire, see it is completely extinguished, etc.

Chief Rountree said they wanted this ordinance years ago but were told essentially that it was illegal because the state was the authority for burning. When the concerns came forward more recently, they again contacted the South Carolina Forestry Commission to find the Commission actually helped six other counties develop ordinances. The Commission is extremely helpful and are deeply involved in these topics, Chief Rountree said. He added they will lean heavily on the Commission to accomplish the Beaufort County ordinance.

Mr. McBride said he knows this is a problem in some of the more urbanized areas of the county, but he said he is unsure it should be passed to apply in areas that are designated as rural. He explained that people who live in rural areas live there for a particular reason. He said he hopes the County does not pass an ordinance now targeted to Lady's Island but applying all over St. Helena Island. Mr. McBride said he burns.

Chief Kline said that would be covered under the distance section. He said location can be done by zoning or by distances. Some of the standard distances are 25 feet to 75 feet. Building codes, fire codes say, "at least 50 feet or more from a property line or a structure." Those are some of the things they are soliciting the Governmental Committee's input on, he said. For example, if the distance is 50 feet or 75 feet between structures in a community such as Habersham or New Point then the residents would not be allowed to burn. He said the



Committee members will find New Point has a covenant that says residents cannot burn. On the other side of the fence, there is another community allowed to burn. The lots in that other community are bigger and meet the intent of this ordinance. He noted even with an ordinance there will be complaints. With an ordinance, enforcement and the air quality issues there is something to give authority to what residents are allowed to do. Smoke will still travel and there will be complaints still.

Chief Rountree said Richland County has an ordinance based on zoning and Lexington County's ordinance is based on a distance of 75 feet from the property lines. He provided that he thought the fire chiefs will probably support the distance-based burning ordinance as it is easier to measure for them. It is easier than keeping up with what zoning particular properties are under.

Mr. Sommerville asked if the Sheriff's Office will enforce the burning ordinance, what they about it.

Chief Kline said they want to make sure before they come forward with the ordinance they have met with Codes, the Sheriff's Office and Public Works. He explained he thinks they should meet with Public Works because if burning is restricted there will be an increase in debris going to the transfer sites. That is not necessarily a negative, and in some communities they handle yard waste by mulching it and reusing it. They want to start with the Governmental Committee today by saying they will examine distance, time of day, location, public health issues, alternatives and items that can be burned. The South Carolina Forestry Commission is the regulatory authority even if there is a local ordinance. People would have to call the 1-800-Forestry number to burn, but in working with Forestry the caller would select from which county he is calling. Then it takes the caller to another line where he is advised Beaufort County has a burning ordinance and details. Chief Kline said they are also working with Forestry on the "red-flag alert," when conditions are not necessarily favorable for open burning but they do not say no. Chief Kline said they want to ordinance to say if there is a "red-flag alert" in Beaufort County burning is not allowed. Forestry has been fantastic in getting the ordinance together and offered to help with a public relations campaign.

Mr. Flewelling said he thinks there is a list of questions and he asked if they could get a consensus of everyone's thoughts so they can move on and get a draft ordinance.

Mr. Stewart said he hears there are several people to deal with – Sheriff, Public Works, Codes, etc. He said he thinks giving a consensus the Governmental Committee does want to go forward and allow the chiefs to go out and do their work. However, if there is a consensus to not go forward, there is no use wasting time.

Mr. Dawson asked if the other fire chiefs are being given the copy of the proposed burning ordinance and buying in.

Chief Kline said "buying in" is different than being notified, but they have talked with every fire chief. Their input was solicited. They have specific questions in regard to enforcement.

He said he does not have staff to enforce, and that is why they are looking to the Sheriff's Office. The Sheriff was very receptive when talks initially began on this. Before the ordinance is brought back to the Governmental Committee each fire chief will have an opportunity to review, agree or disagree. He informed the Committee they used a draft penned in 2004, which he thinks is too wordy, and they are working from this.

Chief Rountree said one of the issues may be in Bluffton. As an example, Bluffton is a service area where that fire district protects a municipality and the County. There is essentially a pretty restrictive burn ordinance for the Town of Bluffton. Naturally, their fire chief would like having an ordinance the same across his jurisdiction. The ordinance in the Town of Bluffton right now probably would not fare well in the rest of the County. They have to sit down as a group of fire chiefs to work out those bugs, but every fire chief agrees an ordinance needs to exist, he said.

Mr. Flewelling said he thought they were seeking information on the distance from home or from the lot line.

Chief Rountree replied that they are looking at both – 75 feet from any structure, 75 feet from any property line. This would not become an issue in most of the rural areas because most homeowners in those areas own acres and acres. Most of the complaints come from those areas where the houses are close together such as subdivisions and mobile home parks.

Mr. Glaze asked how the burning ordinance would apply during the winter when people have oyster roasts.

Chief Kline said ceremonial, warming and cooking fires and other such fires will be addressed in the ordinance; those would be permitted.

Mr. Flewelling said he would like to see them fire districts continue to work on an ordinance and hopefully bring forward something vetted by the Sheriff and other parties.

Mr. Emerson Dixon, a County resident, said he thinks it has been documented that three people (two who he knows) lost their lives when gas was thrown on a fire in their backyard. Secondly, and most important, he said he likes the idea of 75 feet from the dwelling and property line. Why? He said because he had a very bad circumstance of a neighbor burning a pile 6-foot high, 10-feet across within less than 50 feet of his home. He said he could not believe this was tolerated here. This is why he supports the gentlemen trying to get this sorted out.

Mr. McBride asked if Mr. Dixon talked about people throwing gas on a fire, and then said there was unfortunately no cure for stupid.

The Governmental Committee members present all gave a consensus that they would like to see the burning ordinance go forward, and then return to the Committee.

**Status:** For information only. No action necessary by Council at this time. Chief Rountree and Chief Kline will return with a draft ordinance to the Governmental Committee after meeting with other fire chiefs and the Sheriff.

**4. Off-agenda item – Lowcountry Economic Network Legislative Policy Issues: Permitting and Review Process, Business License Fee Process, Access to Capital and Business Services**

**Discussion:** Mr. Stewart said he wanted to bring forward an off-agenda item, and there being no opposition the Governmental Committee agreed to consider the off-agenda item. Mr. Stewart handed out a sheet labeled “Legislative Policy Issues.” Mr. Stewart said he spoke with Mr. Sommerville today. He reviewed that the matter has to do with the approval process with respect to permitting or buildings for new businesses coming in, etc. These were things discussed at the Council Retreat. Mr. Stewart reviewed that it was decided the Governmental Committee would come up with and talk about the permitting process for economic development, new business development, etc. In looking at that topic, the conclusion was that most of the issues lie within the Natural Resources Committee’s purview with development-related matters. It is not really the Governmental Committee’s scope to oversee these. He said he would like to introduce the document put together by the Lowcountry Economic Network. He also noted the Beaufort Regional Chamber of Commerce put out a similar document, which came from the work the Lowcountry Economic Network. The four basic areas covered by the document

1. Permitting and Review Process — Mr. Stewart said this matter really falls under the Natural Resources Committee.
2. Business License Fee Process — Mr. Stewart informed the Committee he spoke with Mr. Stu Rodman and Mr. Rick Caporale and Finance Committee will take up that matter. He reminded the Committee that Council already passed a resolution saying the County would like to get the municipalities all to get a consensus of how to collect the fees.
3. Access to Capital — falls under the Governmental Committee as does
4. Business Services. Mr. Stewart said what he asks is that the Natural Resources Committee takes up the permitting issues as outlined and comes back to the Governmental Committee with recommendations, ideally by the next meeting. He said he wants some indication on how long it would take and how it would be approached.

Mr. Sommerville said he thought the Natural Resources Committee’s decision would go straight to Council.

Mr. Stewart said he thought they would report to the Governmental Committee with their recommendations.

“Why would it come from committee to another committee?” Mr. Sommerville asked.



Mr. Stewart said his reasoning is that he wants to make sure to follow the process, to ensure all is done within a reasonable period of time and the Governmental Committee is apprised of what is going on.

Mr. Sommerville said with all due respect he does not think that should be how it progresses. Many of the other Council members present grumbled they agreed.

Mr. Stewart argued that if a matter implies or deals with economic development issues they should go before the Governmental Committee. He did say whatever is put in place will go to Council for approval, but he wants the Governmental Committee to at least be kept informed as to what is happening.

Mr. Flewelling as a member of both committees offered to keep both informed.

Mr. Stewart, in response to a comment from Mr. Sommerville about these matters having been before the committees for years, said they he realizes some of the topics are long-haul ones, but there are some that could be done more rapidly. He said he would like to have an indication of how these matters will be addressed; what timeframe are they looking at and this should not go on the shelf. Mr. Stewart said, frankly, that is what has happened. He added that he does not expect an answer next month, but he does want to know these topics are not just collecting dust.

**Status:** No action necessary by Council at this time. Natural Resources Committee will examine the Permitting and Review Process; Finance Committee will review Business License Fee Process and Governmental Committee will review Access to Capital and Business Services — topics brought forward by the Lowcountry Economic Network.

## NATURAL RESOURCES COMMITTEE

May 2, 2011

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

The Natural Resources Committee met on Monday, May 2, 2011 at 2:00 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, SC.

### ATTENDANCE

Natural Resources Members: Chairman Paul Sommerville, Vice Chairman Brian Flewelling, and committee members Steven Baer, Gerald Dawson, William McBride and Jerry Stewart attended the meeting. Committee member Laura Von Harten was absent. Non-Committee member Herbert Glaze attended.

County Staff: Tony Criscitiello, Division Director – Planning; Colin Kinton, County Engineer; Gary Kubic, County Administrator; Colin Kinton, County Engineer.

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

Public: Reed Armstrong, Coastal Conservation League; Russell Byrd, Marine Corps Air Station – Beaufort; Ken Driggers, lawyer; Aaron Engstrom, Design Community and Environment Planning a consulting company helping with Transfer of Development Rights; Jim Hicks, Chairman Planning Commission; Alice Howard, Marine Corps Air Station – Beaufort; Karen Jarrett, Town of Bluffton; Ginnie Kozak, Lowcountry Council of Governments; Gary Parks, Chairman of Military Enhancement Committee; David Tedder, local attorney and member of the Transfer of Development Rights Technical Advisory Committee; Blakely Williams, Beaufort Regional Chamber of Commerce.

Mr. Sommerville chaired the meeting.

### ACTION ITEMS

1. **Text amendment to Beaufort County Zoning and Development Standards Ordinance (ZDSO), adding a new article: Article XVII. Transfer of Development Rights (TDRS)**

**Discussion:** Mr. Sommerville said this is the primary topic for the meeting, Transfer of Development Rights (TDR), which have been in the works for several years.

Mrs. Kozak said TDRs have been in the works for about three years, but it is basically the implementation of the Joint Land Use Study (JLUS) Plan, which started about 10 years ago.

Mr. Sommerville said this is an outgrowth of the JLUS 10 years ago and the actual TDR portion of it was folded in about three years ago. This is a culmination of a lot of work by a lot of people and it is very important, particularly to the Marine Corps Air Station – Beaufort (MCAS). This protects the air installation compatible use zone (AICUZ).

Mr. Criscitiello said this is a very significant time in the County's history going forward with the Comprehensive Plan and the zoning ordinance, and hopefully the future form-based code. He said Mr. Engstrom will give a presentation on the TDR Program. The TDR Program connects to the PDR, or purchase of development rights. This does a lot to complete the "tools in the kit" that the County would use to create and provide for open space. He asked Mr. Engstrom to come from Ventura, California to make the presentation on the study and the ordinance. The TDR program will be part of the Zoning and Development Standards Ordinance (ZDSO). Mr. Criscitiello for background told members that in 1999, when the ZDSO was put together, a section was reserved in the ZDSO for a TDR. There was never actually an implementation, but today the County is at a point it is poised to do so.

Mr. Engstrom outlined his presentation – TDR overview, sending and receiving areas, management, TDR mechanisms and implementation. Mr. Engstrom said Design, Community and Environment works on many TDR programs throughout the country; he is working on seven.

Mr. Sommerville asked how many TDR programs are in areas with a military presence, and Mr. Engstrom said none.

Mr. Engstrom added this TDR program's proximity to a military base is an unprecedented aspect that makes it very interesting. Speaking to that, this is a pilot program. It is 100% voluntary and there is funding available to implement the program on behalf of the state and federal governments so it is a great opportunity. He said usually there is not funding to start TDR programs. Mr. Engstrom said they did a lot of outreach as part of the process, working with the JLUS Technical Committee and JLUS Implementation Committee, local stakeholder outreach in the form of workshops and the County and MCAS have done a lot of work on this program for a long time. He reviewed examples of various TDR programs around the country. He noted programs are primarily used at this time for open space conservation and for farmland. The program goal here is to reduce encroachment around the MCAS. It is a unique tool that will promote the ongoing operations at the Air Station that are not only important to Beaufort County but also address important social equity issues that most TDR programs do not approach. TDRs work by having a "sending site" and a "receiving site." The sending site would be the area targeted for conservation, preservation, etc. The receiving site is an area targeted to accommodate growth and development. In Beaufort County's case the receiving site would be areas in unincorporated Beaufort County where a developer would like to get additional density beyond what is permitted under the zoning. He or she would pay for the extra density and that money would be sent to landowners under the AICUZ, or sending area, who agree to have a conservation easement on their property. Mr. Engstrom noted the TDR program is an implementation tool, not a plan so there needs to be a land use plan first to use as a tool to manage the growth. In Beaufort County's case it would be the JLUS Plan and the Northern

Beaufort County Regional Plan is what TDR would be used to accommodate that plan. TDRs to be successful also need clear program goals. One of the main reasons TDR programs do not work is the goals are not clear from the onset. The goal here is clear: reduce encroachment near the Air Station. A third item that makes TDRs successful is economic and regulatory incentives for landowners and developers to participate in the program.

Mr. Engstrom then went into greater depth about the sending and receiving areas, by showing Committee members the general areas on a local map. Sending areas would be residential areas within the AICUZ and a quarter-mile buffer. There would be three zones: rural (1 dwelling unit per 3 acres), rural residential (1.2 dwelling units per acre), suburban (2 dwelling units per acre to 5 dwelling units per acre). Many rural residential properties were down zoned in the AICUZ zoning. The receiving areas are in unincorporated areas of the County located on Port Royal Island. Five receiving areas were identified in Seabrook area, Clarendon area, Laurel Bay Road area, Cherokee Farms Road area and Battery Creek High School area. Additional areas in the City or Town can be added later; they must pass a corresponding ordinance for TDRs.

Mr. Sommerville referring to the down zoning as an effect of the AICUZ zoning, asked for clarification.

Mr. Criscitiello said this is the heart of the program. This is an area under the AICUZ, there were noise zonings additionally within which the density was capped below what was provided for by the zoning. Consequently the base zoning was higher than the cap established by the noise zones. There was an actual down zone as a result of the AICUZ installed in that overlay district. Mr. Criscitiello pointed out Mrs. Kozak has pointed out several times one of the things the County has said is that it would come back at a later date and provide a tool or mechanism by which to help the property owners get compensation for their loss of development rights because of the AICUZ. He said this is spelled out within the ordinance.

Mr. Engstrom said of the receiving areas identified, Seabrook and Clarendon areas are identified in the Comprehensive Plan as TDR receiving areas. Laurel Bay Road area, Cherokee Farms Road area and Battery Creek High School area are planned for growth so would be good receiving areas as well. He then reviewed some of the mechanisms that make a TDR program work. Those include good management; sending area rights calculated using a site capacity analysis to estimate how many TDRs are there including existing units and easements among other things; TDR certificates that function essentially as the currency; transfer ratios that can be equated to the exchange rate (these must be calibrated to provide incentives for both parties to participate); and lastly transaction mechanisms such as direct buyer-seller exchange, TDR Bank, and Cash in-lieu fee. Mr. Engstrom said they propose to use all three in order to provide for more flexibility and more incentives for the program to work. Sending area development rights, the calculation of, is how the site capacity analysis calculates TDRs. Basically it would be the amount of units allowed under current zoning, minus existing units, and any development potential in the AICUZ removed would be included in the original calculation of what is allowed under zoning. TDR certificates can be sold privately or to the TDR Bank if the bank has money. These would be tracked each time they change hands, and once sold from the original owner the easement of the property is enacted in perpetuity. However, if the certificate is not sold the

original landowner can take the certificate back to get the easement removed without repercussions. Mr. Engstrom then reviewed the transfer ratios. One TDR certificate for 3 dwelling units in the receiving area, One TDR certificate for 5,000 square feet commercial floor space, changes to ratios require a TDR ordinance amendment.

Mr. Sommerville asked if there was a size cap on the dwelling units and Mr. Engstrom said there was none proposed.

Mr. Stewart asked if in the sending area the landowner could build one unit today, it could be sold for three units. Mr. Engstrom agreed and elaborated to say that for it to be financially feasible and increase developer profit the 1:1 does not work in most circumstances. There needs to be a density bonus to take advantage of economies of scale in the project.

Mr. Criscitiello said that is the basis of the up zoning, this is a pay for play. To up zone the property in the receiving area the transfer ratio is 1:3 and it has to go through the rezoning process.

Mr. Glaze said he looks at the amount available money and it is about \$500,000. How much land will be in the sending area?

Mr. Engstrom said they will get a bit more into the methodology of buying the development rights, but they will basically be based on appraisal value before and after to see how far they can go.

Mr. Glaze said because land in the AICUZ was down zoned, this TDR program is more, or less, designed for small landowners in the sending areas. Already they are at a disadvantage because of the labeling on the property already – a down zone. On the other side, there is the developer who is at the receiving site. Mr. Glaze said his concern was if the County wants to make sure that individuals are getting the most money for their land because of the down zoning, and if the developer at the receiving side will benefit from the sending unit, why not enhance monies from the sending site. For example, Mr. Glaze said if he received monies or properties to develop his property, he is receiving land from the sending area. This is the only option if the developers want to benefit anyway, then why not have the developer put more into the sending area. He said he assumes during the negotiation this will happen. If the developer will benefit anyway, why not let the property coming from the sending site yield some of benefits the receiving site would get.

Mr. Engstrom clarified that it is not a transfer of land, just a transfer of the development rights. There are basically two pathways for a sending area landowner to look at the TDR program. 1. The landowner can either negotiate directly with the developer. If there is little supply of sending area TDRs, then this could help the landowner get higher than market value for those development rights. 2. The landowner could sell development rights to the TDR Bank. The bank has to pay the appraisal value, fair market value or less for the development rights. Mr. Engstrom, in response to a question by Mr. Glaze, said that the program is completely optional so if a landowner chooses to not participate it would just stay as is.



Mr. Flewelling said he sees this playing out, in relation to people who choose to not participate right away, their TDR interests still stay with their property for as long as the landowner keeps the property. The TDRs are always there. The person next-door may choose to participate in the TDR program and they will work with the TDR Bank, and the appraised value right now of the TDRs may be \$5,000. So, for example, Mr. Baer has one TDR and he decides to go through the program getting the \$5,000 and thereby relinquishing his building right for the property as it converts to an easement. Mr. Dawson, who is on the other side of Mr. Baer's property, decides he will hold off on the TDR program for a while. Then, a commercial developer comes along saying he will offer \$8,000 for the TDR. Instead of going to the TDR Bank Mr. Dawson uses a landowner-developer purchase. Another person nearby could be approached by a commercial developer saying the market for TDRs is lighter than anticipated so instead of \$5,000 he offers \$4,000. The landowner can say, "yes" or "no." At some point, conceivably in a free market, the value of the TDR will exceed the current price. If a landowner has held onto his property, at some point he could get \$10,000 or \$15,000 for that certificate. One the certificate is used in a free market exchange, either with the TDR Bank or with a developer, it converts the land to an easement.

Members briefly discussed the ratios and Mr. Engstrom clarified that whatever the baseline zoning is that will be how many TDRs the landowner will get. Mr. Criscitiello said the by-right without an AICUZ overlay would be how the Planning Department calculates the amount of development a landowner is entitled to based on base density. The reduction in density as a result of the AICUZ overlay district does not trigger a reduction of the starting number for TDRs. Any home already on the land would be subtracted from the baseline.

Mr. Engstrom said the receiving area uses TDR certificates or is paid in-lieu of fee (basically a developer for any up zoning based on additional potential new zoning allowed minus the old zoning potential allowed, or the basic units afforded through an up zoning). This would have to be adjusted when the TDRs are included in the form-based code. There are three transaction options from a receiving area developer's view. 1. Seek out a sending area landowner and negotiate directly without an appraisal. 2. Approach the TDR Bank and buy the TDR certificate for the market price. 3. Pay the cash in-lieu fee at the time of final project approval. The cash in-lieu fee is a useful mechanism in case there is a limited supply of sending area development rights, Mr. Engstrom explained. The developer in the receiving area can pay the in-lieu fee and that can be held and used to buy sending area development rights when the time is right. The fee also makes it easier for developers who can pay the in-lieu fee at final project approval. The cash in-lieu is based on the average price per TDR. The TDR Bank would essentially have to conduct some appraisals to get the program started and the appraisal values would be used to set the in-lieu fee. The revenue generated can be used to buy TDR certificates and to cover administrative costs for the program. The fee can be changed without an amendment to the ordinance. He pointed out a flow diagram of how the program would work illustrating various transactions for landowners, developers and third-party speculators.

Mr. Sommerville said if the program starts, but if there have not been any transaction yet one would assume it would be set on appraisals previously conducted because there have not been any previous transactions.

Committee members discussed the various pros and cons of the different transaction possibilities, factoring in market influences, which could occur under the TDR program. Mr. Engstrom said what will likely happen in this economy when the TDR program starts is that the TDR Bank will buy up the TDR certificates. The discussion continued to examination of the TDR cost/benefit, market values and the success of the program.

Mr. Flewelling brought up the question of heirs property and Mr. Criscitiello stated the TDR program applies to properties with clear titles.

Mr. Engstrom concluded his presentation by outlining the key roles. Regulator and Administrator – County Planning Department; Information Clearinghouse – County Planning Department; TDR Bank – County Planning, Land Trust or private entity; Easement Holder – County Planning Department or Land Trust. The implementation of the TDR Program would be as follows. 1. Adopt TDR Ordinance 2. Establish Admin Mechanism 3. Establish Information Clearinghouse 4. Designate Easement Holder and TDR bank 5. Set in-lieu fee 6. Outreach to landowners and private-market players 7. Issue TDR Certificates 8. Monitor TDR Market and TDR bank. \$550,000 is available for seed money for the TDR program.

Mr. Criscitiello took over the presentation and reviewed that the intent of the TDR program is to reduce development near the MCAS. The program takes place all on Port Royal Island. The TDR Bank is optional, dependent upon Council's decision. The Bank will prioritize TDRs, preferably, from small to large, and its operating procedures would be established and approved by County Council. Mr. Criscitiello said this all starts with the rezoning process. Sending area property owners would request a certificate from the Planning Department for a TDR, and the Planning Department would determine there is a clear title free of liens. The Planning Department will determine the number of TDRs per property. Appeals on the calculation of TDRs are to the Zoning Board of Appeals (ZBOA). TDR easements become effective at recordation. The County and Planning Department would review easement languages. Owners of property within the TDR overlay district do not have to participate. The conversion ratio right now is 1:3 or 1:5,000 square feet commercial. There are exemptions for affordable housing or industrial development, etc. and they are outlined in the ordinance, Mr. Criscitiello informed the Committee. The purchase price can be negotiated between the buyer and seller. At the project level, the Development Review Team (DRT) shall grant final approval of development. The developers can have TDRs with in-lieu cash payments, and the fee amount will be determined by Council. Revenues from TDRs can only be spent on the program. These points summarize the ordinance, Mr. Criscitiello said.

It was moved by Mr. Flewelling, seconded by Mr. Baer, the Natural Resources Committee approves and forwards to Council a text amendment to the Beaufort County Zoning and Development Standards Ordinance, adding a new article: Article XVII. Transfer of Development



Rights (TDRS). The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. Sommerville and Mr. Stewart. ABSENT – Mr. McBride and Ms. Von Harten. The motion passed.

**Recommendation:** Council approves a text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), adding a new article: Article XVII. Transfer of Development Rights (TDRs).

**2. Text amendment to the Beaufort County Comprehensive Plan. Appendix L. Buckwalter Parkway Access Management Plan, Figure 5 (add new future signal location on Buckwalter Parkway)**

**Discussion:** Mr. Criscitiello introduced Mr. Kinton to address the matter more in-depth. However, there are basically two separate matters – a comprehensive plan amendment and a change to the ZDSO, which is dealt with as a separate matter. Mr. Criscitiello noted the Committee has had the material before it before.

Mr. Kinton referenced the map showing the proposed traffic signal locations during his presentation. He pointed out U.S. 278, Buckwalter Parkway and Bluffton Parkway in relation to the signal discussed. The original access management plan was set up to allow for a signal in the area, and he pointed out additional sites as well. He noted a signal where Lake Point Drive intersects, approximately 1,500 feet from the existing signal where Bluffton Parkway intersects now.

Mr. Baer pointed out the map has two proposed signals. Mr. Kinton noted one was for the Bluffton 5B realignment.

Mr. Stewart said the discussion needs some background. The conversation three to five years ago was: how do we provide for the Bluffton Parkway. What is the path that it will take? This needs to be done particularly starting from Buckwalter Parkway to U.S. 170, then from Buckwalter Parkway onto Simmonsville Road. That was essentially defined through the engineering design and engineering plans for the parkway as drawn. There is basically established that and gone through several public hearings informing the public on how that would happen. Mr. Stewart noted if it had not been for the decrease in impact fees, the 5B extension going between Buckwalter and Simmonsville, this would probably be under construction rather than the current delay. Coming forward to about eight or nine months ago the Town of Bluffton issued a permit for Parker to build a gas station where the red circle identifies on the map before the Natural Resources Committee. That permit was issued for building the station. In order to build, there needed to be a curb cut along Buckwalter Parkway. That curb cut was not on the pre-agreed upon access management plans for Buckwalter Parkway. The curb cut was agreed upon with the permit give prior to the Town coming back and asking the County for agreement and amendment to the access management plan. Mr. Stewart noted four building developments on the west side, and these developments only have one access point. One of the reasons for that loop down, and what is the connecting point in the new alignment for the parkway, was a negotiation back at the time the design was put in place whereby doing that there would be access from that development over onto Bluffton Parkway. This gives multiple access

points out of those developments, which currently only have one access point. Mr. Stewart mentioned if the Bluffton Parkway is put in the way it is laid out, that is no longer 700 feet from another light, which is way closer together than anything agreed upon by the access management plan. The Town of Bluffton came back and said, “Well to be consistent, we want to move the intersection for Bluffton Parkway, reconfigure and move north so there is more distance between lights.” That requires the County to go back, re-engineer, redesign the Bluffton Parkway, and also by moving the alignment and where the access roads go for the subdivisions moves everything north onto one property owner’s land instead of the property line between the two thereby precluding the access roads from happening, Mr. Stewart said. This all means a lot of additional costs would be incurred and this is, because of the proximity of those two lights, is a very, very bad situation. He said he does not think it is an appropriate solution. He added he does think there is a solution, which would be to leave the alignment the way it is and start out and he suggests since the 5B and realignment has not been built, until that time put in a temporary light across from the Parker gas station. Mr. Stewart added it should be very clear and legally binding that at the time the Parkway is complete the temporary light must be removed. He said he thinks when that light is removed and the access roads to the subdivisions are available down through the Parkway, there will be alternate routes for residents to get out. He noted a road that was supposed to be in the back of the subdivisions but never built. Mr. Stewart said what you would have is that light removed, close the median strip to ensure a right-in, right-out at the gas station and for the residents, and that gives them the ability to make a right onto Bluffton Parkway. He said the problem can be solved without having the light. However, he noted that in the near term until the completion of the Parkway, for the residents there is a safety issue. He said he thinks a temporary light with a clear understanding and clear legal commitment that it has to go when the Parkway is built would be an alternative solution. At the last meeting he asked the engineering staff and the Town try to find some alternative and he said he is not aware of any at this time. The way this is headed with two lights in such close proximity, and/or causing the additional costs of the re-engineered roadways and easements. That said, Mr. Stewart said he is totally opposed to what is proposed. It needs a lot clearer thought and much better thought out position and more analysis, Mr. Stewart said. He added it would make a bad situation even worse and it will be regretted in years to come.

#### Main motion

It was moved by Mr. Stewart, seconded by Mr. Flewelling, that the Natural Resources Committee denies a text amendment to the Beaufort County Comprehensive Plan. Appendix L. Buckwalter Parkway Access Management Plan, Figure 5 (add new future signal location on Buckwalter Parkway).

Mr. Stewart said the Committee should not move the text amendment to the Comprehensive Plan, Appendix L. Buckwalter Parkway Access Management Plan, Figure 5 until there is a better thought out plan.

Mr. Sommerville asked Mr. Kinton to show members on the map the residential development across from the gas station. He asked how many homes are in that area and Mr. Kinton answered that there are 600 to 650 homes. Mr. Sommerville said that is an issue; the

Committee is not just talking about a gas station but 600 homes. Mr. Sommerville referred to Mr. Stewart's previous comments and said if there was a light but at some point when the Parkway is complete then the residents can access through another area

Mr. Stewart said he thought there would be multiple points, and Mr. Kinton agreed there was another potential access and he pointed it out along with one near Old Miller Road.

Mr. Sommerville said two issues are access for the 600 plus people and the safety of crossing Buckwalter Parkway, even with safe access.

Mr. Flewelling said he is unsure whether any of this is really necessary because he said there is already a design paid for and Council acquired right-of-ways and easements along the way. The County should not incur any additional expense based on a decision by the Town of Bluffton to issue a building permit for any specific location.

Mr. Stewart said that is one point, but he added that he is frustrated the Town of Bluffton went ahead and acted without coming to the County while knowing the two had an agreement on the access to that road. That should never happen. That should just never happen.

Mr. Flewelling said it is not out of deference, but because of a previously agreed upon plan. The County developed a plan, bought right-of-ways based on that plan, etc. A lot of money has been spent to get a plan the way it was acceptable. Then for someone to change the plan without at least talking is a real problem for him, Mr. Flewelling said.

Mr. Stewart said property owners all along the road have already made commitments and decisions based on what was agreed.

Mr. Sommerville said he appreciated Mr. Stewart's comments, but he was concerned about the safety and welfare of those 600 families based on their access to the Bluffton Parkway. There may be a disagreement with Bluffton and how this was handled, but he said he does not want to penalize those 600 families as a result.

Mr. Stewart clarified what he was saying. He said his intention is for the temporary light to go in now to handle the safe access, but once the road is put in, then the light has to go. Then, close the median strip and use the other access points.

Mr. Sommerville asked if that proposal could go forward rather than dragging this matter out longer. Mr. Stewart agreed.

Mr. Stewart clarified that his motion was that the Natural Resources Committee approves and forwards to Council for approval the text amendment to the Beaufort County Comprehensive Plan. Appendix L. Buckwalter Parkway Access Management Plan, Figure 5 (add new future signal location on Buckwalter Parkway) with the understanding it be amended to go forward with installing a temporary light and the median strip with a legally binding understanding that it

will come out when the Parkway is complete. As seconder of the main motion, Mr. Flewelling agreed to the clarification.

Brief discussion followed regarding the cost of this proposed project and who would bear the expenses.

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

**Recommendation:** Council approves, on first reading, the text amendment to the Beaufort County Comprehensive Plan. Appendix L. Buckwalter Parkway Access Management Plan, Figure 5 (add new future signal location on Buckwalter Parkway) with the understanding it be amended to go forward with installing a temporary light and the median strip with a legally binding understanding that it will come out when the Parkway is complete.

### **3. Change of Status of Planning Commission Members**

**Discussion:** Mr. Sommerville said there is a need for a vote to approve two changes to the composition of the Planning Commission. Mr. Robert Semmler was appointed by Council as a representative for Port Royal Island, but he recently moved from Port Royal Island to St. Helena Island. Mr. Ron Petit, appointed originally by Council as at-large, lives in the City of Beaufort, which is on Port Royal Island. The proposal is brought forward to ensure there are no grounds for challenging the legality of future votes Mr. Semmler's appointment would change to at-large and Mr. Petit to representative from Port Royal Island.

It was moved by Mr. Dawson, seconded by Mr. Flewelling, that the Natural Resources Committee approves and forwards to Council for approval amendment to the appointment status of Mr. Robert Semmler to at-large representative and Mr. Ron Petit to representative of Port Royal Island on the Planning Commission. The vote was: FOR – Mr. Baer, Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Sommerville and Mr. Stewart. ABSENT – Ms. Von Harten. The motion passed.

**Recommendation:** Council approves the amendment to the appointment status of Mr. Robert Semmler to at-large representative and Mr. Ron Petit to representative of Port Royal Island on the Planning Commission.

## **INFORMATIONAL ITEMS**

### **4. Text Amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article XIII, Section 106-2796(H) and (I) (revises access management standards to encourage roundabouts for Bluffton and Buckwalter Parkways)**

**Discussion:** This matter was pulled from the agenda by Mr. Sommerville and tabled until a later time.

**Status:** This text amendment to the Beaufort County Zoning and Development Standards Ordinance (ZDSO), Article XIII, Section 106-2796 (H) and (I), will come before the Natural Resources Committee at a later date.

DRAFT



## REDISTRICTING COMMITTEE

May 13, 2011

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

The Redistricting Committee met on Friday, May 13, 2011 at 9:30 p.m., in the Executive Conference Room, Administration Building, 100 Ribaut Road, Beaufort, South Carolina.

### **ATTENDANCE**

Redistricting Members: Chairman Weston Newton, Vice Chairman William McBride and members Gerald Dawson, Brian Flewelling, Herbert Glaze, Stu Rodman and Jerry Stewart attended. Non-committee member Rick Caporale also attended.

County Staff: Ian deNeeve, GIS; Bryan Hill, Deputy Administrator; Ladson Howell, County Attorney; Dan Morgan, Division Director – Information Technology;

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

Public: Several residents attended the meeting; however no one introduced themselves or spoke.

Mr. Newton chaired the meeting.

### **ACTION ITEMS**

#### **1. Discussion / Adoption of Public Hearing Process and Schedule**

**Discussion:** Mr. Newton explained the Redistricting Committee meeting is to follow up with activities from staff regarding the status of the redistricting process. One of the matters to be discussed after adoption of criteria and schedule was the adoption of a public hearing process and schedule. Mr. Newton outlined what he wanted to accomplish during today's meeting – create a public hearing schedule and establish the number of public hearings and locations. Committee members reviewed calendars provided by Mr. Howell for the next several months in order to target public hearing dates. Their discussion follows.

Mr. Newton said during the last redistricting the public hearings coincided with County Council meetings. Mr. Howell noted there were also two during the course of review of the ordinance and there cannot be too many public hearings.

Mr. Howell in response to Mr. Newton's question about the appropriate number of public hearings suggested that five would be a sufficient number.



Mr. Newton suggested one public hearing for Hilton Head Island, one for Bluffton and one for northern Beaufort County, then the remaining two as part of the ordinance approval process for County Council (at two of the three readings).

Mr. Rodman said this made sense and other members mumbled their consent.

Mr. Newton said based on the schedule the Redistricting Committee said they would have the Redistricting Plan to County Council by the end of July. As such the first reading is projected for July 25, 2011. Second reading is projected for August 8, 2011 and third reading is slated for August 22, 2011. Mr. Newton suggested the two August dates for public hearings, then looking at the remainder of May and June for three public hearings. He suggested those be located in Beaufort County Council Chambers in Beaufort, Hilton Head Island Branch Library and the Bluffton Branch Library. This would mean there are three public hearings prior to the first reading of the redistricting plan ordinance by Council, and two public hearings to coincide with second and third reading of the ordinance. He asked Committee members if there were any dates they would like to avoid meeting.

Mr. Stewart suggested avoiding the time around the Fourth of July.

Mr. Newton said Clerk to Council Ms. Sue Rainey noted on the calendar the week of July 10 through July 15, but he said that would be inconsistent with Mr. McBride's thought of protecting that week, which he just mentioned.

Committee members reviewed the week of July 17. Mr. Newton said one of the considerations while looking at scheduling is that the schedule begins to compress itself if the Committee members do not hold the public hearings outside the ordinance review process until the week of July 17. They are then within one week of first reading of the ordinance. In order to hold public hearings to receive input at an early stage of the plan development process, then Mr. Newton suggested holding the public hearings sometime in June.

Mr. Stewart asked if there is a problem with the last two weeks of June. Mr. Newton noted Mr. Caporale asked to not have anything around June 22.

Mr. Newton asked about the week of June 12.

Mr. Rodman asked if there is a preference to do the public hearings over three consecutive days or over the course of a few weeks. Mr. Newton said there is no preference, but said if they are done three days running then there is the same information provided about where the redistricting process is. If they are spread out over an amount of time, there may be further developments, Mr. Newton said. Mr. Rodman explained he asked because if there is one done on Hilton Head Island and it is tied to County Council then he suggested doing it on May 23, 2011. He said maybe that would be too early.

Mr. Newton said because the last two public hearings are done in conjunction with Council meetings, he suggested the others be done separate from the Council meetings.

Mr. Dawson said he would not be in town June 20 to June 24, 2011.

Mr. Newton suggested beginning to look at the last week of May, for instance May 25, 2011. He suggested May 25 for the first public hearing in Council Chambers in the evening. A second could be done on June 15, 2011.

Mr. Glaze said he would not be able to attend a public hearing May 25, but he suggested May 26.

Mr. Newton said he was just suggesting having one of the public hearings at the onset of the schedule in Council Chambers in order to get as much input as possible.

Mr. Stewart said May 26 is out because there is a Sun City meeting that night.

Mr. Flewelling asked if May 19 would work. Mr. Newton asked about May 24 instead and Committee members concurred.

The May 24, 2011 meeting will be held in Council Chambers in Beaufort at 6:00 p.m. in order to allow for more people to attend.

The second meeting the Redistricting Committee discussed would be a couple week after the first. Mr. Rodman suggested June 14. Mr. Newton suggested instead June 15. This second meeting will be held at the Hilton Head Island Branch Library at 6:00 p.m.

For the third meeting, Mr. Rodman said two weeks later would take the meeting to June 29. Mr. Newton suggested protecting the time around July 4 and making the meeting on either July 18 or July 19. This will be a week before first reading by Council. Redistricting Committee members consented to a third meeting on July 18 at 6:00 p.m. in the Bluffton Branch Library.

Mr. Newton suggested scheduling Redistricting Committee meetings next. There needs to be one more of the Redistricting Committee meeting sometime in the balance of the week of July 18 and before first reading on July 25. He asked about having the Redistricting Committee meeting scheduled for Wednesday, July 20, 2011 at 10:00 a.m. in the Executive Conference Room of the Administration Building. Mr. Newton then scheduled a meeting for June 16, 2011 at 8:30 a.m. He then reviewed the public hearing schedule for clarification. The public hearings will be held May 24, 2011 at 6:00 p.m. in the Council Chambers; June 15, 2011 at 6:00 p.m. in the Hilton Head Island Branch Library; and July 18, 2011 at 6:00 p.m. in the Bluffton Branch Library. The other two would be held in conjunction with the review of the ordinance on August 8 and August 22, 2011.

It was moved by Mr. Glaze, seconded by Mr. Rodman, the Redistricting Committee approves and forwards to Council for adoption a Redistricting Process Public Hearing Schedule including three scheduled public hearings outside the review of the ordinance on May 24, 2011 at 6:00 p.m. in the Beaufort County Council Chambers in Beaufort, on June 15, 2011 at 6:00 p.m. in the

Hilton Head Island Branch Library; and on July 18, 2011 at 6:00 p.m. in the Bluffton Branch Library; and also announces public hearings to coincide with County Council meetings on August 8, 2011 and August 22, 2011. The vote was: FOR – Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman and Mr. Stewart. The motion passed.

Mr. Newton asked Ms. Rainey to check on room availability and schedule the meetings.

**Recommendation:** Council adopts a Redistricting Process Public Hearing Schedule including three scheduled public hearings outside the review of the ordinance on May 24, 2011 at 6:00 p.m. in the Beaufort County Council Chambers in Beaufort, on June 15, 2011 at 6:00 p.m. in the Hilton Head Island Branch Library; and on July 18, 2011 at 6:00 p.m. in the Bluffton Branch Library; and also announce public hearings to coincide with County Council meetings on August 8, 2011 and August 22, 2011.

## 2. Review Status of Council Member Redistricting Plan Submissions

**Discussion:** Mr. Howell said Mr. Morgan is probably the best qualified to give a synopsis of redistricting meetings with five Council members. Out of those meetings there were four particular maps generated. He said he thinks the best plan would be for the author, or Council member who created the plan, to give a synopsis of whether or not the Redistricting Committee should look and consider their particular plan. The Redistricting Committee has to make a decision, and once the decision of whether to consider the plan is made, despite its adoption or not, the plan goes to the U.S. Department of Justice for approval, Mr. Howell explained. It could be the Committee wants to review all four plans or that it looks at none.

Mr. Morgan said GIS met with Mr. Glaze and Mr. McBride on May 2, 2011 and with Mr. Flewelling and Mr. Dawson on May 3, 2011. Mr. Baer met with GIS on May 9, 2011. As they met with Mr. Glaze he presented a plan looking at preserving three minority districts and he worked in that direction. It moved as they looked and discussed the plan. As Mr. Glaze worked, the plan began to mirror more of an adaption of Mr. Bowers plan submitting as the starting point. It put Mr. Dawson and Mr. Glaze in the same district, with the changes being that Mr. Glaze's district was brought down a little bit.

Mr. Newton reviewed what the Redistricting Committee is trying to do. For every plan officially considered by Council, a write up must be sent with it along to the U.S. Department of Justice, why it was or was not used and what distinguishes it. There should be a threshold first to determine whether that plan meeting the initial threshold for consideration by the Redistricting Committee. Anyone who wants to advance a plan could advance the plan at a later date. For instance if someone says they want a plan considered that is completely inconsistent with any of the criteria, such as one district has 2,000 people while another has 75,000, it would be a waste of time to consider a plan like that. He said what he hears Mr. Howell say is these are initial “flash views” of the plans to then determine if they deserve further exploration. Mr. Howell confirmed that was what he meant.

Mr. Glaze said the initial plan he had was to try to work out a way to preserve three minority districts. After looking at other plans, talking about the minority population and trying to save it, he said he figured since Mr. Dawson and he are minorities they should not simply look at themselves but look at the district as a whole. He said he thinks when that is done the plan with Mr. Dawson's district extending into the Pinewood area and Possum Hill area it would more or less come into the district Mr. Glaze represents. Those areas referenced are in the plan proposed by Mr. Bowers (hereafter referenced as Plan #1). Mr. Glaze said he thought the best thing to do was to look at the greatest population of minorities, and he said he thinks this would increase the minority population for an appropriate percentage when done that way. Mr. Glaze said they have to look beyond themselves and look at the districts as a whole to make sure they are salable for the coming years. He went with that proposal compared to the Plan #1. He said when adding both Mr. Dawson's and his districts, with either one representing after the redistricting, but it still maintains the minority population representation. Mr. Glaze's plan will hereafter be referenced as Plan #2.

Mr. Rodman asked if Mr. Glaze came back to Mr. Bowers' plan, Plan #1. Mr. Glaze said it was similar to Plan #1 but his plan, Plan #2, has more minority representation in the districts in question.

Mr. Newton asked what the spread is for Mr. Glaze's plan, Plan #2. Mr. Morgan said the percentage deviation with Plan #2 was kept the same as Mr. Bowers' Plan #1 at 3.13% total deviation. Mr. Morgan said 1.83% is the high and -1.3% was the low.

Mr. Morgan asked Mr. deNeeve to illustrate on the computer for the Committee members a detailed look at District 6 and District 9. Mr. Morgan pointed out the change in Plan #2 compared with Plan #1. District 6 includes Laurel Bay whereas Plan #1 split the Laurel Bay area. The line was pulled down to U.S. 170 and pulled into around the Colonial Heights area, then came back up Joe Frazier Road. That increased the minority percentage in the district to about 58% for District 6.

Mr. Flewelling asked what the minority percentage was for District 6 in Plan #1. Mr. Morgan answered that it was 57.82%.

Mr. Rodman asked if there was something that moved from Plan #1 into another of the districts under Plan #2. Mr. Morgan said Plan #1 split up Laurel Bay and Plan #2 puts that area into one district, District 9.

Mr. Newton asked Mr. Morgan if among the criteria for redistricting it meets those criteria, and Mr. Morgan said Plan #2 does meet the criteria.

Mr. Stewart said District 6 was touched on, but what was taken out of District 6 shifted into District 9. He asked if it still fits the criteria. Mr. Morgan confirmed it does. Mr. Stewart asked if the change only occurred in those districts, to which Mr. Morgan confirmed it was limited to those two. Mr. Stewart asked what District 9 picked up. Mr. Morgan said it was the Laurel Bay area.

Mr. Newton asked Mr. Howell if the Redistricting Committee needs to formally vote for the plans it wishes to do in-depth consideration upon. Mr. Flewelling suggested if there is a vote it is a consideration and suggested avoiding until the Committee has a chance to look at all of the plans. Mr. McBride agreed that the Committee should look at the remaining plans before voting. Mr. Howell said that would certainly work. A vote would constitute formal consideration and he said they could vote to consider all plans the Committee wants to consider.

Mr. Stewart pointed out many of these plans will change the school districts and it should be considered.

Mr. Morgan then moved on to the next plan. He said they met with Mr. McBride. Mr. McBride said he did not have any recommendations for changes. He said he wanted to but it did not work within the criteria.

The next plan reviewed was one submitted by Mr. Dawson. Mr. Morgan summarized the plan Mr. Dawson worked on. Districts were renumbered so in Mr. Bowers' Plan #1 District 8 went across the Broad River with a new district in the Bluffton area. In the plan Mr. Dawson presented, it brought back the numbers as they currently exist. It left Mr. Glaze's district as District 8 and District 9 for Mr. Flewelling. This plan put District 11 back across the Broad River. Mr. Morgan pointed out this pushed Mr. Dawson's district into Mr. Glaze's district, then moved in to split Laurel Bay between Districts 6 and 8. It combines Mr. Flewelling and Ms. Von Harten into the same district. Mr. Morgan noted this plan tries to preserve three minority districts. With that, the percentages in Mr. McBride's district would be 49% minority representation, Mr. Dawson's would be 50.1% and Mr. Glaze's would be 32.56%.

Mr. Flewelling asked Mr. deNeeve to show on the map greater detail of the effects in his district.

Mr. Newton asked if the one presented by Mr. Dawson before the Committee now has at least two minority districts in excess of 50%. Mr. Morgan said it does not as District 5 is just below. He noted Mr. Bowers warned the County before that there was a difficulty in trying to maintain all three minority districts without putting them at risk. Mr. Newton said diminishing the minority districts to one as presented in this plan may constitute policy retrogression.

Mr. Flewelling asked what the minority representation is for District 8 under this plan. Mr. Morgan answered that it is 32.56%.

Mr. Newton said he does not see any change on Hilton Head Island or in Bluffton. Mr. Morgan said it does not address anything south of the Broad River. It only affects districts 6, 8 and 9.

Mr. Dawson said he looked at Mr. Bowers' Plan #1 and Mr. Glaze's Plan #2. He said Plan #1 had District 6 at about 57% minority population and Plan #2 reduced the minority population to 46.6%. He said all he did was go into Mr. Glaze's district, looked at Plan #2 and



moved some of the minority population back into his own district to increase the minority population from 46% back to 50%. It is a combination of Plan #1 and #2. Mr. Dawson said it shows the Committee that Mr. Bowers was correct in telling them that no matter how they reconfigure it will present a problem.

Mr. Newton asked Mr. Glaze and Mr. Dawson of the plans each put forward if they prefer those plans to Mr. Bowers' Plan #1 in terms of the retrogression issue. He said perhaps he got a little confused. Plan #1 has two districts that are solidly above 50% minority population and a third at 32%. Under Plan #2, what are the percentages? Mr. Morgan answered Plan #2 has District 6 at 58% and District 5 at 50%. The difference between Plan #1 and #2 is inconsequential, Mr. Newton asked. Mr. Morgan said it is minimal.

Mr. McBride said it reduces District 5, which is his district. Mr. Bowers' Plan #1 had District 5 at 51.65% and Plan #2 reduces that district to less than 50%.

Mr. Newton said Plan #2 and #3 pretty much have one strong minority majority district and that should be reviewed. Plan #2 has one district just at 50%. It could be retrogression.

Mr. Morgan said the last plan worked on was the plan for Mr. Flewelling. The plan proposed by Mr. Flewelling will hereafter be referred to as Plan #3.

Mr. Flewelling said he thought he saw Mr. Baer in the mix of plans. Mr. Morgan said Mr. Baer came in on May 9, 2011 and he only looked at Hilton Head Island with small changes in his district. Mr. Flewelling reviewed the plan he came up with. He said as he developed a plan his basic perception was that he did not want to have Mr. Glaze and Mr. Dawson combined into the same district. At least one of them should come out into some other district so they would have a chance to run without competing against each other as incumbents at some point. In order to do that and make the numbers as good as possible, he worked on Districts 6, 9 and 11. It puts District 6 at 52%, District 5 stays the same at 51.65% and District 9 is down to 25%. It basically puts Mr. Glaze in District 9 and puts Mr. Flewelling in District 11. That way Mr. Glaze can run as an incumbent in a district, but unfortunately the numbers are not as good as hoped for so it could be fine-tuned. Then, it combines Mr. Flewelling and Ms. Von Harten into one district. The total deviation was 3.13%, so it was unchanged because the highest and lowest remained unchanged.

Mr. Newton asked if the only difference for Mr. Flewelling's plan, Plan #3, is that it cuts Mr. Glaze out of Mr. Dawson's area and replaces the merge into the area where Mr. Flewelling is.

Mr. Flewelling noted there are some changes along the southern part of District 9 but they are not substantially different from Plan #1.

Mr. Newton noted Mr. Flewelling's plan, Plan #3, lowers from Plan #1 the two minority districts to percentages in the low 50s. Otherwise, this plan protects two minority districts. Under



Plan #1 the third minority district was about 20%, but under the plan Mr. Flewelling proposed it was increased to 25%.

The fourth plan examined by a Council member was Mr. Baer's plan. It went from Plan #1 and moved around a few things, Mr. Morgan said. It put Wexford and Long Cove back into District 3 and gave Mr. Baer representation up by the Hilton Head Island Airport around Beach City Road.

Mr. Newton asked where the areas moved around under Mr. Baer's plan came from and went. Mr. Morgan said it was mostly between Mr. Baer and Mr. Caporale's districts. There was some movement from District 3 to 2.

Mr. Caporale asked Mr. Rodman, at this point when this was done amongst each other did it not show similarities to Mr. Baer's plan. Mr. Rodman said probably. Mr. Caporale said his thought was that it looks close to what the "island" Council members had drawn.

Mr. Rodman said he thought Mr. Baer basically took Plan #1 and as was said previously there were two or three precincts up in the northern part of Beaufort County. He said between District 2 and 3 in the area near Wexford and Long Cove those districts were flipped. His suggestion was to not do anything in southern Beaufort County immediately and to see what comes out of the public hearing on Hilton Head Island. He said he did not see a "big deal either way."

Mr. Caporale asked what the minority populations are in Mr. Baer's proposed plan. Mr. Morgan answered that in District 2 the minority percentage would be 13.8 and the Hispanic would be 24.85%.

Mr. Newton said the Redistricting Committee must decide if it will formally consider one of the proposed plans for full consideration by the County Council.

Mr. Flewelling suggested because it seems there is one plan including changes in the southern portion of Beaufort County it could be incorporated into one of the other plans focusing on the northern part of Beaufort County.

Mr. Newton said these are not changes to any individual plan, but they will get to a point when the Redistricting Committee merges plans in trying to find a suitable one. Plan #1 is on the table as the baseline. Mr. Newton cited Mr. Bowers, who said Plan #1 could be made better but Plan #1 is up for consideration. He said one of the small modifications could be overlaid on Plan #1, such as the proposed changes by Mr. Baer.

Mr. Caporale said he thinks it would be interesting to see what residents on Hilton Head Island said about Mr. Baer's changes.

Mr. Newton said there is no vote tonight, but when the public hearing on Hilton Head Island occurs he is not even sure what will be displayed other than Plan #1. He suggested also

maybe displaying the current districts and some of the other plans the Redistricting Committee will decide upon today to formally consider.

Mr. Caporale said his only comment is if Mr. Rodman or he has no problem with Mr. Baer's alternative he does not expect any other member of Council to have a problem with Mr. Baer's proposal. That leaves only the voters to input.

Mr. Newton said he feels like the Committee "is dancing around the edges." If they want to consider it, the Committee should decide to add it formally to the mix. No plans will be included in the public hearing if they have not been voted upon for consideration. The Redistricting Committee is *de facto* putting a plan into consideration to be submitted to the U.S. Department of Justice just by inclusion into the public hearing process.

Mr. Rodman said his recommendation is to not "muddy up" the process with small changes on Hilton Head Island and to let the public hearing go ahead. During the public hearing someone could put forward another alternative because it will only be two or three precincts moved. This will get the sense of the public desire, too.

Mr. Newton said he was unsure of how that would be put forward at the public hearing. He suggested instead putting the plan into consideration; it does not mean the Council committed to the plan. In answer to Mr. Rodman's question about whether it needs to be submitted to the U.S. Department of Justice, Mr. Newton said it would need to if the Redistricting Committee votes to consider the plan. That does not mean it will be forwarded to Council, but that it is among the plans for consideration. It will also pop up at the public hearing.

With the knowledge that the plan would have to be submitted to the U.S. Department of Justice, Mr. Rodman said he thinks it is premature to consider the plan submitted by Mr. Baer for the time being.

Mr. Newton said he is unsure about the meaning of "the time being." Mr. Rodman said there is a lot of time to consider various alternatives. Mr. Newton countered there may be 100 alternatives to come forward, but to formally consider this plan, ever; it should be put on the table in Redistricting Committee.

Mr. Rodman asked if it is put on the table in order to go to public hearing would it be submitted to the U.S. Department of Justice or not. Mr. Howell said it would be submitted. Then, it is premature to take the plan forward, Mr. Rodman said. He said he has thought about the district and likes the way Mr. Bowers drew it in Plan #1. It goes up to pick up Mitchelville and he said he was one of the early proponents of doing Mitchelville so he would like to consider having that in his district, he said.

Mr. Newton asked Mr. Howell if he was missing something.

"No sir," Mr. Howell answered. He said he thinks both Mr. Newton and Mr. Rodman are on point. Mr. Rodman is correct in that he could make a motion, Mr. Caporal could make a

motion or Mr. Baer could make one at a later Redistricting Committee meeting to consider this plan formally. Mr. Howell rephrased Mr. Rodman by saying he thinks he is expressing it is premature because it could go away and therefore avoid having to submit a plan to the Department of Justice.

Mr. Newton said if someone wants to bring this plan up and suggest it as an alternative for the residents on Hilton Head Island to see at the public hearing on June 15, 2011 then the Redistricting Committee needs to just accept the plan. It is not approving a plan, but rather accepting it as a plan to be considered.

Mr. Howell suggested the authors of the plans make a motion or representatives of the areas affected make a motion to formally consider the plan before the Redistricting Committee.

Mr. Caporale noted Mr. Glaze tried to make a motion before he was interrupted.

It was moved by Mr. Glaze, seconded by Mr. Flewelling, that the Redistricting Committee adopts for consideration during the Redistricting Process a redistricting plan submitted by Mr. Herbert Glaze and Mr. Gerald Dawson, hereafter referred to as Redistricting Plan #2.

Mr. Dawson asked for clarification of the motion. Mr. Newton answered that Mr. Glaze wants his plan, Plan #2, to be accepted for considerations.

Mr. McBride said based on the figures in Plan #2 there is not district with a minority majority. All of those districts in Plan #2 are reduced below 50%. District 5 dropped to 49.95%, District 6 dropped to 46.64% and District 8 becomes 35.38%.

Mr. Flewelling withdrew his second.

Mr. Howell said Mr. Glaze is actually talking about the plan in which he combined Mr. Dawson's proposal with his own. Mr. Howell asked Mr. Morgan and Mr. deNeeve to show the statistics on the second plan submitted by Mr. Glaze, Plan #2, in order to clarify the pending motion. Mr. Howell said this combined plan is the one Mr. Glaze wants the Committee to consider and it is similar to Mr. Bowers' proposed plan.

Mr. Newton asked what Plan #2 does in terms of minority majority districts. Mr. Morgan put the statistics for the plan on the board for the Committee's review. The minority percentage for District 5 is 50.56 and District 6 is 58.06. There would be two minority majority districts.

Mr. McBride pointed out that reduces District 5, his district, from 51.65 down to 50%. That is just a fraction more than 50%.

Mr. Newton reminded the Redistricting Committee to keep in mind this first look is not an in-depth analysis of the plans. He said the Committee cannot have all of the plan review as plans never accepted for consideration. There is no need for a hundred plans for consideration, but this is one to look at, massage and discuss and it should be considered.

Mr. Flewelling reinstated his second of the motion.

The vote was: FOR – Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman and Mr. Stewart. The motion passed.

Mr. Newton suggested voting to formally consider the plan presented by Mr. Bowers.

It was moved by Mr. Flewelling, seconded by Mr. McBride, that the Redistricting Committee adopts as the baseline for the Redistricting Process a redistricting plan submitted by Mr. Bobby Bowers, of the South Carolina Budget and Control Board, Division of Research and Statistics, to hereafter be referred to as Redistricting Plan #1. The vote was: FOR – Mr. Dawson, Mr. Flewelling, Mr. McBride, Mr. Newton, Mr. Rodman and Mr. Stewart. OPPOSED – Mr. Glaze. The motion passed.

It was moved by Mr. Flewelling, seconded by Mr. Newton, that the Redistricting Committee adopts for consideration during the Redistricting Process a plan submitted by Mr. Flewelling, hereafter to be referred to as Redistricting Plan #3.

Mr. Newton asked for clarification. Does Mr. Flewelling's plan, Plan #3, still preserves two minority majority districts? He confirmed it does.

Mr. Dawson said putting this plan up for consideration is merited. The plans should be reviewed in order to come to a decision.

Mr. Newton reviewed that these will ultimately go to the U.S. Department of Justice as approved, modified or rejected.

Mr. Flewelling requested Mr. Morgan forwards the various plans voted upon today to Redistricting Committee members electronically. He asked that the plans notate the location of Council members and location of School Board representatives in order illustrate where they fall in the plan. He also asked for statistics sheets to be included. Mr. Morgan said they would be glad to do so, and he suggested they could print out maps at Council members' requests.

The vote was: FOR – Mr. Dawson, Mr. Flewelling, Mr. Glaze, Mr. McBride, Mr. Newton, Mr. Rodman and Mr. Stewart. The motion passed.

Mr. Stewart said it seems because most of the Council members north of the Broad River have had a chance to show changes they made to the districts, and there were some suggestions for Hilton Head Island and a decision on those is being held off to give citizens an opportunity for input. He asked if it would be appropriate to think about changing the order for public hearings, moving Hilton Head Island's from first. Other Committee members pointed out that Beaufort's public hearing actually comes first so there is no need.

Mr. Newton reviewed suggestions for material to display at the public hearing. He suggested public hearings include: the current district maps, charts and changes in populations

notated in the 2010 Census figures, criteria for redistricting and slides of plans accepted for purposes of consideration.

**Recommendation:** Council approves for consideration by the Redistricting Committee the following matters: 1. A redistricting plan submitted by Mr. Herbert Glaze, hereafter referred to as Redistricting Plan #2, for consideration by the Redistricting Committee. 2. A redistricting plan submitted by Mr. Bobby Bowers, of the South Carolina Budget and Control Board, Division of Research and Statistics, to hereafter be referred to as Redistricting Plan #1, to serve as the baseline for redistricting process. 3 A plan submitted by Mr. Flewelling, hereafter to be referred to as Redistricting Plan #3, to be considered by the Redistricting Committee.

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